UNDERSTANDING REPUTATION
& HOW IT IS IMPACTED BY AD CAMPAIGNS

Helen Lamb & Keith Glasspoole

Ipsos MORI
Reputation Centre

Ipsos ASI
The Advertising Research Specialists

IT IS A COMMON MISCONCEPTION THAT **CORPORATE REPUTATION** IS ALL ABOUT GREEN CREDENTIALS...

...encouraging everyone to reduce use of paper and packaging, meet energy targets and treat suppliers fairly. This is actually Corporate Responsibility and is indeed an important element of corporate reputation and for some companies (such as M&S) it takes centre stage. However, there is much more to reputation than social and environmental initiatives. Quite simply, **reputation is one of a company's most important intangible commercial assets**. It can affect everything from sales, ability to recruit good people, being seen as a good investment as well as ultimately retaining a license to operate.

We know from our own global data that individuals who trust a company are more likely to believe its marketing communications, feel good about using its products, and be more willing to pay a premium. However there is also a reverse to this: below a certain level of trust companies find it hard to make headway in growing their business. In other words, a low level of trust is a barrier to maximising return on investment on sales and marketing activity – particularly where there is a clear connection between the corporate and product brands. Maintaining a company's reputation is a huge and multifaceted task, involving not only those departments (PR etc)

that actively work on looking after the company's good name, but every part of the organisation. There is a view that each individual (particularly in a Web 2 world) within the organisation is able to impact corporate reputation, and it is therefore imperative that all employees are aligned to their organisation's mission and values.

Furthermore, corporate reputation is a function of **everything** that a company does and therefore not only includes communicating with journalists and lobbying MPs, but also dealing with customers, the performance of products and/or services as well as demonstrating that it lives by its principles. Once damage occurs in any of these areas, it can take a huge amount of effort to re-build.

The extent to which a company can recover from an adverse event or negative news coverage, magnified as it is likely to be these days by social media, will naturally depend on the severity of the event, but also on how much good will or latent 'trust' the company has on which to draw. You cannot calculate a simple

relationship along the lines of 'a reputation of x will underpin sales by y', because there are so many other elements in the mix which will also influence sales (probably more directly). However, a strong reputation relative to competitors will have a longer term influence on the likelihood of a business to succeed, and be given the benefit of doubt in the face of adversity. It is also vital for positive differentiation - creating clear associations with desirable characteristics (innovative, service led etc) that set you apart from the rest.

As a result, much of our research into corporate reputation tends to be about *relative* strength: a company's competitive position, the positives for which a company is known and the weaknesses that it needs to address. Such research can be extremely useful for demonstrating progress internally, setting targets and underpinning plans. It can also be used at the highest levels within an organisation, with reputation and 'trust' being terminology that is understood and of particular interest at Board level.

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MEASURING
MARKETING
COMMUNICATIONS

So, recognising its importance to their business, how do companies go about communicating what they stand for and how they make a difference? And how do they measure the effectiveness of their efforts?

Thinking first about external communications, there are many and varied ways in which a company could seek to support its reputation. To list just a few examples:

- **The type of TV advertising, typically to be seen on rolling news channels, in which appropriate company credentials are presented in such a way as to support or challenge the desired perceptions. Think oil companies presenting their activities in developing renewable energy sources.**

- **Through-the-line campaigns designed to capture the current, social media-fuelled trend for active participation, via activities which can be more or less subtly branded. For example, supermarket voucher collection schemes, in which TV, online and in-store communication is perhaps less significant than getting the schools on board as advocates.**

- **Sponsorship – the days of this being a vanity-led activity are long gone – these days the property chosen by a sponsor is (or at least should be), carefully selected for its capacity to fit the desired brand and reputation objectives. Consider the financial services branding on the so-called "Boris Bikes", auspiciously linked to the colour coding of the cycle lines on which people in London can ride their hired bicycles.**

adapted for Reputation-led objectives. Recall means whether the activity is remembered, and linked to the appropriate brand. For example, is Active Kids remembered more than Computers for Schools, and is each scheme linked to the appropriate retailer?

Response is, simply, whatever impact the communications are designed to achieve. Often, we are looking at a campaign's capacity to generate

Recall
The ad needs to cut through the clutter to **get noticed** and the brand must **get credit**.

Response
The ad needs to: **trigger** a rational and/or emotional change/shift in consumer **reaction** to the brand.

Effective Advertising
Impact on short term sales and/or long term brand equity branding.

Whilst the possible methods and potential touchpoints are numerous, the approach you can take to measuring the effectiveness of such activity is straightforward. When we assess the effectiveness of advertising with more "conventional" objectives, we do so using a simple framework known as Recall and Response. This can easily be

purchase intent, or perhaps to support the desired *brand image association*. For reputation campaigns we look beyond this, to the fundamental base measure of Trust, and whatever associations are being used to support this (sustainability, social responsibility, supporting the nation's health, etc.)

Whilst Recall and Response is a simple and versatile framework, it is essential to follow good practice for campaign evaluation – as essential for reputation campaigns as for any other. We outline a few examples of this below.

Firstly, it is not realistic to expect people to be able to state how effective marketing communications have been – particularly when the objectives are the less tangible ones that surround Reputation. Instead, use a design which **derives the impact through analysis.**

It is equally unrealistic to expect people to split out how they were impacted by the TV, relative to the in-store, poster or word of mouth, or how well the different things built upon each other. Again, your design should seek to derive the impact of **multiple touchpoints** – in isolation or combination.

Increasingly, communications seek to make us *feel* rather than make us *think*. This is particularly true where a company's reputation is underpinned by emotional associations, (think M&S). It is, therefore, essential to measure **emotional as well as rational impact.** Interactive survey techniques and sophisticated data analysis approaches facilitate this, and biometric measurement allows us to assess
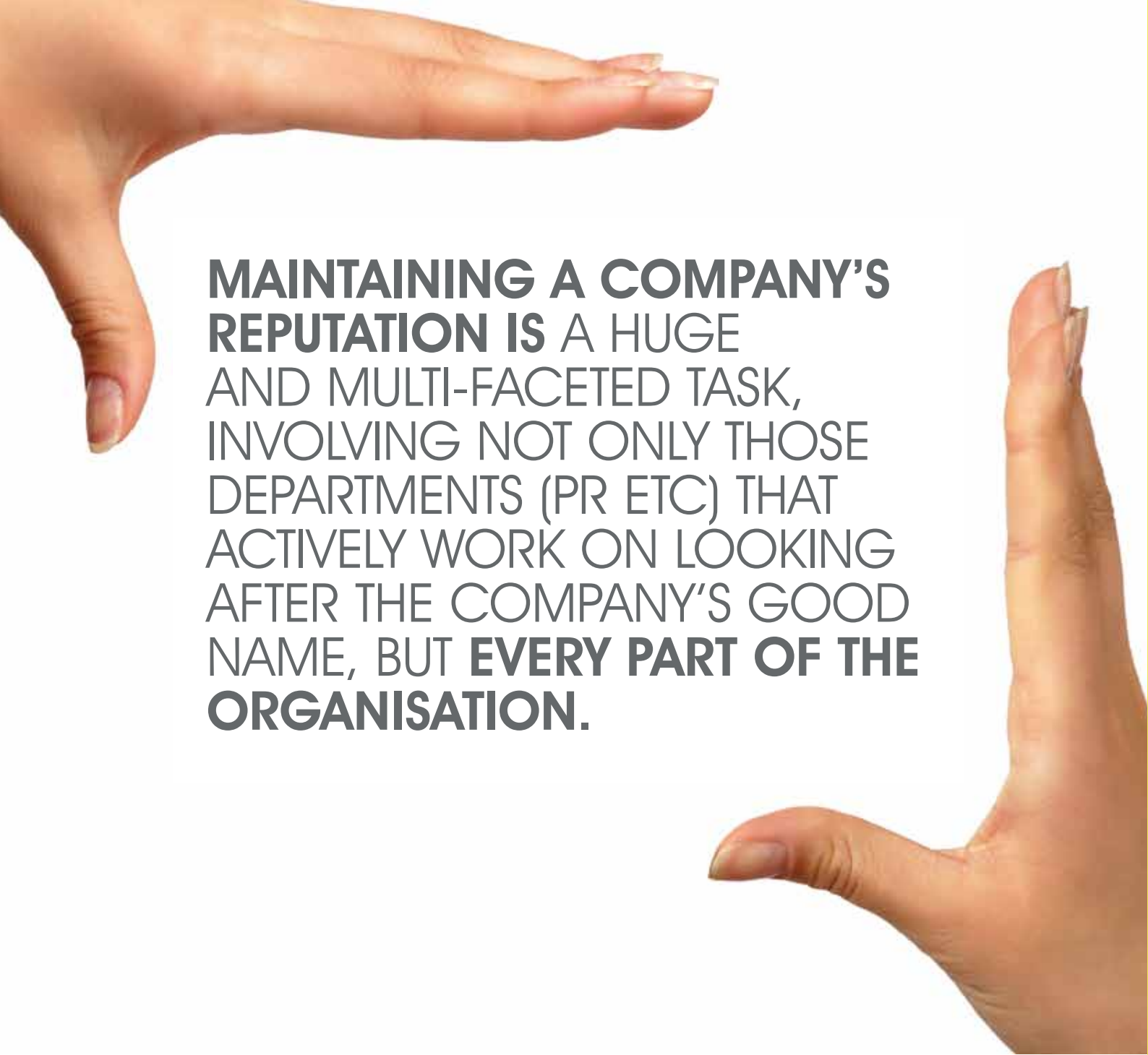
unconscious, physiological response to campaigns.

It's important to measure reputation impact **amongst appropriate people**. We can speak to a huge variety of 'stakeholders' who could in some way impact on a company's reputation: not only consumers and potential consumers of a product or service, but also the press, elected representatives and other policy makers, NGOs who lobby or could damage a company's reputation, business leaders, trade unionists, city analysts. The list of

people who have relevant views, and the capacity to influence a company's reputation, is endless.

It is also important to **incorporate all available response measures**. For example, a programme of Social Listening – monitoring the web for "buzz" relevant, whether positively or negatively, to a campaign's objectives – is a useful add-on to a study assessing the impact of a Reputation campaign. As well as tracking positive buzz, Social Listening allows us to monitor what happens when companies set

FIRST AID KIT

MAINTAINING A COMPANY'S REPUTATION IS A HUGE AND MULTI-FACETED TASK, INVOLVING NOT ONLY THOSE DEPARTMENTS (PR ETC) THAT ACTIVELY WORK ON LOOKING AFTER THE COMPANY'S GOOD NAME, BUT **EVERY PART OF THE ORGANISATION.**

up a social media presence because they think they ought to, without having a proper strategy for how to respond when consumers start reacting in ways the company can't control. It also tracks those instances where how a company or its representatives *behave* undermines the image it is trying to project – banks closing branches whilst trumpeting their accessibility, or supposedly friendly airline cabin crew ridiculing their passengers via social media.

This returns us to something already discussed – namely, that the most

effective and holistic way of building a reputation is to integrate 'what you stand for' into every aspect of the business, so that the way everyone works, talks and walks resonates your company values. Taking this approach helps avoid the company being caught out, saying one thing, but doing another. 'What we are all about' should cascade down from the top, resonating in every department and manifesting itself as 'the way we do things around here'.

Whatever the company's best laid plans, sometimes mishaps will occur. When

they do, the impact of how well it was handled should not be underestimated. We have observed numerous companies handle potentially catastrophic events quickly, efficiently, with due gravitas and most importantly with openness and honesty. The general consensus among our Ipsos MORI Reputation Council is that companies can recover, citing examples such as British Airways, Marks & Spencer, Toyota, McDonald's, Tesco and Perrier to name just a few. When they do, it is clear that they draw on the reputation capital they have nurtured, monitored and managed over time ∎

About Ipsos MORI

Ipsos MORI is one of the largest and best known research companies in the UK and a key part of the Ipsos Group, a leading global research company. With a direct presence in 60 countries, our clients benefit from specialist knowledge drawn from our five global practices: public affairs research, advertising testing and tracking, media evaluation, marketing research and consultancy, customer satisfaction and loyalty.

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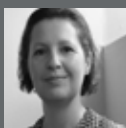
Helen Lamb
Ipsos MORI Reputation Centre
T +44 (0) 20 7347 3130
E helen.lamb@ipsos.com
W www.ipsos-mori.com

Keith Glasspoole
Ipsos ASI
T +44 (0) 208 861 8727
E keith.glasspoole@ipsos.com
W www.ipsos-mori.com