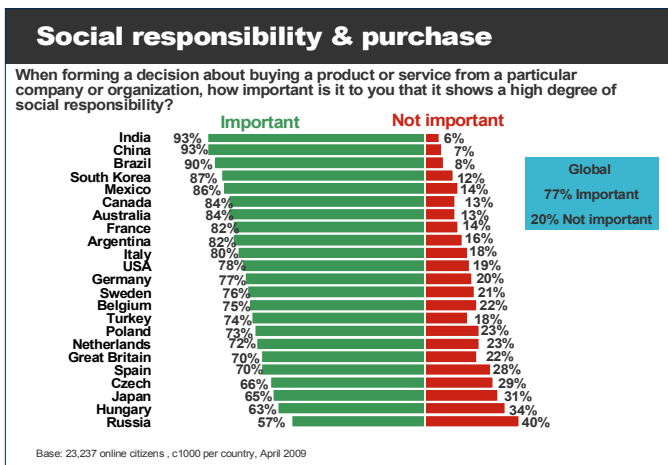


## CAN YOU HEAR ME?

CORPORATE REPUTATION SHOULD BE AN INTEGRAL PART OF YOUR MARKETING STRATEGY – IGNORE IT AND YOUR BRAND VOICE RUNS THE RISK OF NOT BEING HEARD.

There was a time when corporate reputation was the exclusive preserve of the public affairs professional, with little involvement from the marketing department - but no more. Many companies now see reputation as a vital part of the overall 'marketing mix', with the ability to increase the impact of marketing messages and consideration for their brands.

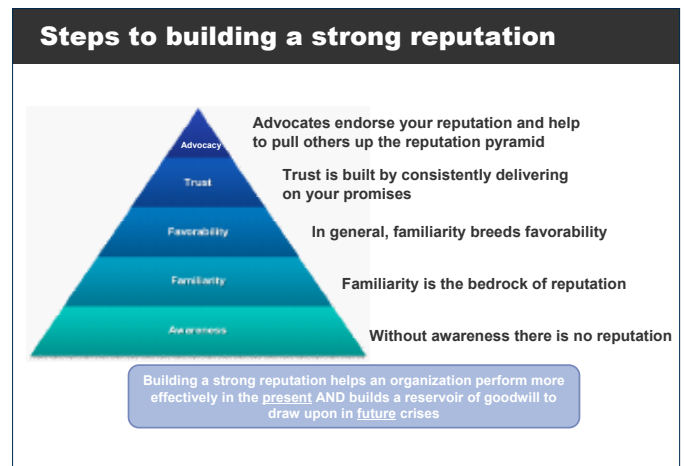
This is in part because people have become more knowledgeable and interested in the organisations that lie behind the brands they consume. For instance, even in the global recession there is clear evidence that consumers still factor in CSR when purchasing a product or service, as the chart below clearly shows.



Our research also shows a robust link between behavioural intent and reputation. Indeed, the better the reputation, the more likely people are to recall a company's advertising, believe a company's messages, be willing to pay a premium for a product or service, and feel good about using the company's products and services. In short the better the reputation, the more effective the marketing. In other words, a company with a good reputation needs to spend less to break through to consumers with its marketing communications, and so has a higher "marketing efficiency". It's as if consumers screen out or dilute messages from organisations they have a question mark against in terms of corporate behaviour. And of course a company which lacks a

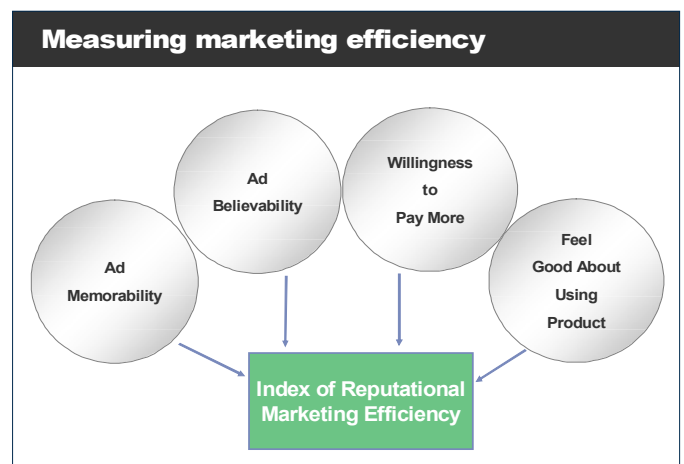
good reputation will have to work that much harder to get its message across.

To measure reputation, Ipsos MORI uses a combination of five metrics: awareness, familiarity, trust and advocacy (see Ipsos MORI reputation pyramid below). Put simply, a company must be known to be liked, must be liked to be trusted, and must be trusted before a person is willing to be an advocate for it.



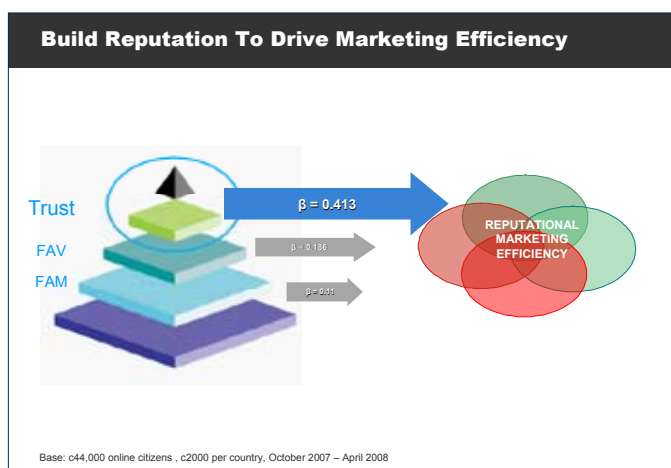
The central objective of measuring reputation this way is to move the company up the reputation pyramid.

To measure marketing efficiency we have devised an index based on four key variables: ad memorability, ad believability, willingness to pay a premium and feeling good about a company's products or services.



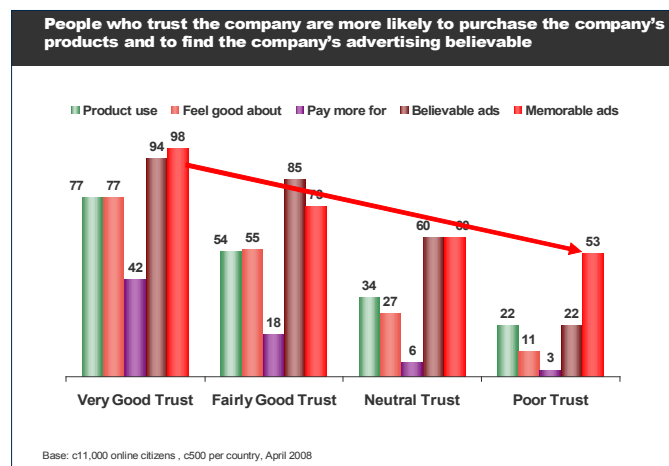
Our research shows that the link between reputation and marketing efficiency is stronger the higher up the reputation pyramid we go, with the link being strongest of all between trust and marketing efficiency. While familiarity and favourability are important components, trust is the driver of people's predisposition to believe, hear and buy products or services.

The relationship between trust and marketing efficiency has been substantiated across different company sectors and nations at different stages of development by the Ipsos Global Brand Influencer survey. This survey tracks the views of online citizens in 22 countries worldwide, including a key group we call Brand Influencers due to the influence they exert on the views of other consumers. The chart below shows that trust has a greater impact on marketing efficiency among online citizens than the more basic measures of familiarity and favourability.



Individuals who trust a company are more likely to believe their marketing communications, feel good about using a company's products, and pay more for a company's products. We have also seen the reverse of this in the real world: below a certain level of trust companies find it hard to make headway with their marketing efforts. Simply, a low level of trust is a barrier to selling their products.

The following chart demonstrates the linkage between trust and various dimensions of the marketing efficiency for a leading FMCG company. It clearly demonstrates that those who have a very high level of trust in that company are much more likely to purchase the company's products and find its advertising believable – even compared to those who have a 'fairly' high level of trust in the company.



Furthermore, we have found that the reputation-marketing efficiency link is very stable across geographies and company types. No matter where the company is located in the world or what industry it originates from, the better the reputation, the easier it is to market to consumers.

In terms of action, the key is to look at how a company most effectively builds trust.

Trust is a function of both WHAT a company does as well as HOW it does it. Core product and service attributes generally have a strong influence on feelings of trust in a company. In addition, responsibly marketing products, credibility, and social responsibility, among other things, all play a role in building trust.

There are many factors that build trust, some broadly consistent from one sector to another but others that are distinctive to a particular market and to different types of consumer. However the important thing is to understand

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the relative importance individual drivers have in building trust and ultimately reputation capital. This is where research among consumers and brand influencers can be used to great effect, by identifying what buttons an organisation needs to push in order to build trust and ultimately improve its marketing efficiency.

Once identified it is then important to be consistent about the messages you want to communicate to build trust, while tailoring the emphasis to suit the priorities of different markets and consumer segments – and to keep on top of how successful you are being, and importantly how the priorities of your target audience are evolving over time.

To sum up, it is clear that a company's reputation is relevant for its marketing professionals as well as its public affairs professionals. As our research shows, a company which lacks a good reputation will find

take up of its key marketing messages and ultimately products/service sales that much lower than if it had a positive reputation. Trust is key, as is understanding where a company is relatively strong or weak on the key drivers of trust for different market segments, in order to improve marketing efficiency and ultimately impact the bottom line.

**If you would like to know more about reputational marketing efficiency please do not hesitate to contact:**

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