



Ethical Advocates Can Build Significant Goodwill For Companies

They Can Also Be Powerful Critics, According To Ipsos Research

New York, NY, November 2, 2006 — There's nothing quite like word of mouth to boost a company's fortunes. Indeed, a recommendation can be a powerful tool in building a company's reputation and competitive edge, research by Ipsos shows.

The reverse, however, can also be true.

"Certain people are more vocal and opinionated about companies than others," says Annabel Evans a Vice President with Ipsos Public Affairs and author of a study exploring the corporate reputation of 30 major U.S. businesses from a variety of sectors published in a special issue of the company's magazine, [Ipsos Ideas](#). "They have strong beliefs – good and bad – about businesses."

Just over a quarter (26%) of Americans fall into a group Ipsos calls "Ethical Advocates." These are people who regularly advise friends, family, colleagues and others to patronize – or more often, *not* to patronize – a particular company.

"It's clear from our research that corporations need to pay attention to these Ethical Advocates," notes Evans. "They can be a company's greatest supporter or its harshest critic. They are informed, they can be very critical, and they do like to talk."

On average, Ethical Advocates are more likely to know a fair amount about major corporate brands than the general population. In the case of one major retailer, nearly twice as many Ethical Advocates had discussed the company compared with the general population (59% vs. 34%).

They are also critical. On average, they are nearly two-thirds (63%) more likely to be unfavorable toward companies. They are also more negative about company performance.

The Ipsos Corporate Responsibility Roadmap

Based on its research, Ipsos has developed a Corporate Responsibility Roadmap with eight model behaviors that can help companies stand out and appeal to Ethical Advocates. These behaviors are:

1. The company provides **quality products and services at a reasonable price**, i.e., it doesn't come across as making excessive profits at the expense of the consumer;
2. The company provides **universal access** to its products and services, i.e., it doesn't discriminate against sections of society because of their wealth, age or geography. This is especially pertinent for financial service, telecommunications and pharmaceutical providers;
3. The company **treats its employees well** (both at home and abroad);
4. The company's activities are not detrimental to the **environment**;
5. The company **communicates clearly** about its business, products and services so the consumer is able to make an informed choice. Companies with an overarching corporate brand, especially those in consumer goods, are expected to create awareness of their product portfolio;
6. The company is **smart and respectful** in its sales, marketing and advertising, i.e., it doesn't adopt aggressive sales techniques, excessive mailings or irresponsible advertising that targets children;



7. The company **supports the local economy** by sourcing US products and labor (especially so for the retail and automotive sectors);
8. The company is committed to **innovation** (particularly if it is in technology or pharmaceuticals).

"Companies that are perceived to be socially and environmentally responsible, and good communicators, are highly regarded," says Evans. "The opposite is true for companies that don't perform well in these areas."

Ethical Advocates regularly choose products that have some social or environmental benefit, such as those made with recycled content or produced via a fair trade arrangement. They also take personal steps to be more environmental and socially responsible. Most Ethical Advocates, for example, recycle, donate money to charity and make efforts to be energy-efficient.

Among the behaviors Ethical Advocates consider when judging companies are: quality products and services at a reasonable price, fair treatment of employees at home and abroad, support of the local economy, respect for the environment and the ability of consumers to make an informed choice.

Research Methodology

Online interviews were conducted as part of Ipsos' I-Rep program between July 27 and August 2, 2006 with a nationally representative sample of 2,024 adults aged 18 and over from Ipsos' U.S. internet panel. The research investigated the performance of 30 major companies from a variety of sectors on a range of reputation metrics.

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About Ipsos Public Affairs

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