

Making Sense of Your Company's Reputation

What We Can Learn from FMCG Marcoms

June 19, 2010

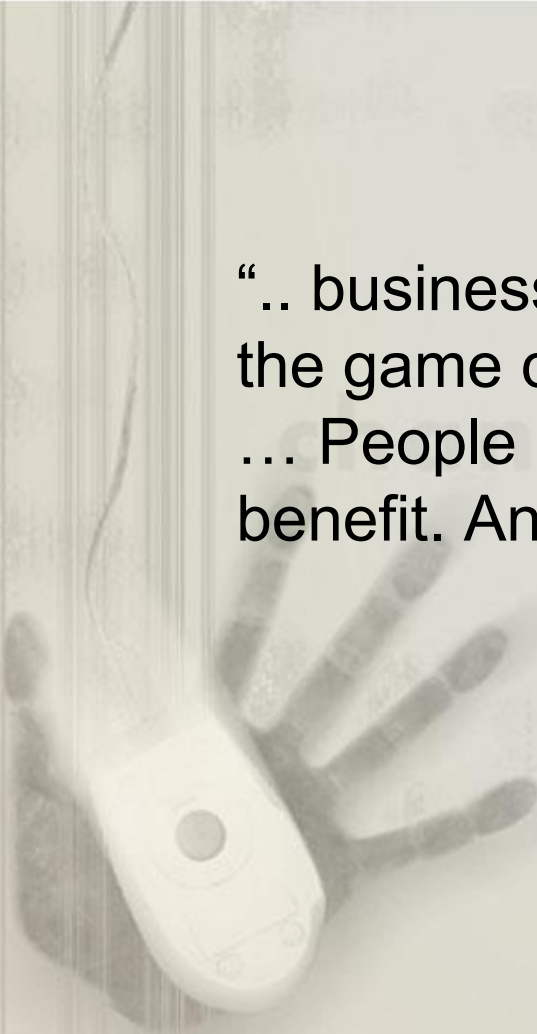


change-the-game.com

Changing the game

“.. business is different in a fundamental way:
the game doesn't stand still ... nothing is fixed
... People are free to change the game to their
benefit. And they do.”

Nalebuff and Brandenburger, 1996



Why change the game?

If you continue on the course you're headed,
that's where you'll end up.

Chinese proverb

change-the-game.com



How to change the game?

- To change the game you have to change one or more of the five elements: you change the PARTS:
 - Players
 - Added values
 - Rules
 - Tactics
 - Scope

Nalebuff and Brandenburger, 1996

Our assumptions

“If you don’t have a strategy of your own, you become a part of someone else’s strategy.”

Alvin Toffler

change-the-game.com



Our proposition

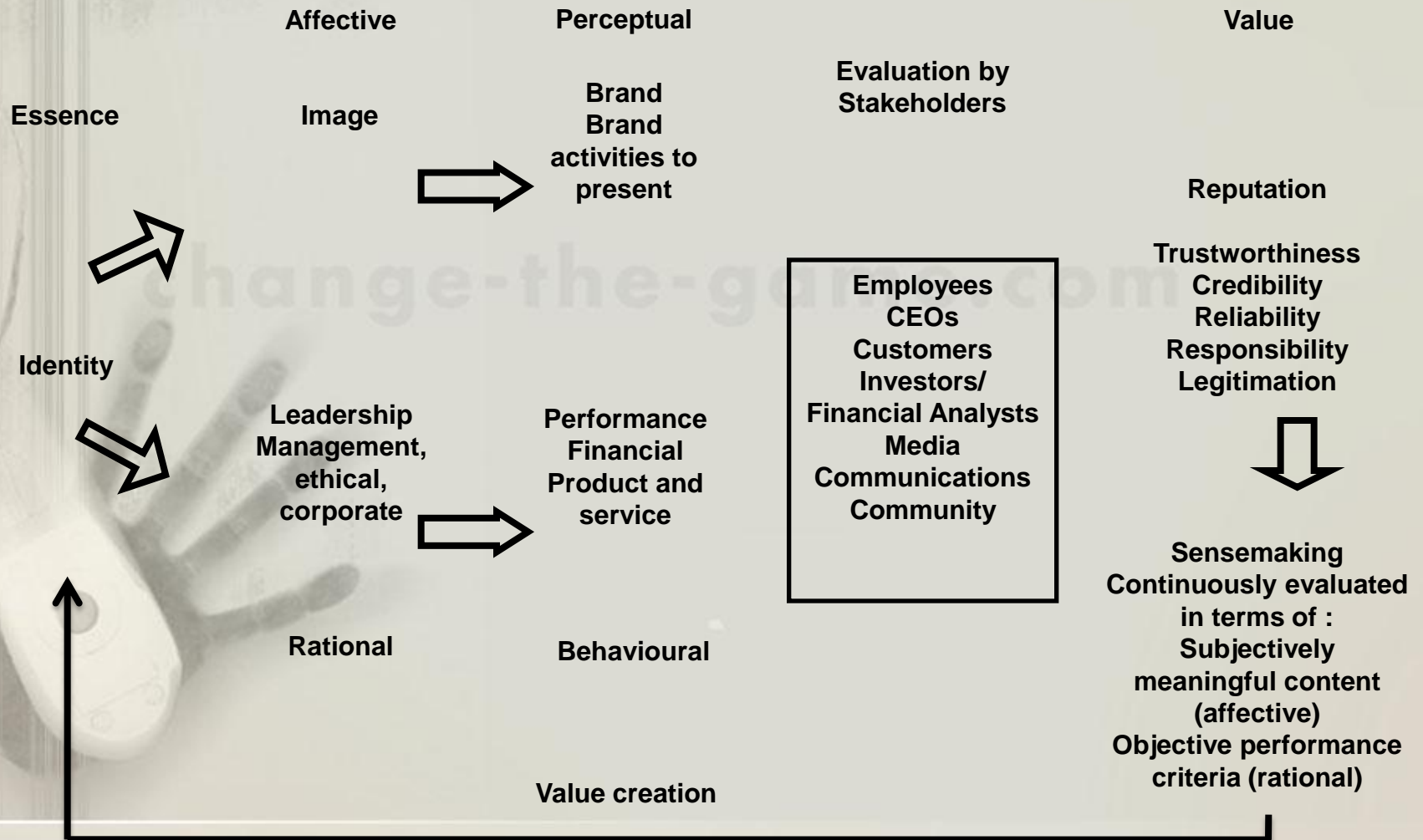
- Bringing an FMCG Marcoms perspective to Corporate Reputation (CR) strategy development
 - Differentiated, stakeholder segmentation approach to message strategy.



Our definitions

- CR - A set of values, based on an evaluation of a company, that predisposes a stakeholder segment to think, feel and to behave more positively or negatively towards the organization
 - An evaluation based on real facts - not just perceptions
- Stakeholder – A person or group capable of affecting your business outputs and profitability
 - For ASB – Customers, employees, media, communications professionals, investment and finance specialists, CEOs
 - Reputation drivers are different for each segment.

The CR Construct



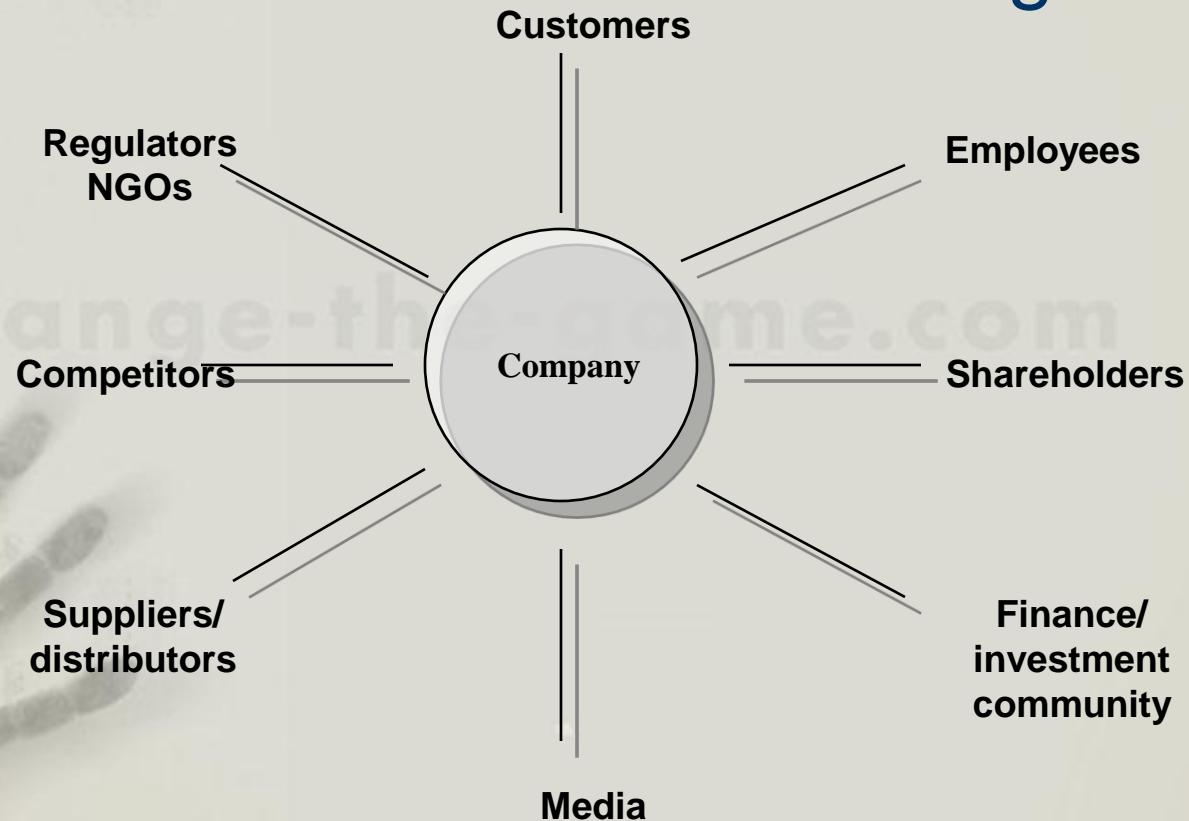
Who are the important stakeholders?



Why are stakeholders important?

- Your reputation reflects your standing relative to internal and external stakeholders groups
 - They form a collective assessment that reflects:
 - Your past behaviour and outcomes
 - Your ability to deliver valued results to multiple stakeholders.

What are your key stakeholder segments?



Growing recognition

- Significant proportion of market value lies in intangible, off balance sheet assets
- Corporate reputation (CR) recognized as an important intangible asset
- CR management strengthens strategically a company's competitive position
 - Value of organization's reputation
 - Value of market offering as perceived by a market/stakeholder segment.

Threats and benefits of events

- US credit rating agency Moody's Investor Services fell almost 16 per cent during mid-2008
 - *The Financial Times* report that the agency had mislead investors
 - Prosecutor asks if banks duped rating agencies (New York Times. May 12, 2010)
 - Goldman Sachs, Morgan Stanley, UBS, Citigroup among targets
- British Airways attempt to graft new branding on to a dissonant identity
- Shell Oil, like other oil companies slow to respond to environmental pressure from stakeholders
 - Reputation of top oil companies (*Fortune*) considerably lower than the top chemical companies.

Threats and benefits of events

- Johnson & Johnson moved up one spot to take the lead as the most reputable U.S. Company on Reputation Institute's 2009 U.S. Reputation Pulse

PRNewswire (April 29, 2009)

- General Mills and Johnson & Johnson among the companies US consumers believe are leading the way when it comes to corporate social responsibility (CSR)

WARC 2010

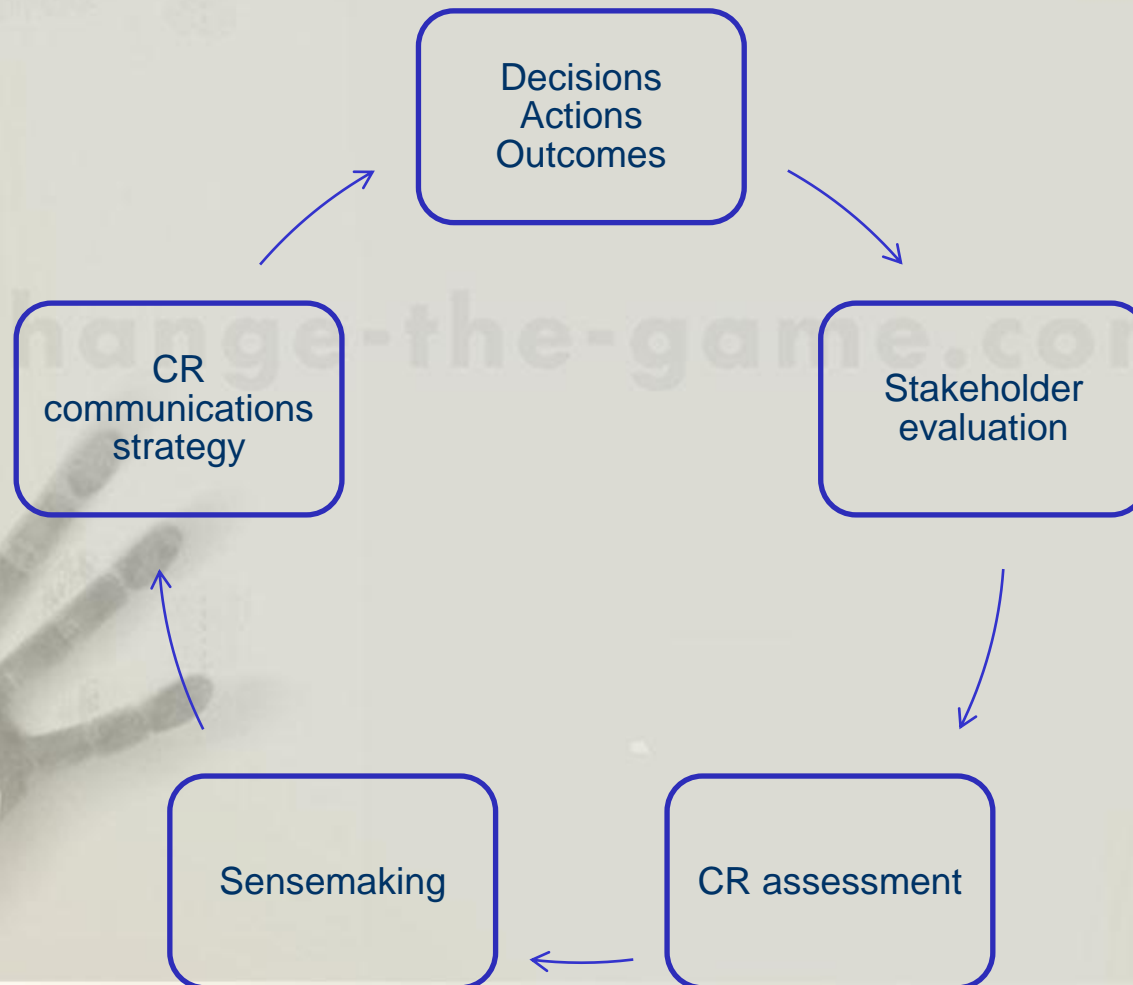
- Brands should build "social capital" with consumers.

Fernando Rodés Vilà, CEO Havas (WARC 2010)

Who can benefit from reputational value

- Companies in foreign markets (Heinz in NZ)
- Start-ups (R&D, new technologies)
- High visibility companies (Fonterra, Telecom, Air NZ)
- High visibility industries (financial services, oil companies)
- Established companies (Heinz-Watties, GlaxoSmithKline)
- Merger and acquisition partners
- Organizations (political parties, NGOs, CRIs, local government).

CR sensemaking process



Creating reputational value

- Reputation assessment
 - Reputation audit
 - Strategic evaluation - Identifying needs and opportunities
 - Reputation measurement and tracking
- Analysis and planning
 - Developing your advantage
- Stakeholder communications strategy.

Road map

- Strategic evaluation – based on an Executive briefing
- Conducting an audit of existing research data, working with your research provider or providing custom research independently
- Analysis and planning
 - Developing your advantage
- Providing a stakeholder communications strategy
- Briefing to your communications partner.

About Stephen Lloyd



- Former JWT and McCann-Erickson Asia-Pacific VP
- Assignments include UK, New Zealand, Japan, US
- Director-in-charge of Nestle, Gillette, Coca-Cola, Kellogg's, Kraft, Johnson & Johnson, Bristol-Myers Squibb, Air New Zealand and Cathay Pacific
- PhD on corporate reputation
- Brings an FMCG Marcoms approach to CR strategy development.