

REPUTATION
INSTITUTE

Les Entreprises Françaises ...et leur Réputation

In Collaboration with:



Paris, France

23 November 2004

www.reputationinstitute.com

Media Partners:

THE WALL STREET JOURNAL.

La Tribune

Hosted by:



Programme

08h45

Accueil Café

09h00

« Le territoire de la réputation »
par Charles Fombrun, fondateur
du Reputation Institute

09h30

« Mesurer la réputation :
le Quotient de Réputation »
par Robert Frank, Harris Interactive

10h00

« Résultats de la première édition
du Quotient de Réputation en France
et en Europe » par Ron Alsep,
The Wall Street Journal et ~~XXXXXXXX~~
de La Tribune

10h30

« Quel management de la
réputation ? » par Jean-Pierre Beaudain,
Groupe i&e

11h00

Débat avec les participants









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Le Territoire de la Réputation

Dr. Charles J. Fombrun
Reputation Institute



Public Opinion: What Should Companies Be Responsible For?

	 UK 2004	 France 2004	 Germany 2004	 U.S. 2004
Only Generate profits for shareholders	2%	4%	4%	2%
Responsibility to shareholders AND employees and customers	40%	43%	42%	52%
Shareholders, employees, customers, plus broad social responsibility	57%	53%	54%	46%

Source: Harris Interactive & Reputation Institute, November 2004



Corporate Reputations are *Perceptions*...

Expectations by:

- *Customers*
- *Investors*
- *Employees*
- *Suppliers*
- *Public*
- *Analysts*
- *Media*
- *Regulators*

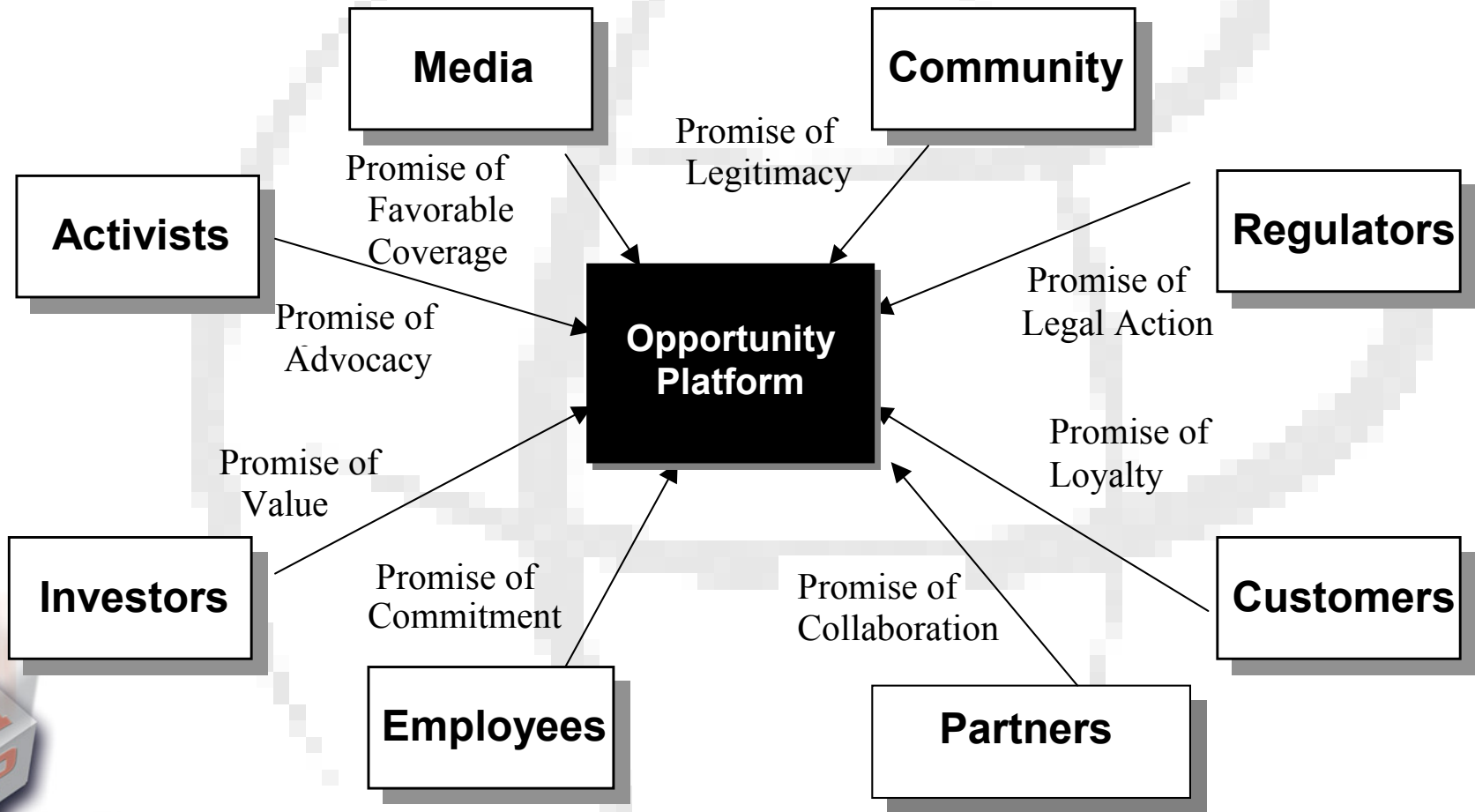
About a company's:



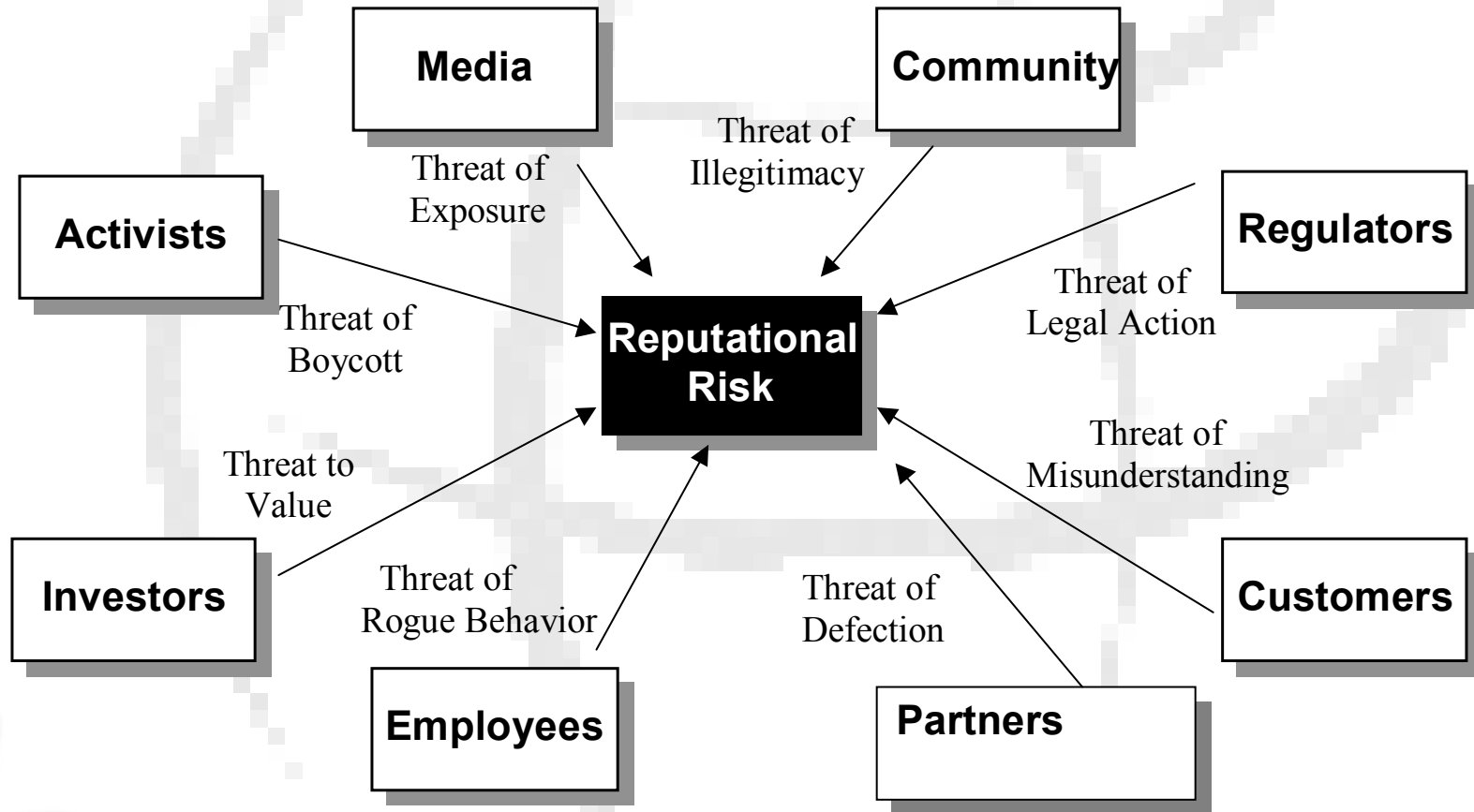
Performance
Products
Services
Activities
Employees
Organization



Companies are trying to capitalize on the upside potential for reputation gains with stakeholders



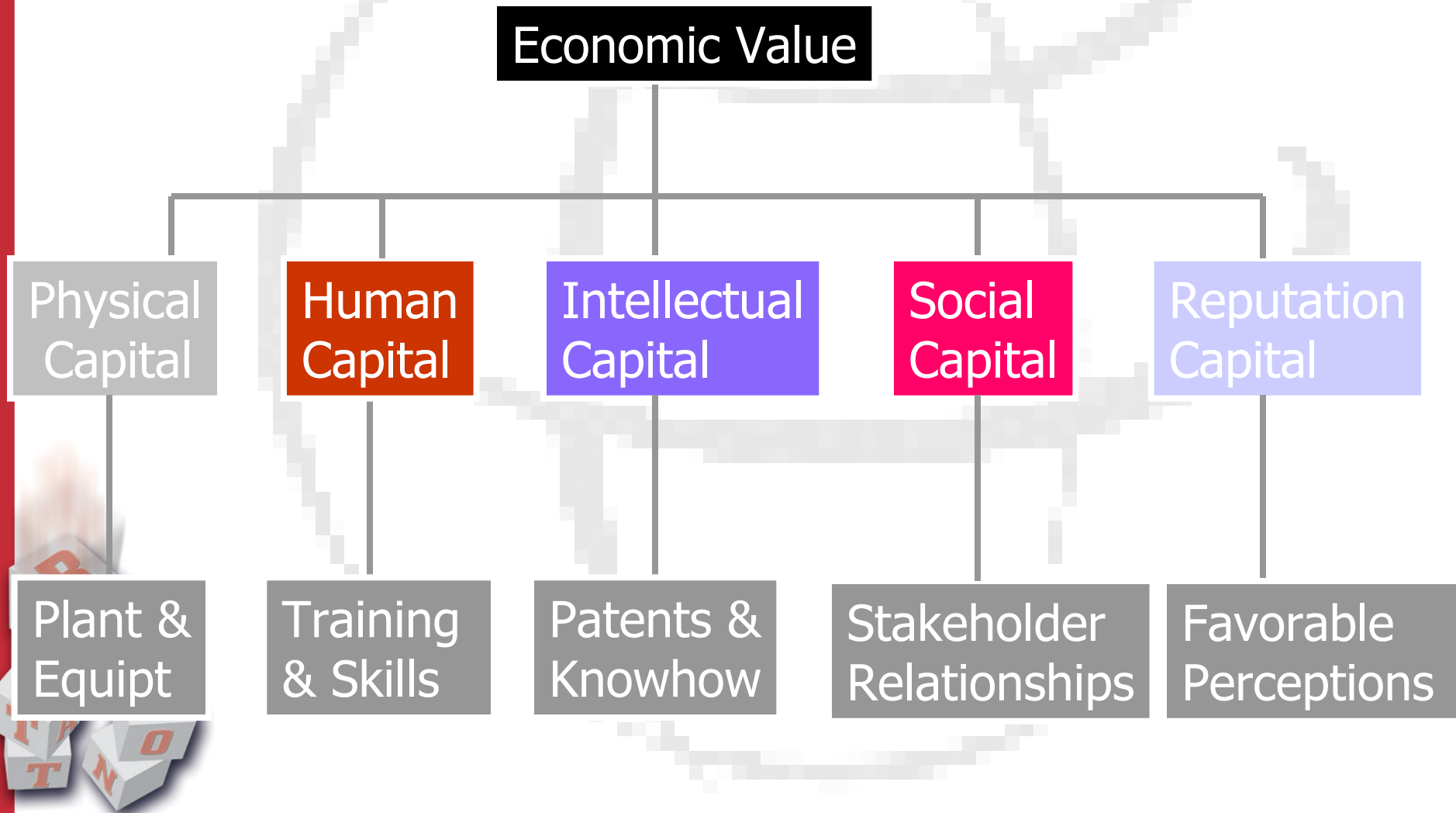
Stakeholder Perceptions: The *downside risk* of reputation loss



Need a Valid Barometer to Measure & Track Slow Changing Conditions



We Must Recognize New Forms of Value Creation...



Estimates of the Market Value of Intangible Assets are High...

Intangible
Assets

=

1982 38%

1992 62%

1998 85%

of Market Value

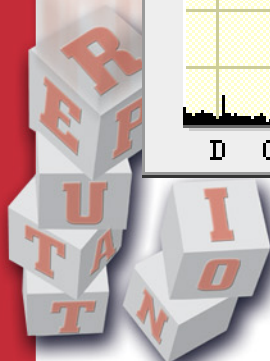
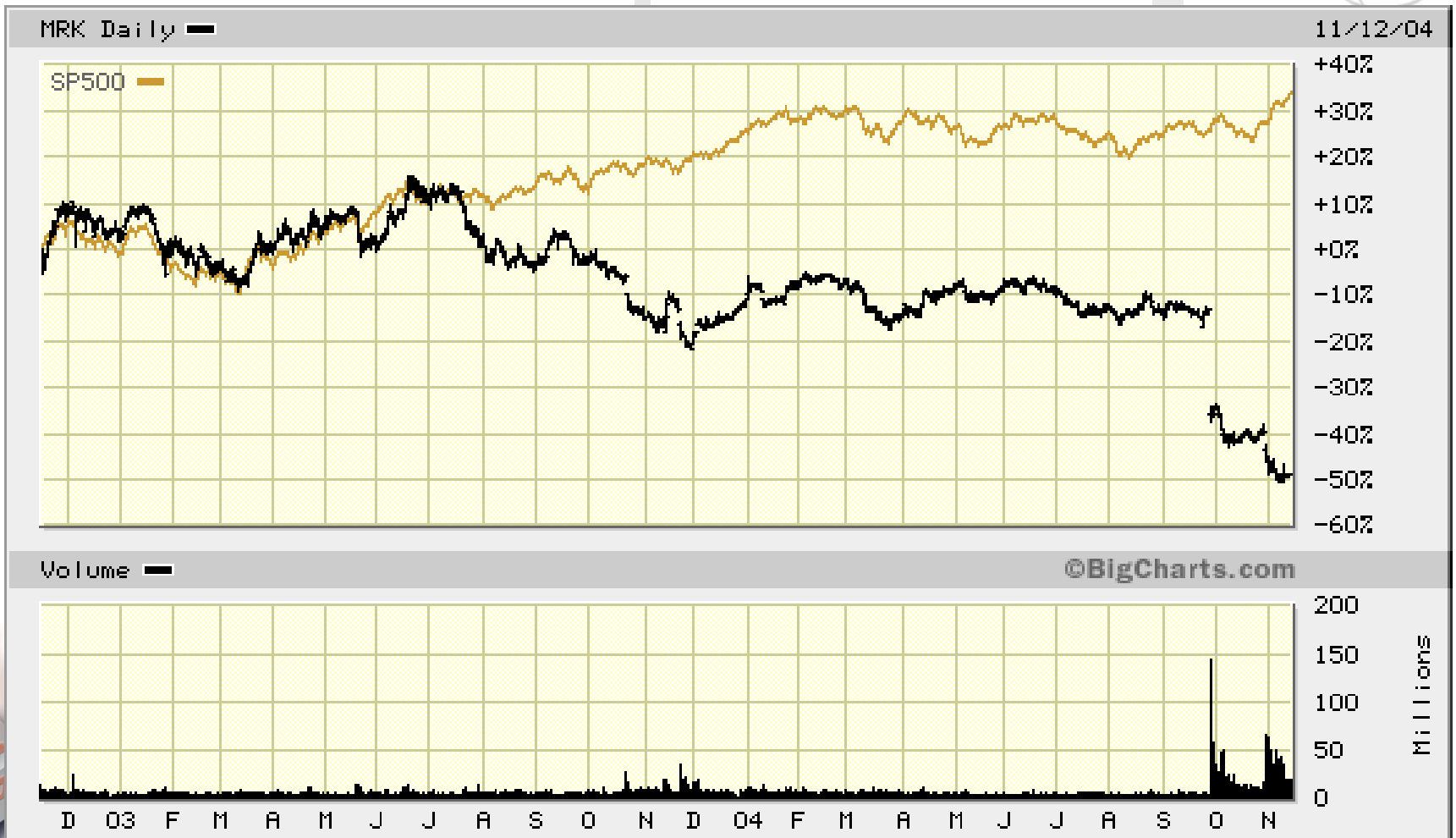
Source: Brookings Institute, 1994; Fombrun, 1996; Lev, 2000



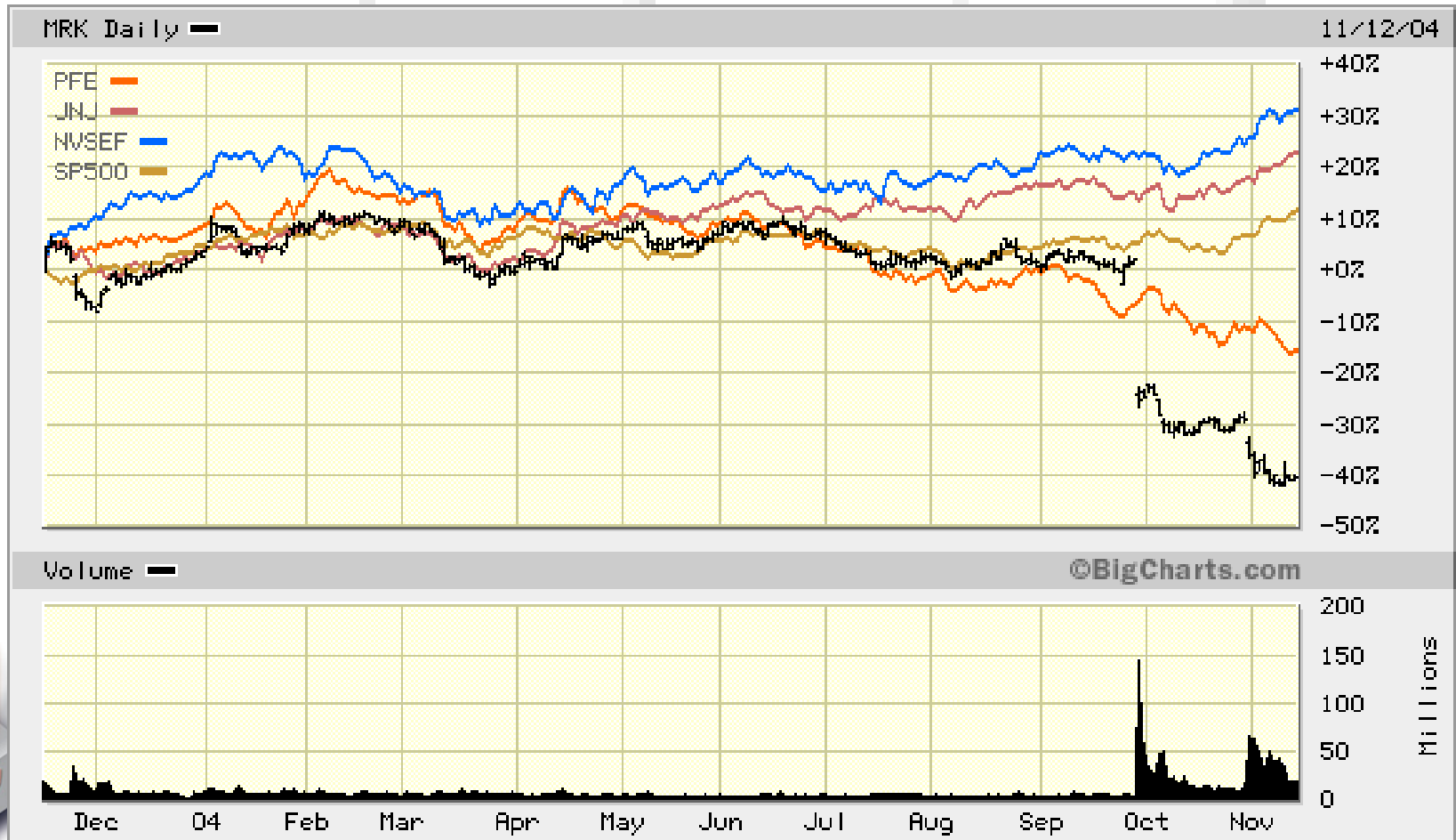
Example: What's Happening to Merck?



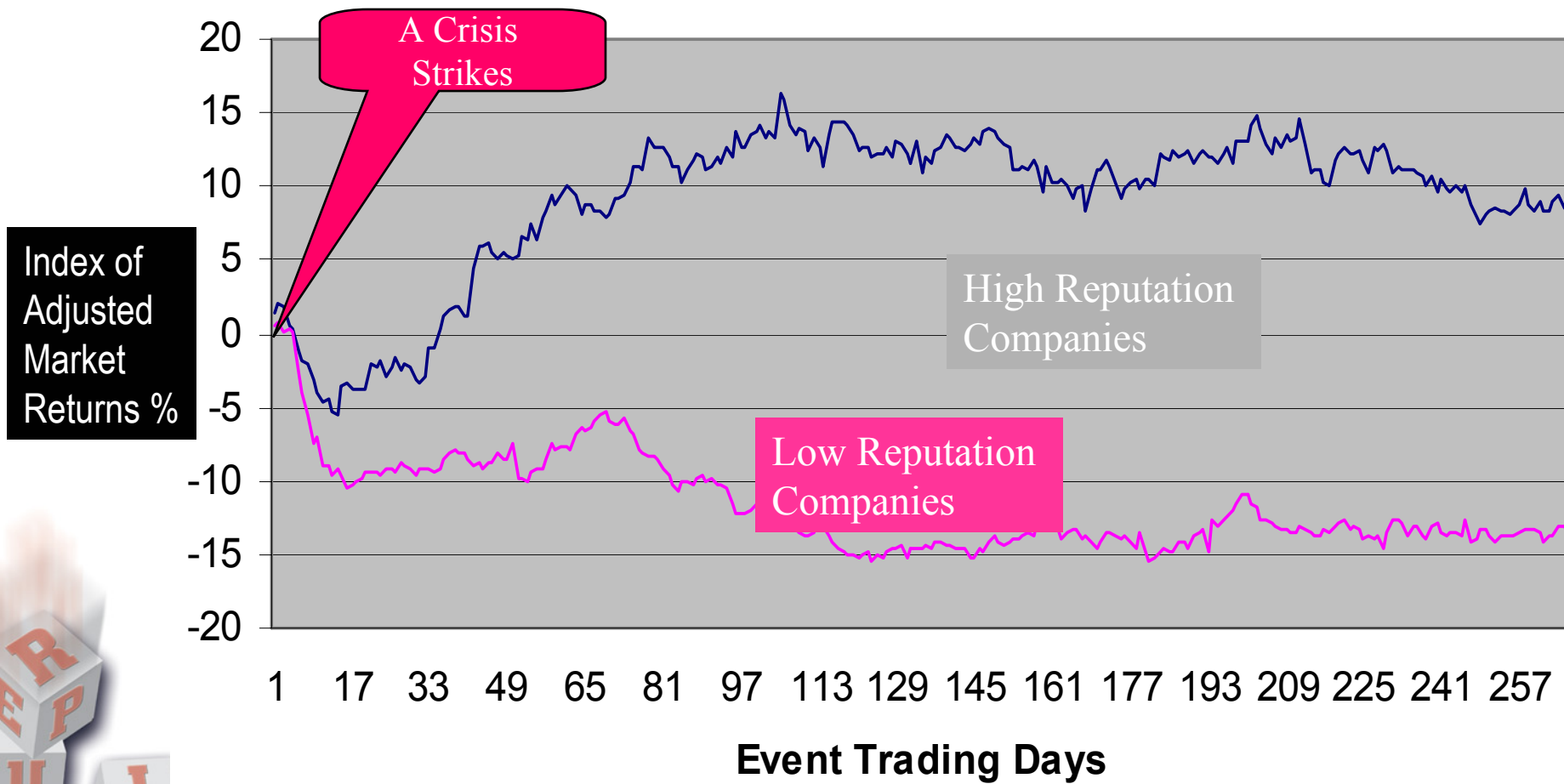
Merck's Stock Price Sept-Dec 2003



Pharmaceuticals Stock Price Sept 2003 - Dec 2004



But a Strong Reputation Acts as a Cushion...

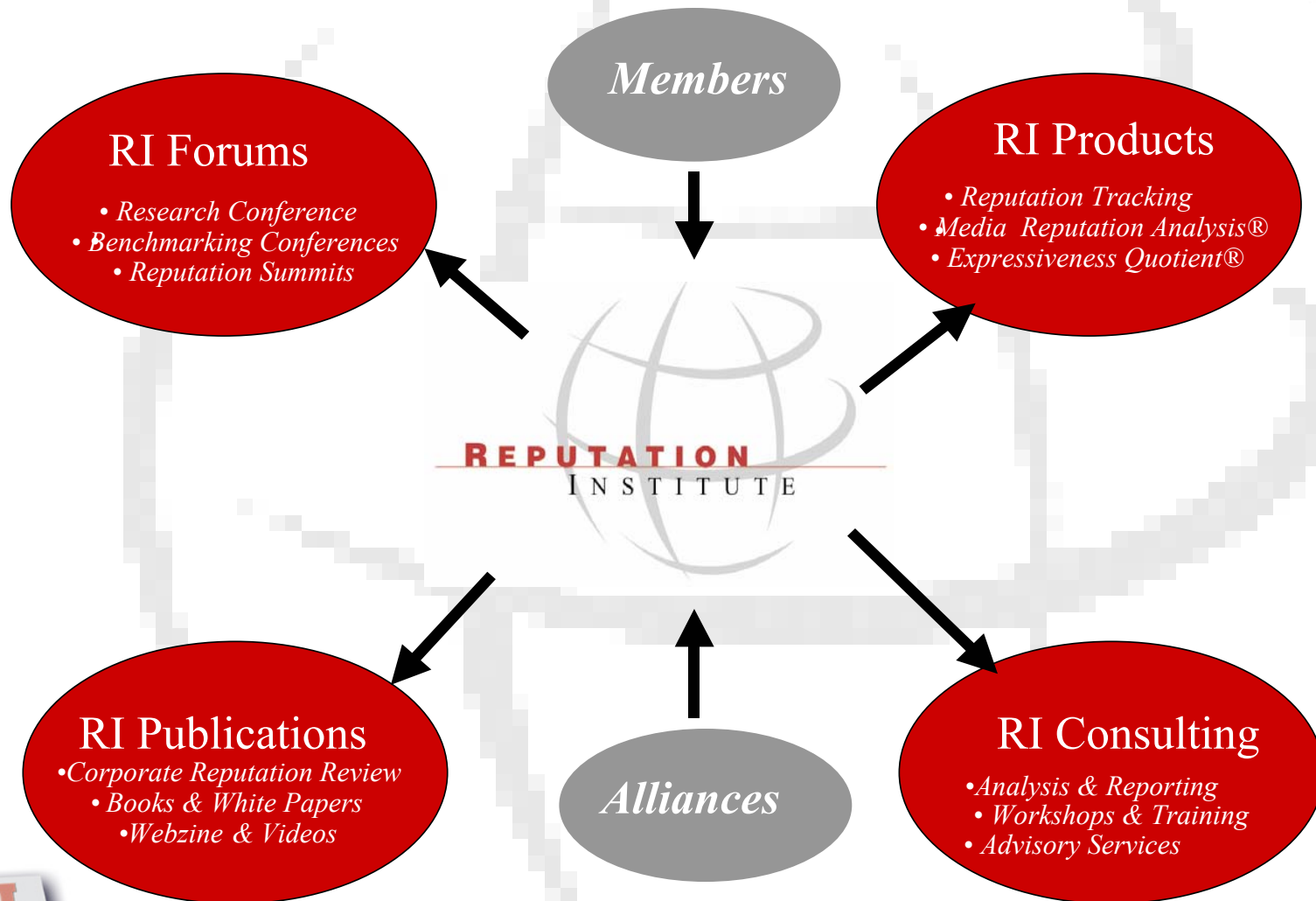


Source: D. Petty, *Corporate Reputation Review*, 2001

RI's Reputation Barometer: Harris-Fombrun RQ

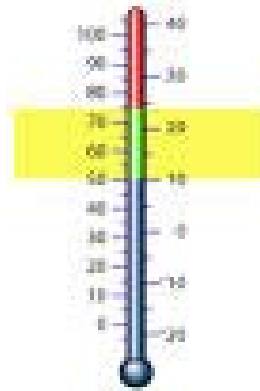


The Reputation Institute



The Genesis of RQsm

Robert Fronk
Harris Interactive



RQ 2004: Who's Tops & Who's Not?

Kasper Nielsen
The Reputation Institute



Rating the Most Visible Companies



Phase 1 Nominations

Identifying the “most visible”
companies to be rated

- Telephone interviews
(General Public)
- Companies with the best reputation
- Companies with the worst reputation
- Corporate parents only
 - *Subsidiaries included under corporate parent*

Phase 2 RQ Ratings

Rating the “most visible” companies

- Telephone / internet interviews
(General Public)
- The 15 most visible companies is
measured
- All companies are rated on the 20 RQ
attributes



QUEL MANAGEMENT POUR LA RÉPUTATION ?

**LE QUOTIENT DE REPUTATION
COMME INSTRUMENT DE PILOTAGE
DE LA COMMUNICATION**

Jean Pierre Beaudoin



The Annual RQ 2004 — France



The Corporate Reputations of the 15 Most Visible Companies in France



RANK		RQ
1	L'OREAL	76.14
2	Danone	73.51
3	Microsoft	69.76
4	PSA Peugeot Citroen	69.24
5	Carrefour	68.19
6	EDF	67.52
7	Renault	67.27
8	Air France	64.36
9	La Poste	61.05
10	Total	59.22
11	McDonald's	58.94
12	SNCF	58.37
13	France Telecom	54.16
14	Credit Lyonnais	46.45
15	Vivendi	43.36



Corporate Leaders on the Six Reputational Dimensions

Emotional Appeal	
1. L'OREAL	79.25
2. Danone	74.09
3. PSA Peugeot Citroen	74.02

Financial Performance	
1. L'OREAL	81.69
2. Microsoft	79.77
3. Danone	78.05

Products & Services	
1. L'OREAL	77.80
2. Danone	77.77
3. PSA Peugeot Citroen	72.09

Social Responsibility	
1. Danone	67.31
2. EDF	63.57
3. L'OREAL	62.13

Vision & Leadership	
1. L'OREAL	78.36
2. Microsoft	76.32
3. Danone	72.43

Workplace Environment	
1. EDF	70.13
2. L'OREAL	70.04
3. PSA Peugeot Citroen	68.60



France

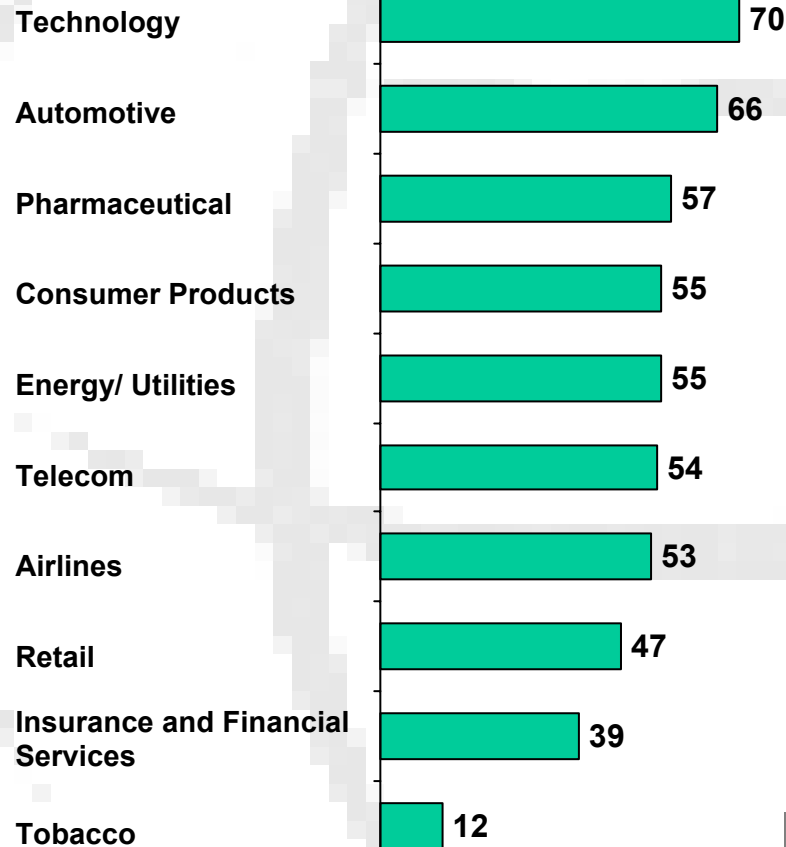
Base: Familiar with [COMPANY]



Reputation of Industries in France

Industry

% Positive



BEST REPUTATION

WORST REPUTATION



LES PARAMÈTRES

- LA DURÉE
 - DU LONG TERME DANS LE COURT TERME
- LES PUBLICS
 - DES PRIORITÉS
- LA GÉOGRAPHIE
 - LA DIMENSION “CULTURE”
- LA MÉMOIRE
 - L’UTILITÉ DU “NOT SURE”
- COMMUNICATION ET MANAGEMENT
 - LES LIMITES DE L’AUTONOMIE



LA DURÉE

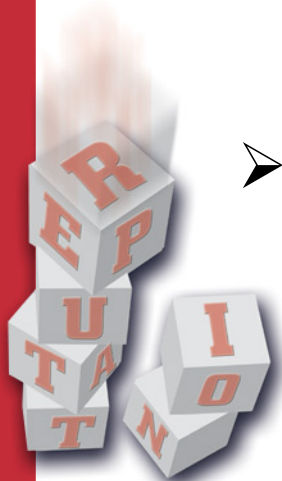
- LA RÉPUTATION EST UN SOLDE DANS LE TEMPS
 - PHÉNOMÈNES D'OPINION ET PHASE DÉMOGRAPHIQUE
- COMPATIBILITÉ AVEC LES AUTRES PHASES
 - L'ACTUALITÉ, LES MÉDIAS, LES MARCHÉS,... LA JUSTICE
- L'EXIGENCE DE POLITIQUES À LONG TERME
 - QUI ORIENTENT LA POLITIQUE D'IMAGE COURT TERME
- LE TEST DE LA COHÉRENCE
 - LA SANCTION DE LA MÉMOIRE DES PUBLICS

➤ *IMAGE COURT TERME, RÉPUTATION LONG TERME*



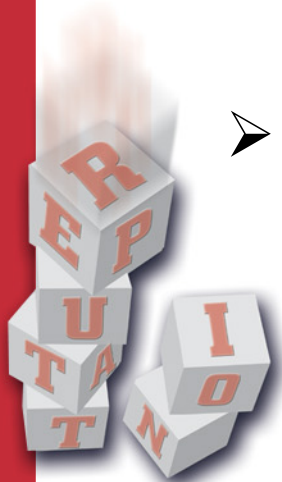
LES PUBLICS

- LA RÉPUTATION, FACTEUR D'HOMOGENÉITÉ
 - FAIBLES ÉCARTS DE PERCEPTIONS
 - RÉVÉLATEUR DE COMPORTEMENTS
 - DIFFÉRENCES DE SYSTÈMES DE VALEURS
 - INDICATEUR DE LEADERSHIP
 - QUALIFICATION DES PERCEPTIONS DOMINANTES
 - INDICATEUR DE TERRITOIRES À CONQUÉRIR
 - DES SENSIBILITÉS DISPONIBLES
- *RATIONALISATION DES PRIORITÉS*



LA GÉOGRAPHIE

- L'ÉCRASANTE PRÉFÉRENCE NATIONALE
 - LIMITE DE LA MONDIALISATION DES ESPRITS
 - LE POIDS DES STÉRÉOTYPES D'ENTREPRISES
 - UNE VISION HISTORIQUE DÉTERMINANTE
 - LA PONDÉRATION VARIABLE DES CRITÈRES
 - UNE AUTRE CLEF DE PRIORITÉS
 - GÉOGRAPHIE : ENTREPRISE vs. MARQUE
 - ENTREPRISE=SOCIÉTÉ, MARQUE=MARCHÉ
- *LA QUESTION DES CENTRES DE DÉCISION*



LA MÉMOIRE

- MÉMOIRE, EXPÉRIENCE, COMMUNICATION
 - LA NÉCESSITÉ DE RENDRE L'EXPÉRIENCE CONSCIENTE
- MÉMOIRE, JUGEMENT, COMMUNICATION
 - LA DIVERSITÉ DES INFLUENCES, LE RÔLE DES TIERS
- LE DOUTE, FILTRE DE LA MÉMOIRE
 - LA QUESTION DE LA CONVICTON
- LA CONSTRUCTION D'UN *A PRIORI*
 - PRINCIPAL ENJEU DE LA RÉPUTATION : *NOT SURE*

➤ *LE CENTRE DU MONDE HORS DE L'ENTREPRISE*



COMMUNICATION ET MANAGEMENT

- L'OPINION INCLUT L'ENTREPRISE DANS SES SYSTEMES
 - RENDRE DES LOGIQUES COMPATIBLES, OU ASSUMER
- LA SOCIÉTÉ COMMUNIQUE PLUS QUE L'ENTREPRISE
 - L'ENTREPRISE PEUT INCLURE LES LOGIQUES DE SOCIÉTÉ
- L'ENTREPRISE COMMUNIQUE SURTOUT PAR SES ACTES
 - INCLURE LA DIMENSION "OPINION" DANS LE MANAGEMENT
- LE MANAGEMENT INTÈGRE PEU L'OPINION
 - C'EST SA PRINCIPALE ZONE DE PROGRÈS



LE MANAGEMENT CRAINT-IL TROP LE DÉBAT ?

LA RÉPUTATION : UN ACTIF AU BILAN

**LA RESPONSABILITÉ DE
MANAGEMENT
DE LA FONCTION
COMMUNICATION**



In the News...

THE WALL STREET JOURNAL. THE WALL STREET JOURNAL EUROPE.



The Annual RQ 2004 — Germany



The Corporate Reputations of the 15 Most Visible Companies in Germany



	RANK	RQ
1	Porsche	75.41
2	ALDI	75.19
3	BMW	73.18
4	Microsoft	69.99
5	Siemens	68.99
6	BASF	68.72
7	DaimlerChrysler	68.69
8	Volkswagen	68.53
9	Bayer	67.07
10	McDonald's	62.82
11	Schlecker	61.17
12	Deutsche Bank	55.47
13	Deutsche Post	54.90
14	Deutsche Telekom	52.90
15	Deutsche Bahn	45.88



The Annual RQ 2004 — United Kingdom



The Corporate Reputations of the 15 Most Visible Companies in the UK



	RANK	RQ
1	Virgin Group	77.18
2	Sony	76.12
3	The Body Shop	74.37
4	Microsoft	74.11
5	Tesco	72.84
6	John Lewis Partnership	72.40
7	Wal-Mart	69.25
8	J. Sainsbury	67.54
9	United Co-op	64.62
10	British Airways	62.74
11	Marks & Spencer Group	62.11
12	BT (British Telecom)	59.58
13	Royal Dutch Shell	58.06
14	Centrica	56.86
15	McDonald's	56.20



The Annual RQ 2004 — USA

The Corporate Reputations of the 60 Most Visible Companies



Rank 1 - 15	RQ	Rank 16 - 30	RQ	Rank 31 - 45	RQ	Rank 46 - 60	RQ
1. Johnson & Johnson	79.81	16. The Walt Disney Company	74.03	31. Sears, Roebuck, and Co.	70.06	46. Gateway	62.27
2. 3M Company	79.07	17. Starbucks Corporation	73.68	32. Best Buy Co.	69.15	47. Chevron Texaco Corporation*	62.22
3. The Coca-Cola Company	78.90	18. Target Corporation	73.25	33. McDonald's	68.56	48. Altria Group	60.58
4. The Procter & Gamble Company	78.26	19. Anheuser-Busch Companies	73.17	34. Apple Computer	68.26	49. AT&T Corporation	60.23
5. United Parcel Service (UPS)	78.24	20. Hewlett-Packard/Compaq	73.16	35. General Motors Corporation	68.18	50. AMR Corporation (American Airlines)	60.13
6. Microsoft Corporation	78.00	21. Southwest Airlines	73.08	36. Verizon Communications	67.71	51. Sprint Corporation	59.63
7. Sony Corporation	77.95	22. General Electric Company	72.66	37. J.C. Penney Company	67.56	52. Tyco International, Ltd.	59.35
8. FedEx Corporation	77.49	23. Unilever (Parent of Ben and Jerry's)	72.55	38. Ford Motor Company	65.64	53. Martha Stewart Living Omnimedia	58.36
9. General Mills	77.42	24. Pepsico	72.54	39. Daimler Chrysler	65.21	54. Bridgestone Corporation* (Parent of Brigestone/Firestone)	58.08
10. Honda Motor Co.	76.15	25. IBM Corporation	71.77	40. SBC Communications	65.05	55. Alticor* (Parent of Amway)	54.63
11. Intel Corporation	76.10	26. Pfizer	70.97	41. Citigroup Incorporated*	64.10	56. Adelphia Communications Corporation*	52.61
12. Dell Computer Corporation	76.00	27. Nike	70.57	42. Time Warner Inc.	63.89	57. Kmart Corporation	51.06
13. Toyota Motor Corporation	75.59	28. Wal-Mart Stores	70.56	43. Bank of America Corporation	63.56	58. Halliburton Company	50.25
14. Lowe's*	75.43	29. American Express Company*	70.47	44. ExxonMobil Corporation	63.09	59. MCI (formerly Worldcom)	43.53
15. Home Depot	74.77	30. The Boeing Company	70.40	45. Allstate Corporation*	62.46	60. Enron	29.03

Microsoft v. McDonald's





Microsoft



RQ	Rank	RQ	Rank
69.99	#4	62.82	#10
74.11	#4	56.20	#15
69.76	#3	58.94	#11
78.00	#6	68.56	#33



Current State of Corporate Reputation

	 UK	 Germany	 France	 USA
Great/Good-Solid	58%	51%	42%	32%
Not Good/Terrible	42%	49%	58%	68%



Corporate Sincerity



- 1 L'Oreal
- 2 Danone
- 3 Renault

% Positive

47%
45%
38%

Average

28%



- 1 ALDI
- 2 Porsche
- 3 BMW

55%
46%
41%

31%



1. Virgin Group
2. The Body Shop
3. J. Sainsbury

55%
53%
42%

35%



- 1 Johnson & Johnson
- 2 United Parcel Service
- 3 Coca-Cola

59%
58%
56%

37%





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The RI Community

Kasper Nielsen
The Reputation Institute



Developing the Reputation Institute Community in France



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Welcome to RI International.

The mission of RI International is to advance knowledge about reputations, their measurement and valuation. RI International invites individuals and companies who share the RI's mission to become members of the RI. In exchange, RI members receive membership benefits. To achieve its mission, RI International carries out four types of activities: Research, Forums, Publications, and Education—all of which are made available to RI members.

In order to reach out to companies around the world, RI is actively developing an international network of RI Affiliates who provide local member companies with research and educational services. The RI currently works with local representatives and affiliates in each of the following countries.

Click on any flag below to learn more about RI in that country.

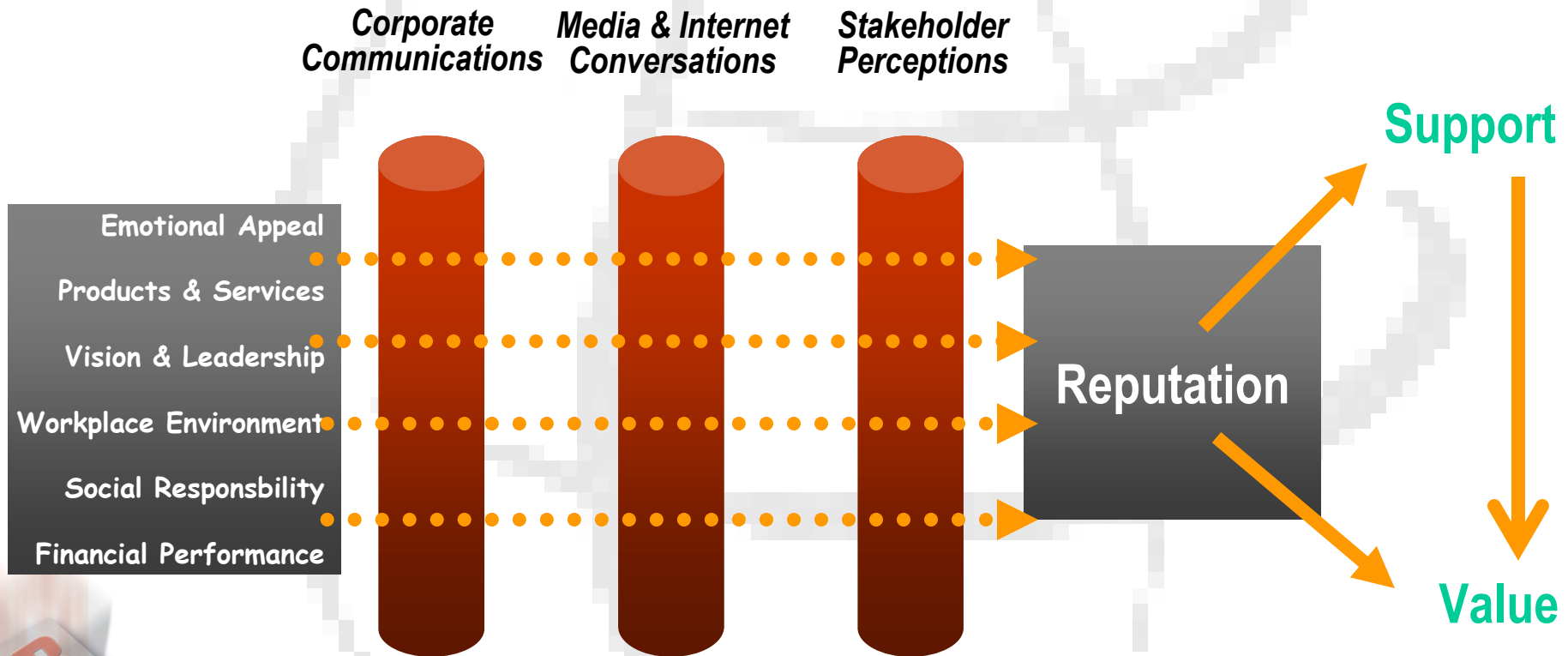


En Guise de Conclusion

Dr. Charles J. Fombrun
Reputation Institute



A Continuous Tracking System is Needed to Link Corporate Communications to Reputation and Results



To be Effective in Value-Creation, Companies must build Core Values into their DNA –and Communicate Them...



Managing Intangible Assets

A Corporate Reputation is an intangible asset

- ...that is created from a company's self-expressions
- ...and conferred by stakeholders
- ...whose perceptions must be monitored systematically
- ...and benchmarked in order
- ...to establish an effective reputation management process.



About Us



REPUTATION
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The Reputation Institute:

The Reputation Institute (www.reputationinstitute.com) is a private research and consulting organization devoted to building thought leadership about corporate reputations, their management, measurement and valuation. It brings together a global network of academics and practitioners dedicated to advancing knowledge about corporate reputations and improving the practice of reputation management. The Reputation Institute was founded by Charles J. Fombrun and Cees B.M. van Riel in 1997.

Charles J. Fombrun:

Charles J. Fombrun is Founder and Executive Director of the Reputation Institute and Professor Emeritus of Management at the Stern School of Business, New York University. Dr. Fombrun is the author of 6 books, including the best-selling **REPUTATION: Realizing Value from the Corporate Image (Harvard Business School Publishing, 1996)** and over 100 articles, most recently he co-authored **FAME & FORTUNE: How the World's Best Companies Build Winning Reputations** (Pearson/Financial Times, 2004).

Cees B.M. van Riel:

Cees B.M. van Riel is a professor at the Rotterdam School of Management of the Erasmus University in The Netherlands, and Managing Director of the Reputation Institute. He is also co-founder and Editor-in-Chief of the RI's *Corporate Reputation Review*. He initiated the first Executive Master of Corporate Communication Degree Program in 1998. Cees wrote **COMMUNICATION CORPORATIVA** (Prentice Hall, 1997) and is also co-author of **FAME & FORTUNE: How the World's Best Companies Build Winning Reputations** (Pearson/Financial Times, 2004)



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