

Unlocking Reputation Value

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“

Unilever's current market capitalisation is €130 billion – but our asset value is only €30 billion. The balance is made up by trust, or reputation – an extraordinarily valuable asset.

REPUTATION HAS A HABIT OF
ARRIVING ON FOOT AND
DEPARTING ON HORSEBACK.

”



GAME CHANGERS



Checking Paul Polman's Math

Market Cap – Asset Value = Reputation/Trust Value



$$\$138.75B - \$93.34B = \$55.4B$$



$$\$29B - \$709.3B = -\$680.3B$$


$$\$1,603B - \$369.5B = \$1,233.5B$$



$$\$285.8B - \$548.8B = -\$263B$$


$$\$418.9B - \$187.4B = \$231.5B$$



$$\$45B - \$267B = -\$74B$$


$$\$276.4B - \$97.4B = \$179B$$



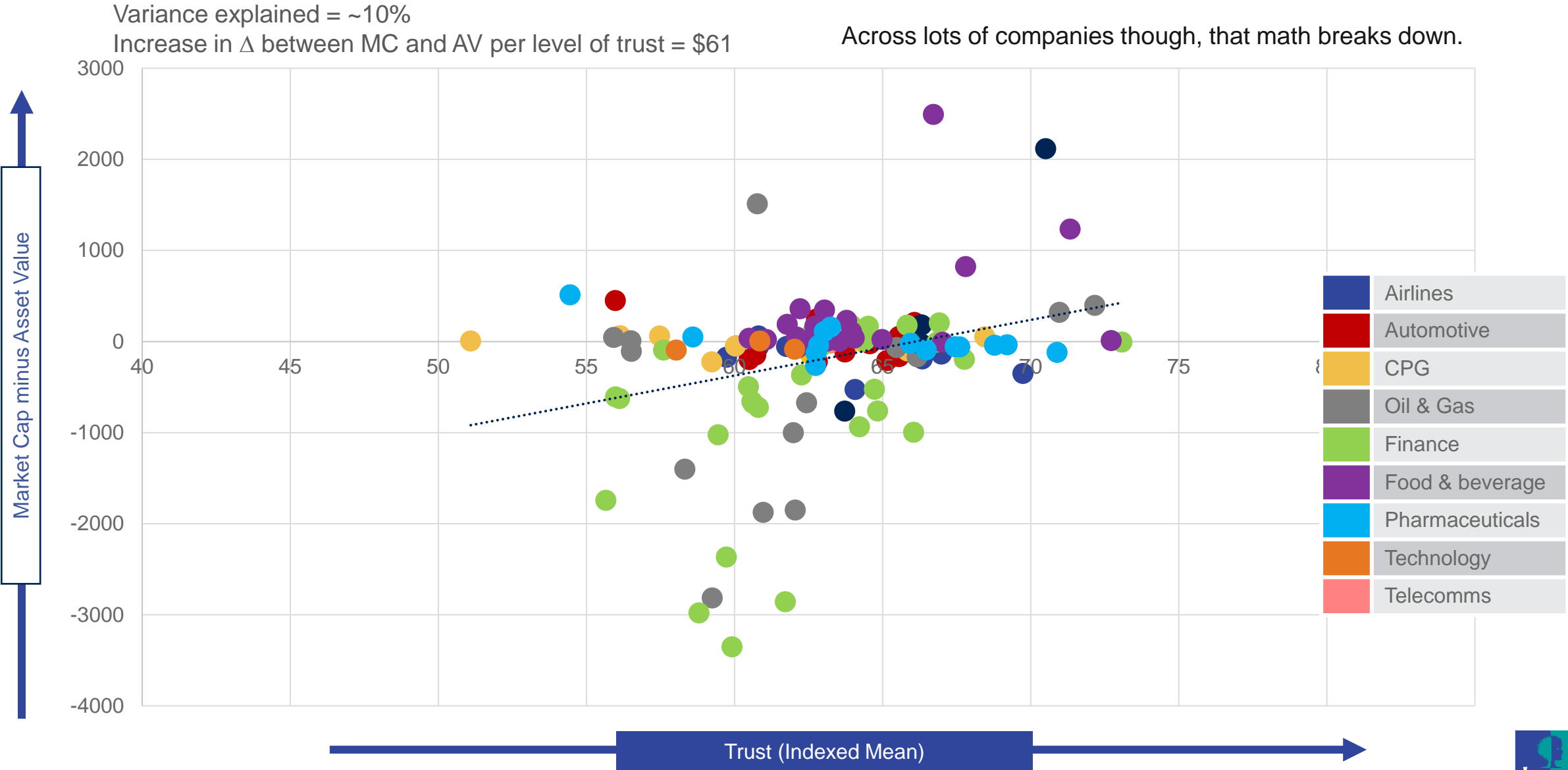
$$\$206.2B - \$429.15B = -\$223B$$



$$\$15.1B - \$70.4B = -\$55.3B$$

Paul Polman may believe that all of this value (or lack thereof) is due to reputation, but many others will want to claim this space.

Trust and the Ratio of Market Cap to Asset Value | By Company



Reputation is the Grease on the Wheel of Business

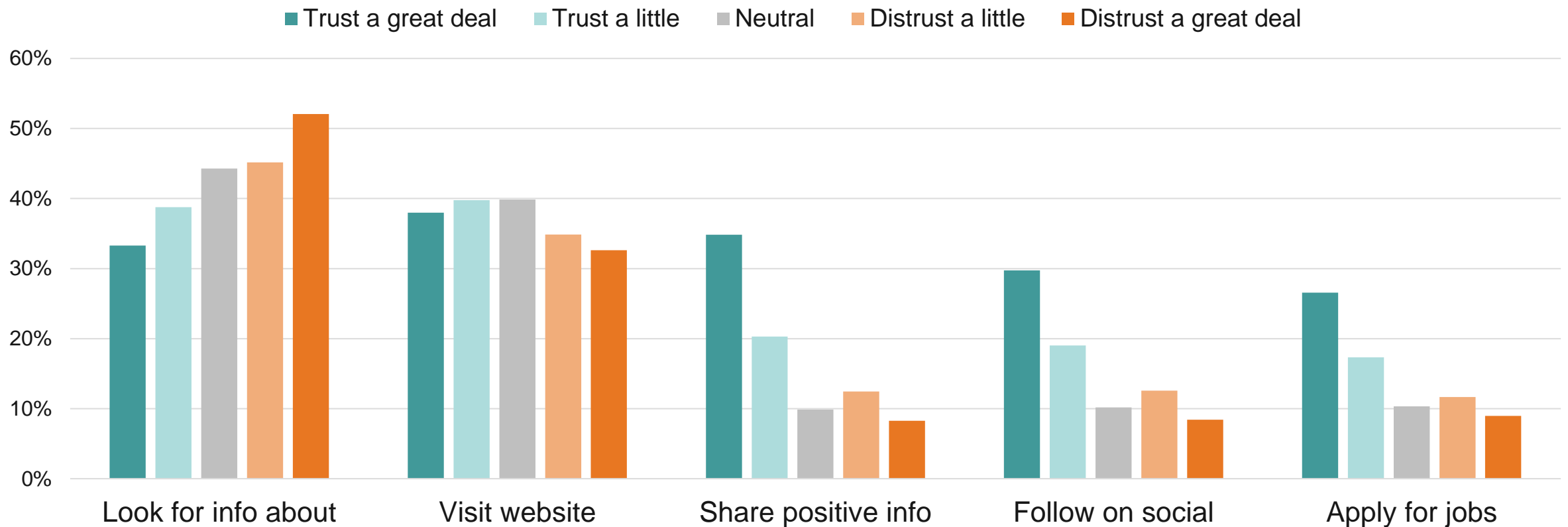
A better method for determining the ROI of Reputation





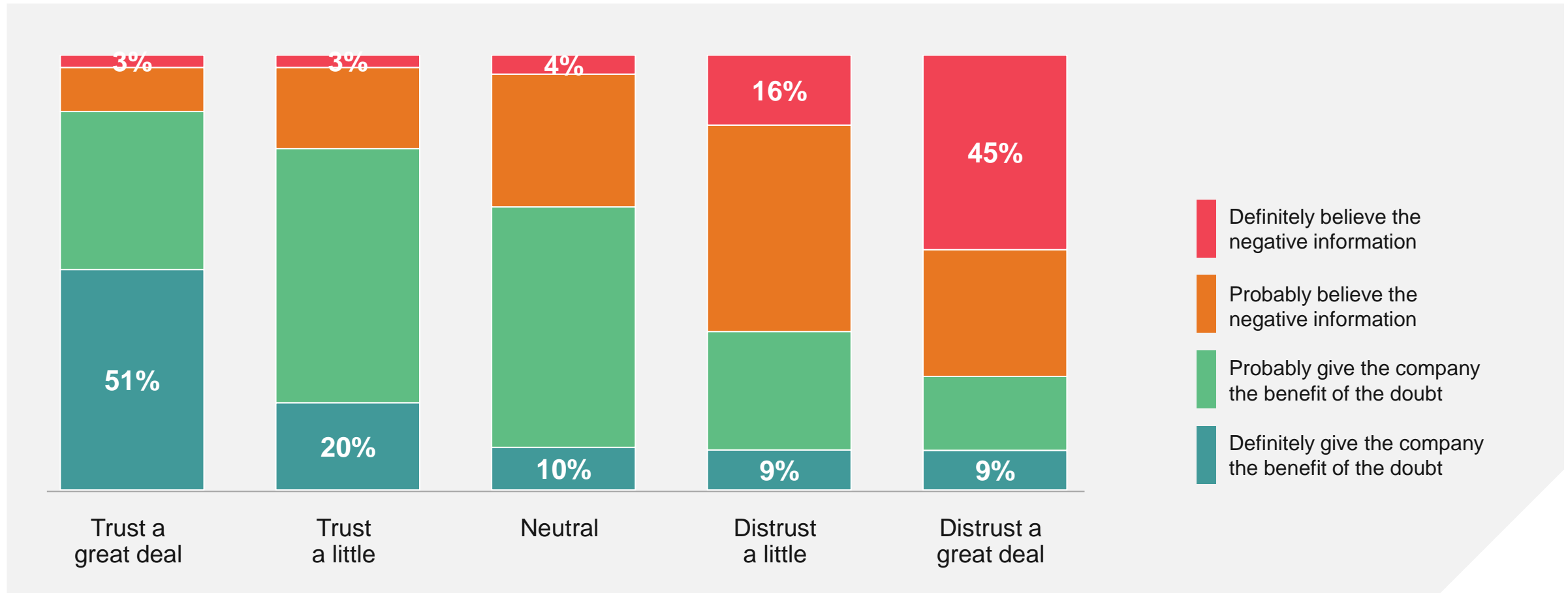
Impact of Trust on Supportive Behaviors

Looking for information generally is inversely related with Trust while more positive actions are positively related to trust. The most pro-active actions require “a great deal” of trust.



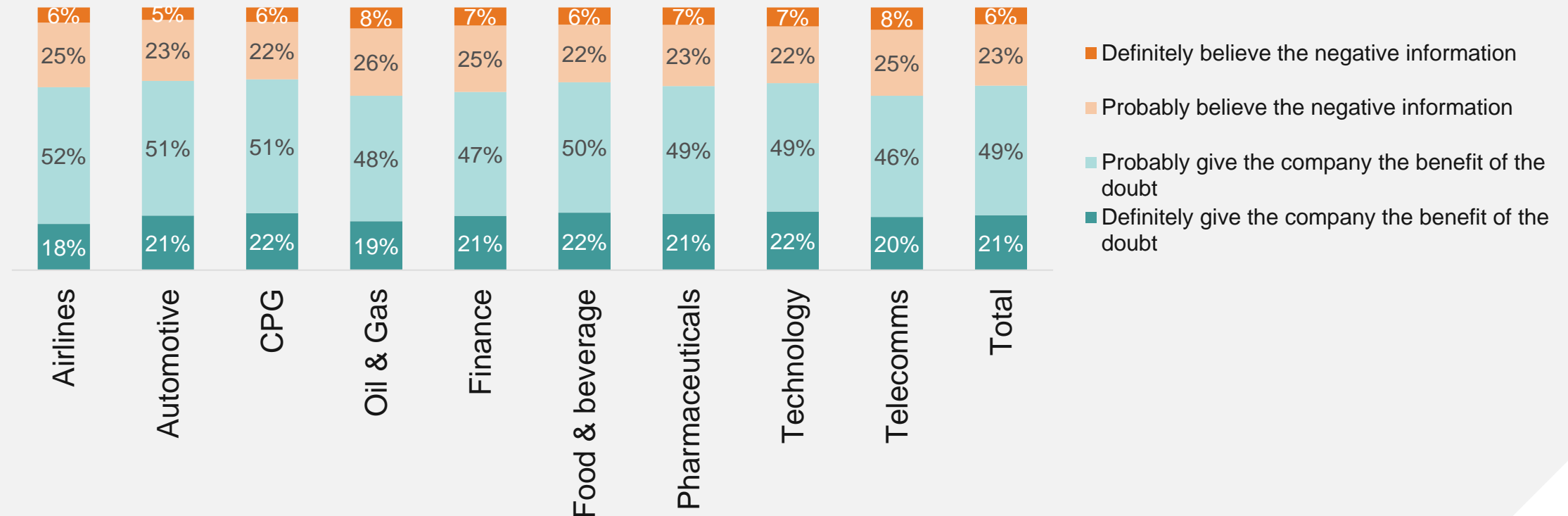
Trust Builds Future Value

Resilience & benefit of the doubt in a crisis



Ipsos Global Reputation Monitor online survey of adults 18 to 64 in 25+ countries, N=1000 or N=500 per country, over 20,000 interviews per wave total. December 2022

Industry Attitudes are NOT a Strong Contributor to Benefit of the Doubt

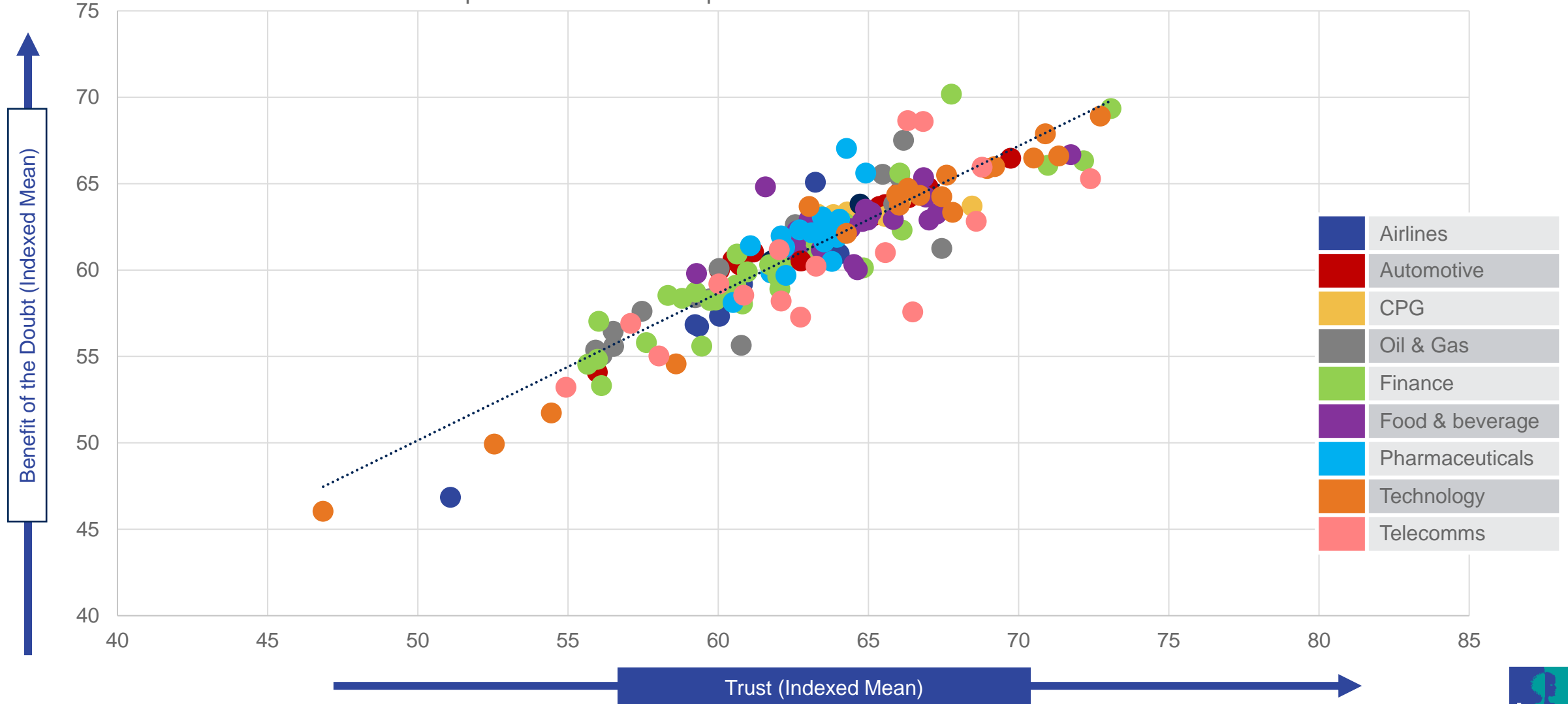


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Trust and Benefit of the Doubt | By Company

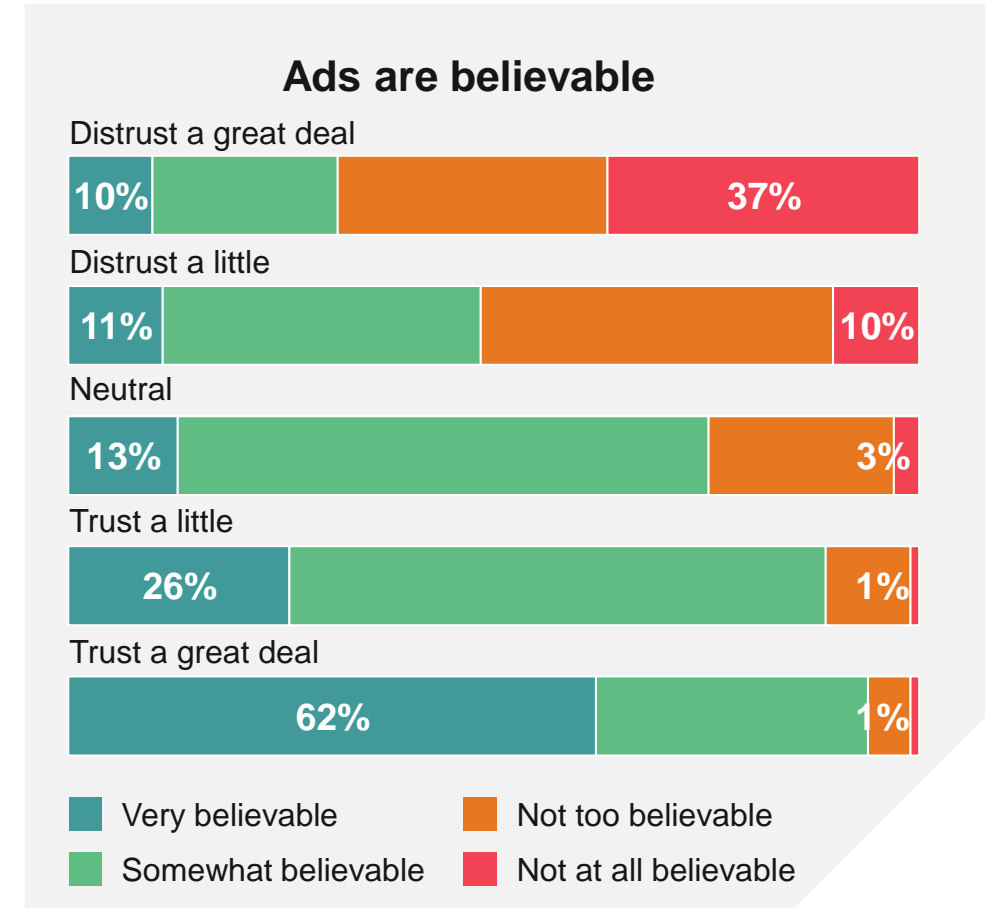
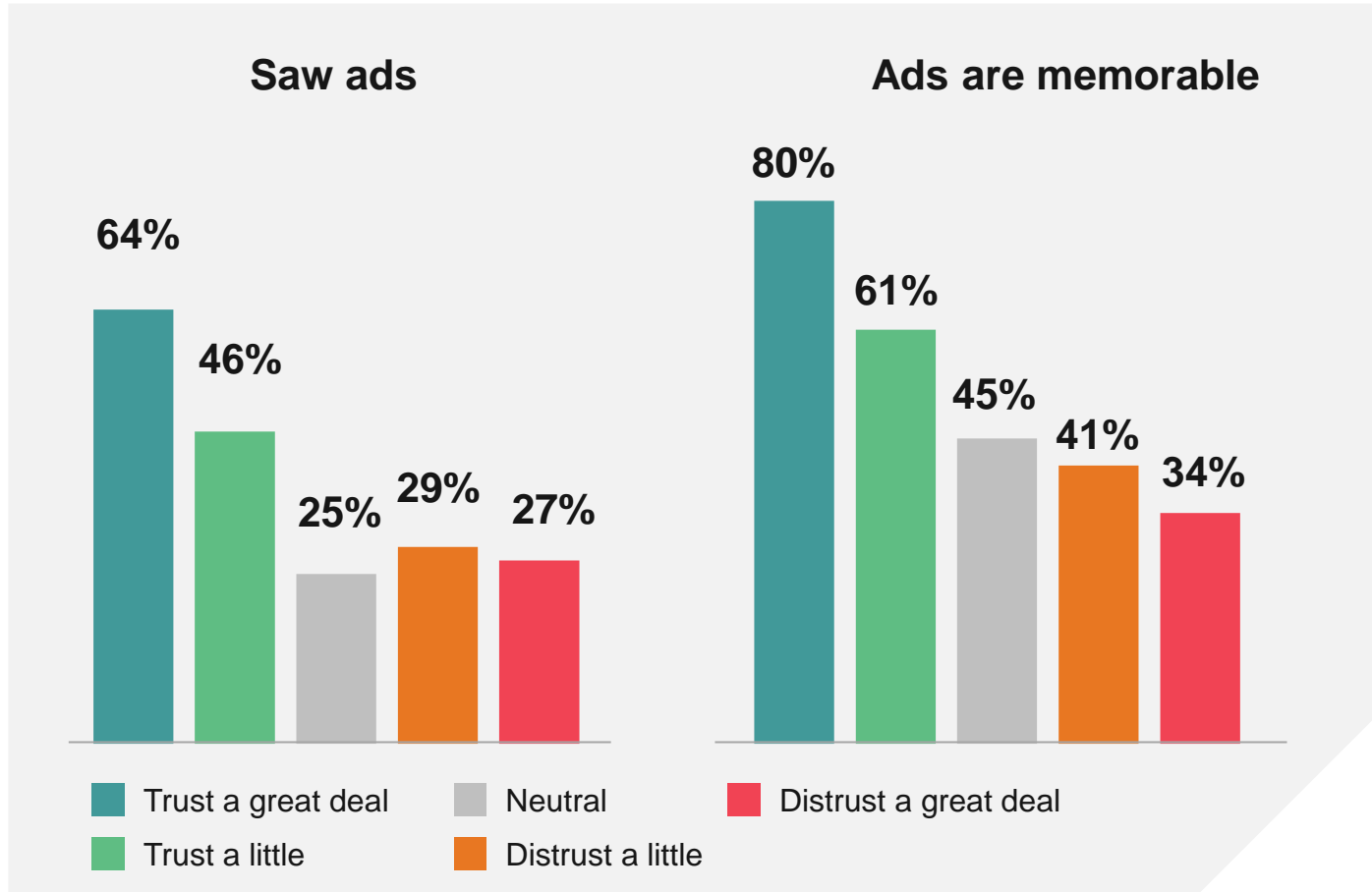
Variance explained = 81%

Increase in Benefit of the Doubt per level of trust = .85 pts



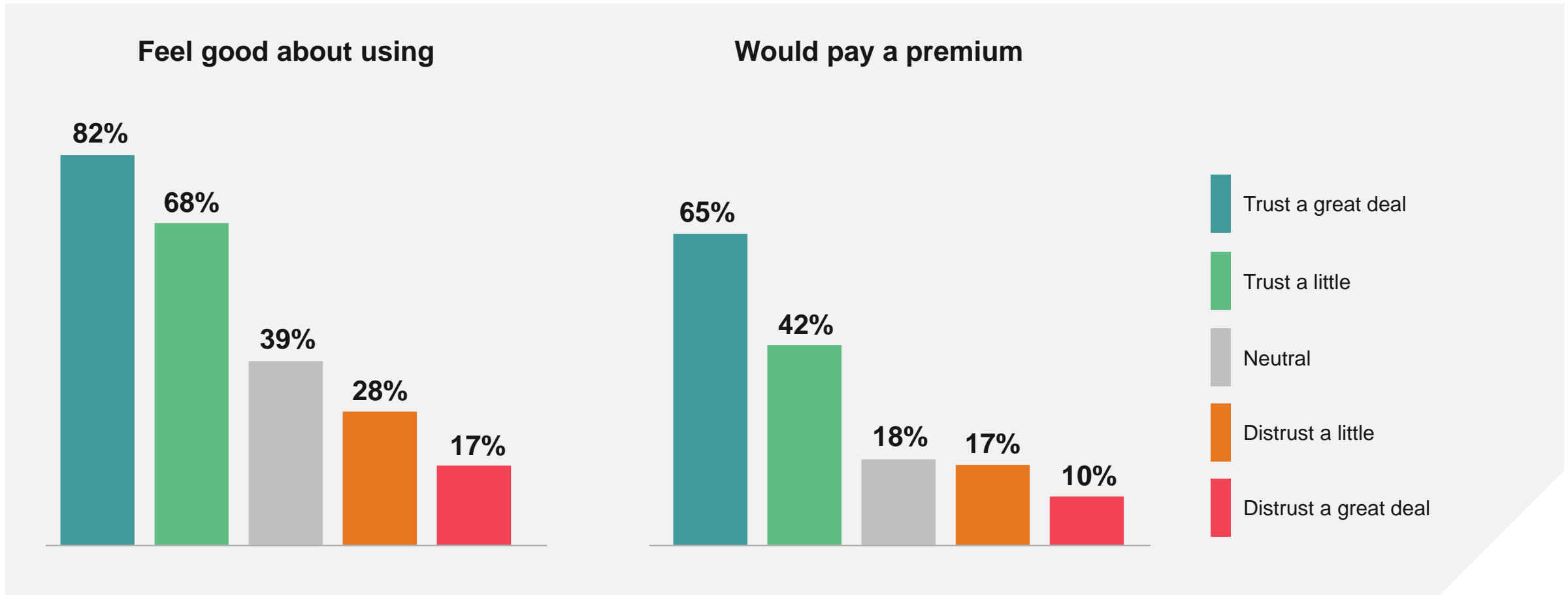
Trust also builds **Present Value**

Marketing efficiency



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Linear relationship between **trust** and whether people **feel good** about using your products/services and are willing to **pay a premium**



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Marketing efficiency index

In order to facilitate cross country and cross industry analysis, we created a marketing efficiency index. The index includes each of the items where we have shown the relationship with trust globally:

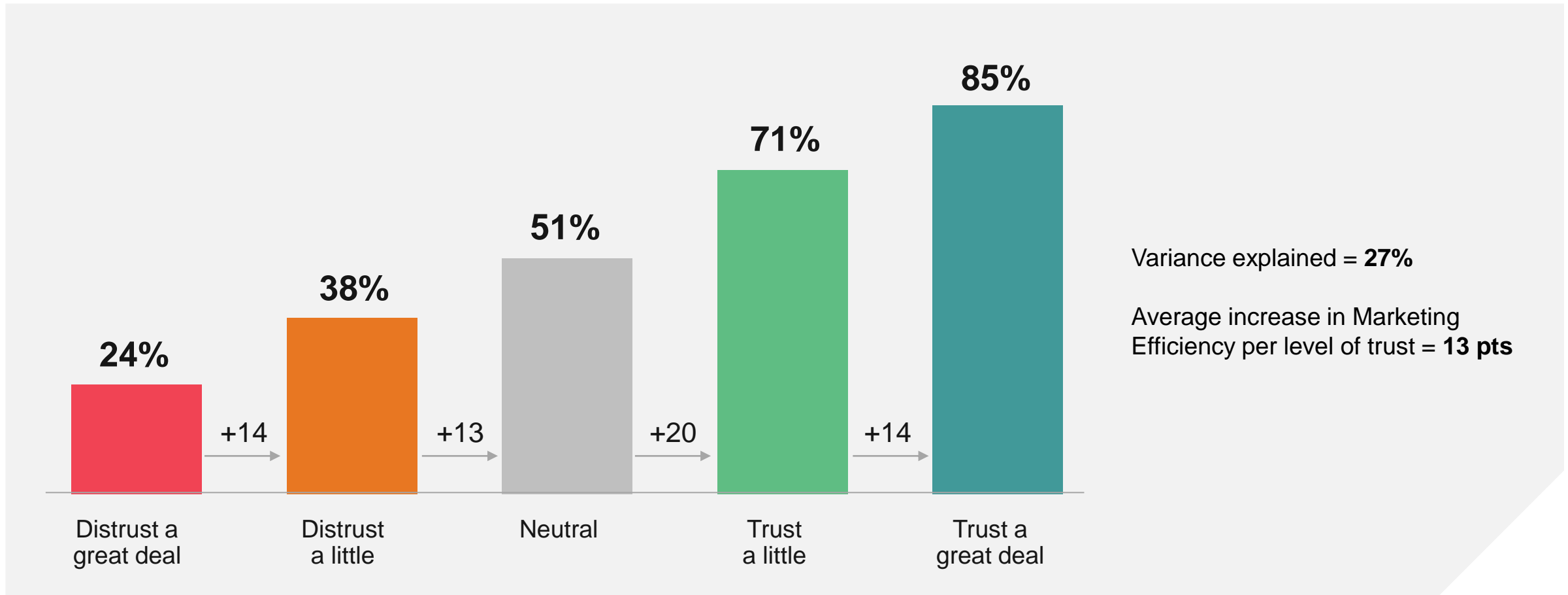
- Find advertising memorable
- Find advertising believable
- Feel good about using products
- Will pay a premium for products

*Together these metrics have a Cronbach's Alpha of .680 without scale changes
Changing all items to a 0/1 scale yields a Cronbach's Alpha of .657*

Converting these measures to dummy variables and then adding them together yields a single index for each respondent's rating of marketing efficiency that varies from 0 to 4.

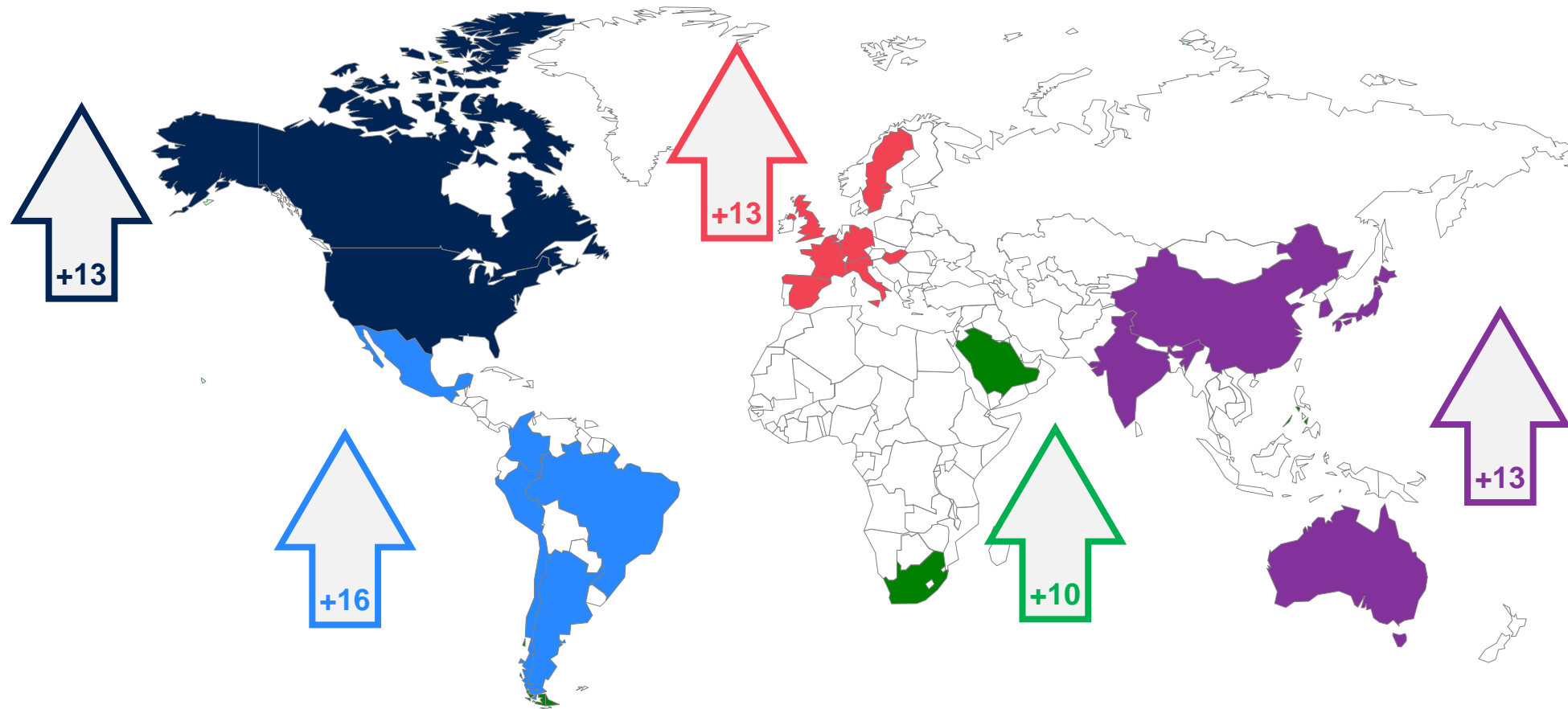
Trust and Marketing Efficiency

Marketing Efficiency Index by Trust | All Companies



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Trust Impacts **Marketing Efficiency** Across Regions

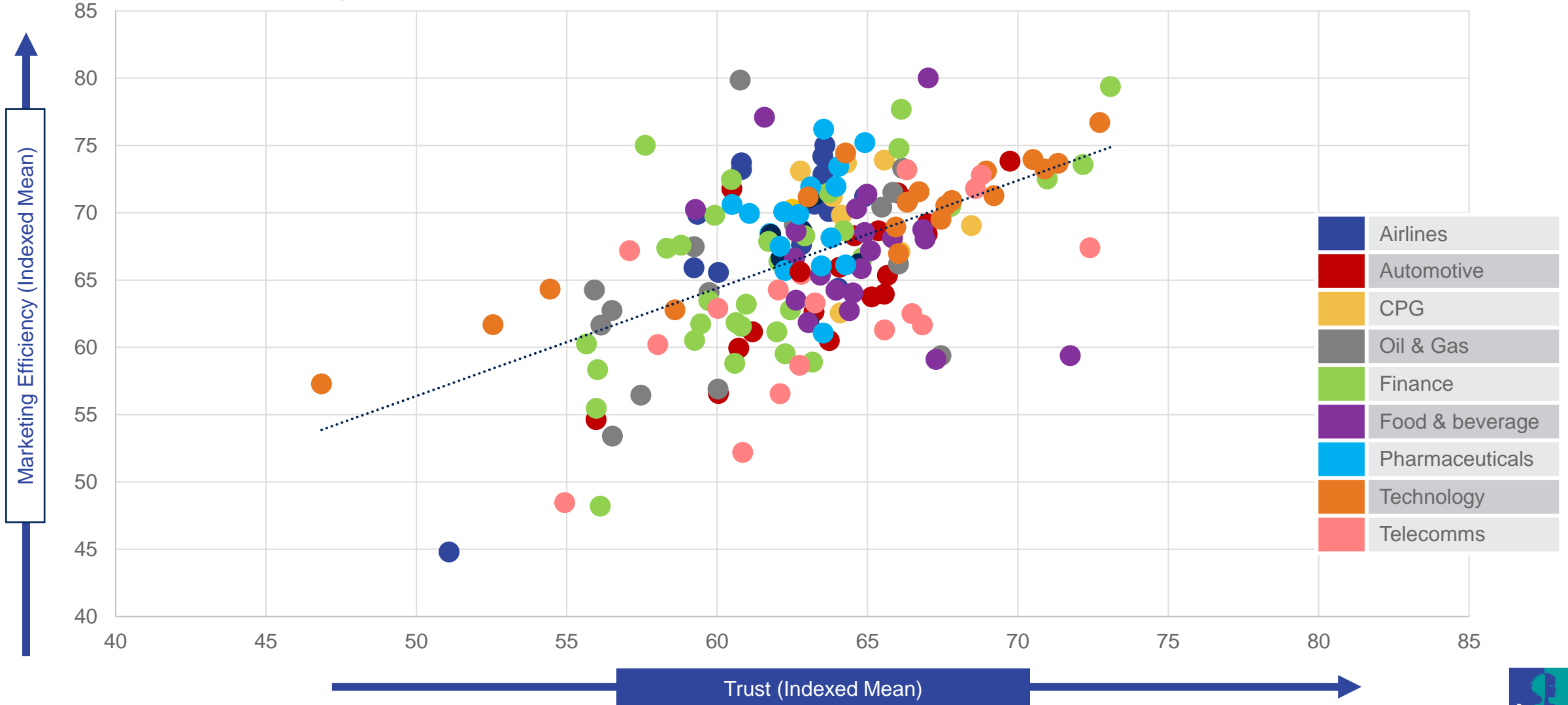


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Trust and Marketing Efficiency | By Company

Variance explained = 29%

Increase in Marketing Efficiency per level of trust = 20 pts



Building Trust has Impact Across the Business

Trust Builds Support

People who trust your company are MUCH more likely to:

Share positive information

Follow on social

Apply for jobs



Building Trust has Impact Across the Business

Trust Builds Benefit of the Doubt

People who trust your company are MUCH more likely to:

Give you the benefit of the doubt in a crisis

Listen to your side of the story



Building Trust has Impact Across the Business

Trust Builds Marketing Efficiency

People who trust your company are MUCH more likely to:

See and BELIEVE advertising

Remember your advertising

Be willing to pay a premium

Feel good about using your products/services



THANK YOU

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