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Contact:

Loren-Christopher Schneid, Reputation Institute
(212) 495-3856, lcschneid@reputationinstitute.com

WHO IS MAKING GOOD DECISIONS IN THE REPUTATION ECONOMY? AMAZON, KRAFT AND 3M, ACCORDING TO NEW STUDY OF U.S. CONSUMERS

Enterprise Perceptions Drive Support More Than Product Perceptions, Study Shows

NEW YORK, NY – April 5, 2011 – Since the global financial crisis of 2008-09, negative headlines of product recalls, government bailouts, insider-trading and CEO scandals have reinforced the importance of reputation and its ability to humble once-high flying market leaders. Despite this toxic operating environment, eight of the largest 150 companies in the U.S. were still able to earn excellent corporate reputations and drive value-creation with the general public in 2011, according to a new study by advisory firm Reputation Institute, in partnership with *Forbes Media*. For a complete list of the U.S. findings, visit: <http://www.reputationinstitute.com/global-retrak-pulse>.

How are companies like Amazon.com, Kraft Foods, Johnson & Johnson, 3M, Kellogg's, UPS, FedEx, and Sara Lee able to gain the highest levels of trust, esteem, admiration and good feeling from consumers in such a challenging environment? Two common themes for building reputation resilience and a positive legacy with stakeholders stand out. First, companies with the strongest reputations have moved beyond products and services when communicating what the company stands for. Second, it is the CEO at these companies who is leading the reputation management strategy.

"The people of 3M have always understood the compelling nature of character and integrity as the defining elements of our reputation," said George W. Buckley, CEO of 3M. "This reputational foundation is the critical element in building the trust of our customers in 3M as we work towards their success, as well as our own. Technology and integrity are the combined 'glue' that holds 3M together."

Reputation Institute's analysis of the seven dimensions of corporate reputation shows that perceptions of the enterprise (Workplace, Governance, Citizenship, Financial Performance and Leadership) trump product perceptions (Products & Services plus Innovation) when it comes to driving behaviors. The five enterprise dimensions drive 61% of purchase consideration and 58% of recommendation/advocacy behavior with consumers. This provides further proof of what Reputation Institute calls the "reputation economy" – a place where people increasingly choose among competing products and services based on their impressions of how the companies behind them behave.

Welcome to the Reputation Economy

"The reputation economy of 2011 is characterized by a heightened focus on three things: trust in companies and leaders rather than product brands, multiple stakeholders and their interactions, and building a connection between a company's reputation strategy and its business strategy," said Anthony Johndrow, Managing Partner at Reputation Institute. "Today's best 'Chief Reputation Officers' combine cognitive, analytical, process, communication and organizational skills to give voice to their companies and connect the enterprise to stakeholders."

In search of what separates weak from average and strong from excellent companies, Reputation Institute asked "Chief Reputation Officers" (either the Chief Executive Officer, Chief Marketing Officer, or Chief Communications Officer) responsible for reputation management from these 150 companies about the challenges they face in their role. This second study found that companies who scored in the excellent range of reputation (80+) were:

- 2.5 times more likely to have the CEO set the strategy for their enterprise positioning
- 1.5 times more likely to include reputation metrics as part of their senior management "dashboard"
- 15 times more likely to manage corporate reputation across company functions
- 1.7 times more likely to use an outside partner to assist with corporate reputation management

2011 RepTrak™ Pulse Study Highlights

- The Automotive (69.35/+5.75 points) and Banking (61.5/+2.03 points) industries' reputations began to rebound with the general public, while the Diversified Financial Services and Insurance industries continue to struggle in the wake of the global financial crisis.
- The top three drivers of corporate reputation with the U.S. general public remain Products & Services (17.7%), Governance (15.8%), and Citizenship (14.3%).
- The top individual companies by reputation dimension include 3M (Products & Services), Apple (Innovation), Google (Workplace), Amazon.com (Governance), Kellogg's (Citizenship) and Berkshire Hathaway (Leadership and Financial Performance).

About Reputation Institute's U.S. RepTrak™ Pulse

Reputation Institute's U.S. RepTrak™ Pulse Study measures the 150 largest, by revenue, independent U.S. public and mutual companies that are at least somewhat familiar to the general public. The U.S. RepTrak™ Pulse score is a measure of corporate reputation calculated by averaging perceptions of four indicators—trust, esteem, admiration, and good feeling—obtained from a representative sample of at least 100 U.S. respondents for each company and converted to a scale of 0 to 100. Ratings are based on 32,946 responses from online consumers in January and February 2011. All scores have been globally adjusted to correct for cross-country biases that were calculated using Reputation Institute's longitudinal database of more than 400,000 respondents interviewed in 31 countries since 2006. Reputation Institute's 2011 U.S. data partner is Toluna.

About Reputation Institute

Reputation Institute is the world's leading reputation consulting firm. As a pioneer in the field of brand and reputation management, Reputation Institute helps companies build better relations with stakeholders. With a presence in 30 countries, Reputation Institute is dedicated to advancing knowledge about reputation and shares best practices and current research through client engagement, memberships, seminars, conferences and publications such as *Corporate Reputation Review* and *Reputation Intelligence*. Reputation Institute's 2011 RepTrak™ Pulse is the largest study of corporate reputations in the world, identifying what drives reputation and covering more than 2,500 companies from 41 countries annually. Reputation Institute provides specific reputation insight from more than 15 different stakeholder groups and 24 industries, allowing clients to create tangible value from their intangible assets. Visit <http://www.ReputationInstitute.com> to learn how you can unlock the power of your reputation.