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Reputation Management

Dr Jane Tonge

23 March 2022

Today's webinar…

- What is reputation?
- PR and reputation
- The value of reputation
- Using the 4 Pillars of Reputation
- Many examples of organisations and good/bad reputations!
- Three practical ways PR can manage and protect reputation

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Practitioner and Academic

BOOST Communications provides marketing communications, PR consultancy and Networking training.

Academic Experience:

- Former Senior Lecturer in Marketing Communications, and Programme Leader for MSc Public Relations / MSc PR & Media Management at Manchester Metropolitan University Business School (MMU)
- Lead Tutor for the CIPR Foundation for Oxford Professional Education Group

Qualifications:

- BSc (Hons) History from Cambridge University
- MA Public Relations (Distinction) from MMU
- PhD - Business Networks & Networking in UK Public Relations Consultancies

What is Reputation?

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IT TAKES 20 YEARS TO BUILD A REPUTATION AND FIVE MINUTES TO RUIN IT. IF YOU THINK ABOUT THAT, YOU'LL DO THINGS DIFFERENTLY.

+ Warren Buffett +

What is Reputation?

- ‘The **estimation** in which a person is held, repute, known or reported character, general credit, fame, renown’
- **Reputation** is a combination of the **views and impressions** of many different people in general.
- The **reputation of an organisation** is formed by **impressions** held by a wide range of people.

What is Corporate Reputation?

- "a **perceptual representation** of a company's past actions and future prospects that describe **the firm's overall appeal…** when compared to other leading rivals" (Fombrun, 1996 p.72)

- a social construction that reflects **emotions** held by stakeholders, representing what **they think and feel about the organisation** (Weigelt and Camerer 1988)

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PR & Reputation

CIPR Definition of PR

Public Relations is about **reputation** - the result of what you do, what you say and what others say about you.

Public Relations is the discipline which looks after reputation, with the aim of **earning understanding** and **support** and **influencing opinion and behaviour.**

It is the **planned and sustained** effort to establish and maintain **goodwill and mutual understanding** between an organisation and its publics.

Source: www.cipr.co.uk/CIPR/About_Us/About_PR

PR & Reputation Linked

- **PR and reputation are interlinked**, as PR is charged with being the discipline which **looks after** an organisation's reputation.

- To do this, PR **builds and creates goodwill and mutual understanding** between an organisation and its publics, and manages its stakeholder relationships.

What’s the value of Reputation?

Why is Reputation important?

- Reputation is different things to different people – it is an **intangible asset** but a very **valuable** one.

- A **well-respected reputation** communicates:
  - a firm's **mission and values**
  - the quality and professionalism of its **leadership**
  - the **talent** and expertise of its employees
  - the **quality** of its goods and services
  - its **role** in the wider marketing or business environment

- Reputation also signals the **overall attractiveness** of the company to employees, consumers, investors and communities.

Value of Reputation

"**Reputation** was, is and always will be of **immense importance** to organisations, whether commercial, governmental or not-for-profit.

To reach their **goals, stay competitive and prosper**, a **good reputation** paves the organisational path to **acceptance and approval** by stakeholders."

(Watson and Kitchen 2010 p.270)

Other benefits of a strong reputation

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- Brings **competitive** advantage
- **Differentiates** you from the competition
- Creates and drives **loyalty** from customers
- Builds stakeholders' **trust** in an organisation
- Attracts and retains **high-quality** employees

Two Reasons to Manage Reputation

1. Because organisations are subject to **ongoing 24 hour media interest**, **consumer awareness, political pressure, public interest, global communications**, and the need to **supply instant information**

➢**so people are always watching an organisation and scrutinising how it behaves and acts…**

Two Reasons to Manage Reputation

2. Because an organisation's reputation will **influence how their key stakeholder groups view them,** how they **perceive** them, what **they think of them** (positively or negatively), how they **interact** with them, and **nature of their relationship** with the organisation

- **so people are judging an organisation's behaviour, appraising its reputation, and this determines their actions: Do I work for them? Do I shop with them? Do I travel with them? Do I bank with them? Do I invest in them?**

Reputation pay-off

By **strategically managing its corporate reputation** through **public relations**, an organisation can:

- create **goodwill and mutual understanding** with its stakeholders
- manage stakeholders relationships to **influence their perceptions, interactions and support** to contribute to its ongoing **survival**.

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Let's look at how **PR** can create and manage reputation – by using the **4 Pillars of Reputation**

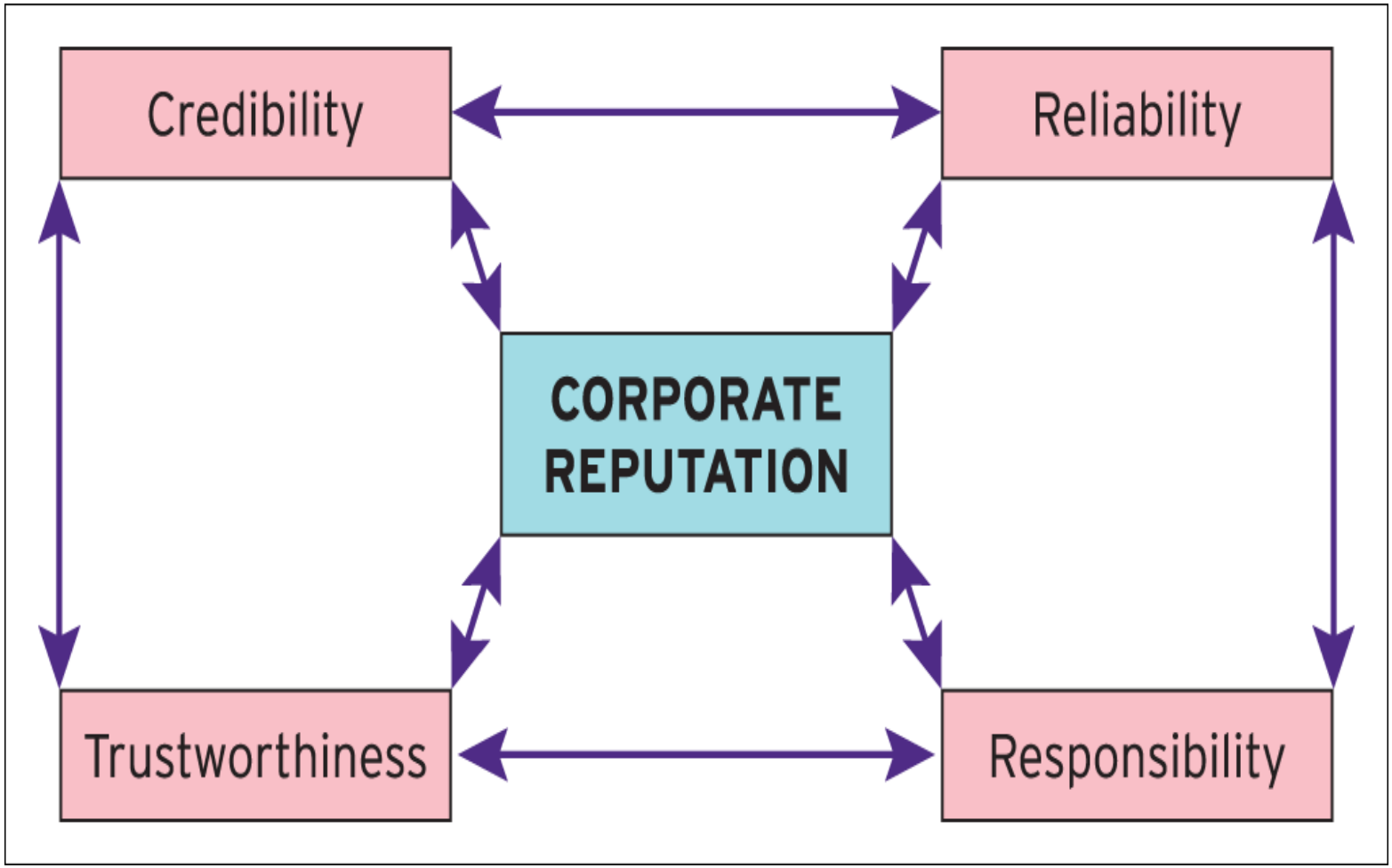
4 Pillars of Reputation

In order to **build a favourable reputation**, an organisation needs to develop **four key attributes**:

- ✓ **Credibility**
- ✓ **Reliability**
- ✓ **Responsibility**
- ✓ **Trustworthiness**

(Fombrun 1996)

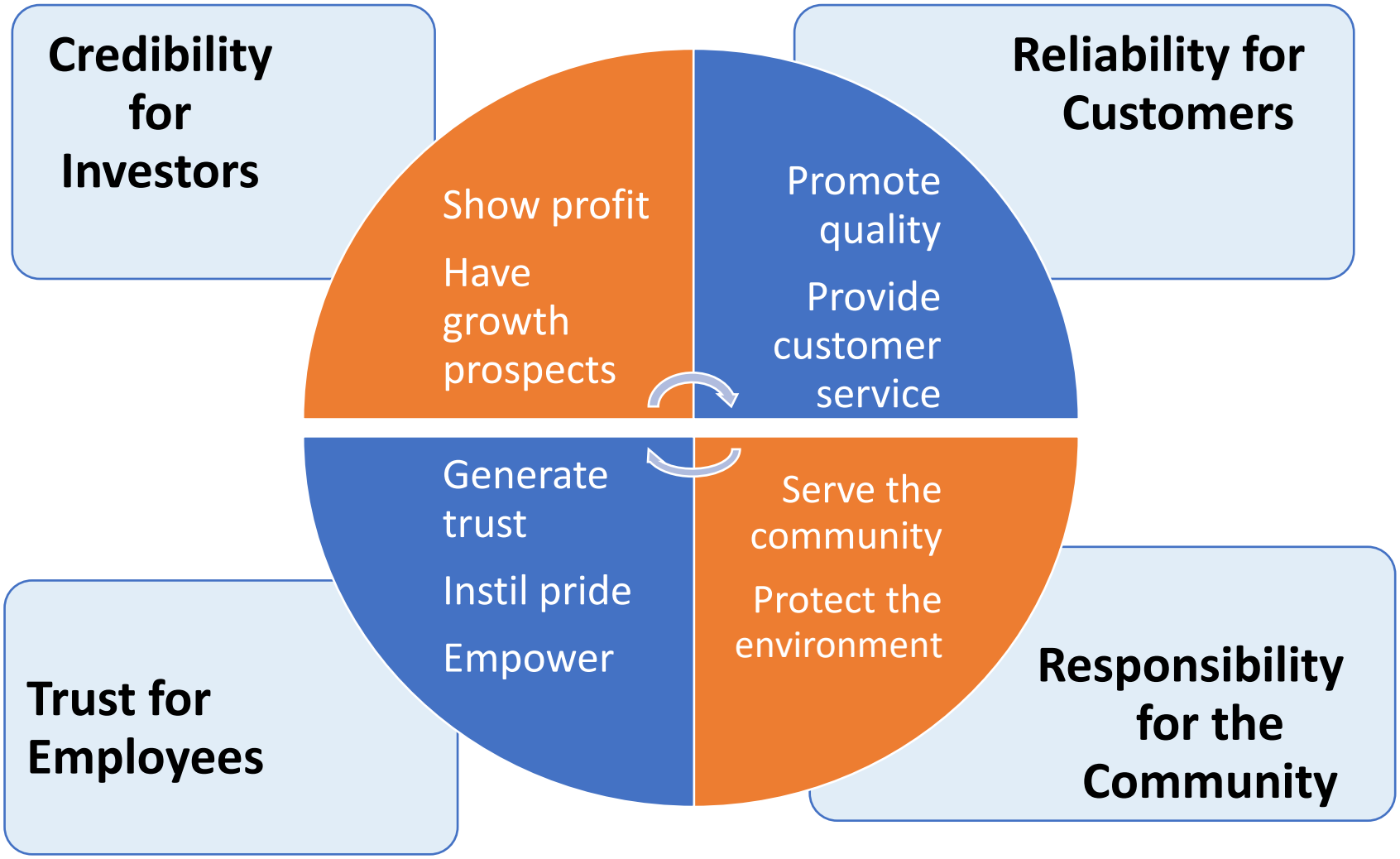
4 Pillars of Reputation



Four key attributes needed to build a good reputation

Source: Fombrun (1996). Harvard Business School Publishing, with permission.

Each pillar appeals to particular stakeholders, although all are affected (adapted from Fombrun 1996)



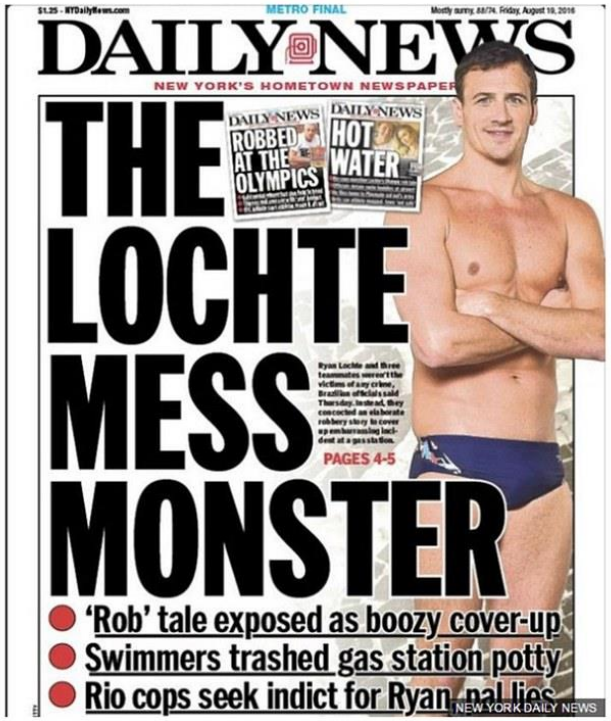
Credibility

For **investors** but also other stakeholders.

Consider:

- Are we a credible organisation?
- Are we profitable?
- Do people believe in us?
- Are we convincing in what we do, what we offer?
- Do people have confidence in us and our capabilities?
- Do we have integrity?

Case Study: ‘Liar, Liar, Speedo on Fire’ – Athlete loses credibility with sponsors



US Olympic swimmer **Ryan Lochte** was caught in a web of lies when he claimed he was robbed at gunpoint in Rio de Janeiro during the Olympic Games following an incident where a gas station bathroom was vandalized

Following media interviews, he admitted he lied to cover damage caused while drunk.

Corporate sponsors dropped Lochte to avoid reputational damage…

- Swimwear brand **Speedo** ended its sponsorship
- **Ralph Lauren** terminated its endorsement hours later, as did **Syneron-Candela** and mattress firm **Airweave**
- disgraced swimmer lost $millions in sponsorship deals
- Speedo donated $50,000 of Lochte's fee to Save The Children - reputation damage limitation

Case Study: Player and Club lose credibility over cat kicking

Following videos on social media showing West Ham United defender Kurt Zouma kicking and slapping his pet cat, the footballer faced enormous criticism for his cruelty.

Europe's largest sportswear manufacturer, Adidas, ended its lucrative six-figure sponsorship boot deal with the French footballer

Insurance company Vitality suspended its partnership with West Ham, saying: **“We are hugely disappointed by the judgement subsequently shown by the club in response to this incident,”** reacting to the Manager David Moyes’ decision to play Zouma in a Premier League match immediately after the video went public

West Ham fined Zouma two weeks' wages — £250,000. He and his brother are now being prosecuted by the RSPCA.

Case Study: BP loses sponsorship deal with Scottish Ballet as not a credible ‘green’ partner

Scottish Ballet ended a sponsorship deal with oil giant BP, saying it did not fit with the dance company's "green action plan".

They said the energy firm no longer "aligns with the company's green action plan - to be carbon neutral by 2030".

The National Portrait Gallery, Royal Shakespeare Company and Tate have already ended sponsorship deals with BP following environmental campaigns by artists and employees.

Reliability

For **customers** but also other stakeholders…

Consider:

- Can they rely on our products and services?
- Do we deliver what is expected?
- Do we keep our ‘brand promise’?
- Do we provide consistent quality and availability?
- Do we meet (and exceed?) our customers’ expectations?
- Do we provide strong customer service if things go wrong?

Case Study: M&S Reassures Reliability during Pandemic

YOUR M&S

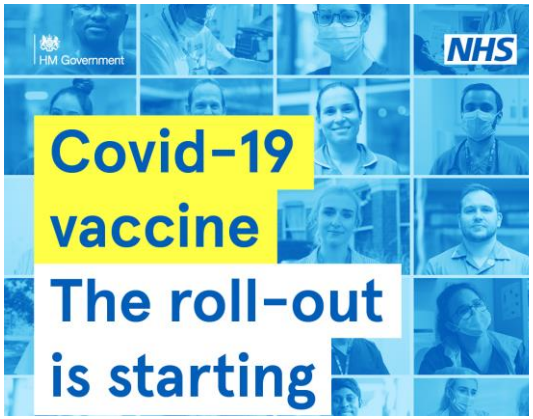
M&S ran numerous email marketing campaigns to customers to reassure them

"We have longstanding relationships with the farmers, growers and manufacturers we work with and, together, **we are increasing the amount of food we make here in the UK to help meet customer demand**.

Now, as ever, **you can be confident** that the food you buy from M&S is responsibly sourced and we are **continuing to support** and invest in our supplier partners to deliver **trusted value** every day."

Steve Rowe, Chief Exec, Marks & Spencer

Case Study: NHS – Reliable Healthcare Service



During the Coronavirus pandemic, the NHS rolled out an unprecedented national NHS COVID-19 Vaccination Programme. The NHS made history in December 2020 when Maggie Keenan became the first person in the world to receive a COVID vaccine outside of a clinical trial in Coventry. Since then the NHS has delivered more than 118 million vaccine doses, including over 32 million booster doses.

The NHS in England has cared for more than 350,000 patients needing hospital treatment for COVID since the start of the pandemic. NHS hospitals have also treated more than 100,000 patients with COVID since the start of the Omicron wave.

Responsibility

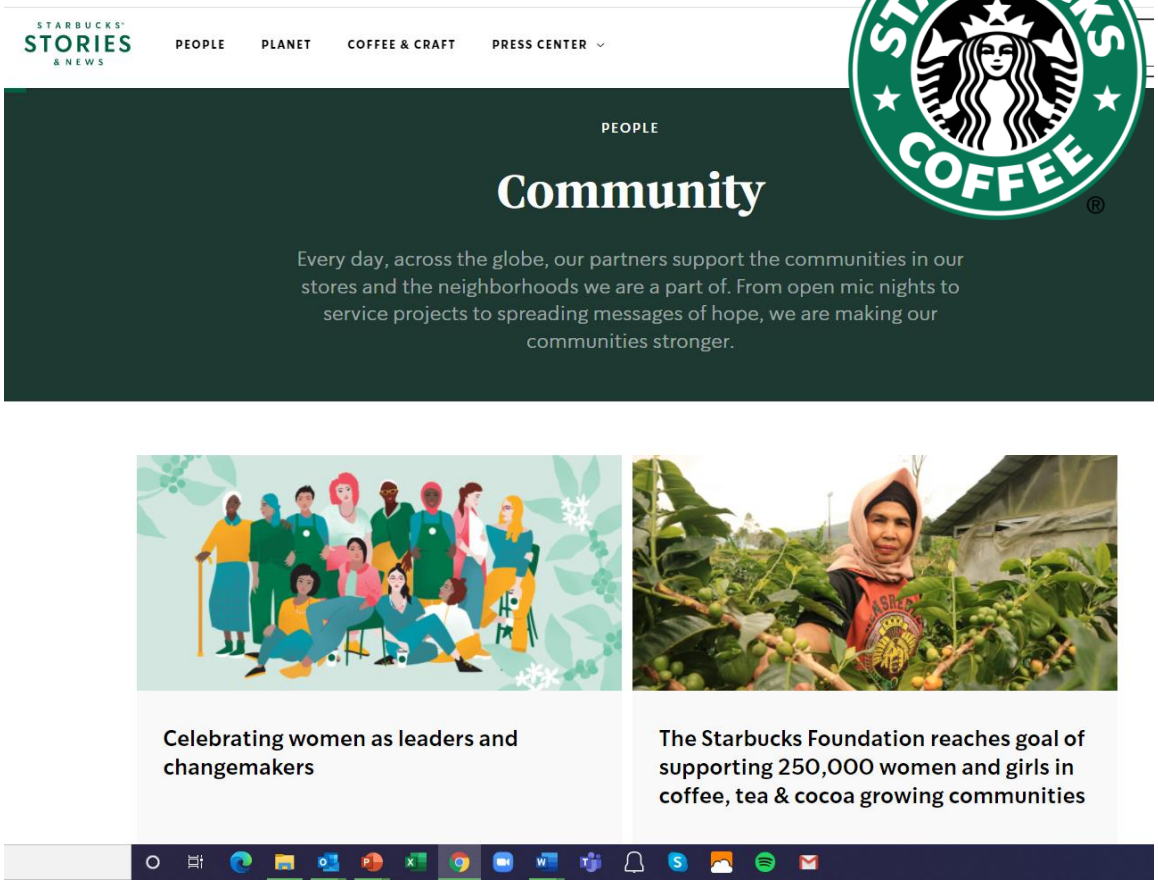
To the **community** but also other stakeholders

- Are we a responsible employer?
- Do we treat the local community with respect? (e.g. where our offices or stores are based, where our factories are located?)
- Do we help support the local community, or the wider community?
- Are we a good corporate citizen?
- Are we environmentally friendly?

Case Study: Demonstrating Responsibility through Charities

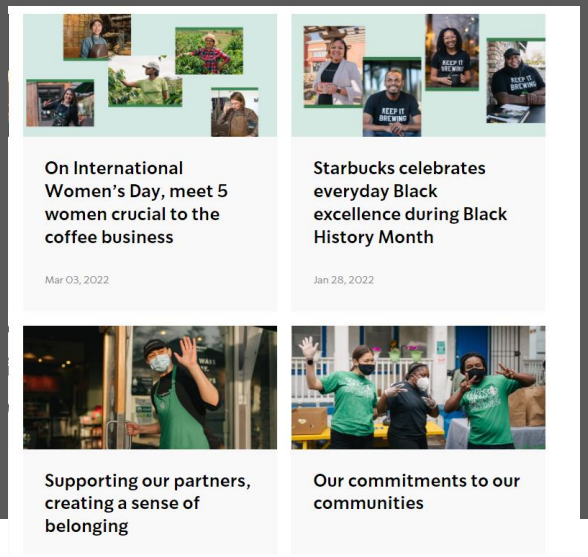
- Many organisations can enhance their reputations by working with charities, such as Comic Relief.
- This communicates that they care about the communities they work in and with, they are a responsible corporate citizen, and they want to 'give back'.
- Some support charities that have resonance with their own sector e.g. housing associations may support the charity Shelter
- www.comicrelief.com/working-with-us/our-partners

Case Study: Starbucks & Community Support



Starbucks has an extensive section on its website dedicated to a range of community activities it undertakes globally, including work by the Starbucks Foundation.

This communicates a strong message about its commitment to people and communities, and promotes a reputation of being a responsible organisation.



PUTTING PEOPLE FIRST

We're investing in the well-being of those we connect with, working hard toward a better future.

Inclusion & Diversity

Our commitment to equal opportunity means cultivating an environment where differences are embraced and building a culture that fosters a sense of belonging.

Find examples

Opportunity

We put our partners (employees) first, empowering them by providing meaningful opportunities to pursue their aspirations.

Read stories

Community

Across the globe, we serve to strengthen each community we are part of by being the neighbor every neighborhood wants.

See how

You voted, we gave: The Starbucks Foundation donates $1 million to help strengthen communities

December 16, 2021 · 2 min read

SHARE

Strengthening communities all year round

The Starbucks Foundation's 2021 investments in communities

$23.2 MILLION

in total grants awarded to support thriving communities and disaster response

Case Study: But are Global Brands Responsible Citizens?

"Pressure is growing on Western food and drink giants to pull out of Russia due to the invasion of Ukraine."

Did global brands' hesitation to stop operating in Russia when the war with Ukraine started threaten their reputations?

Did it make them appear less responsible organisations?

McDonald's and Coca-Cola were criticised on social media for failing to speak out about the attacks and continuing to operate in the country.

#BoycottMcDonalds and #BoycottCocaCola were trending on Twitter

Ukraine's Foreign Minister, Dmytro Kuleba told CNN all western companies must withdraw from Russia on humanitarian grounds. **"We were upset to hear companies like Coca-Cola and McDonald's remain in Russia and continue providing their products."**

Trustworthiness

For **employees** but also other stakeholders.

Consider:

- Do people believe in us? Can they count on us?
- Do they believe we are good, honest and truthful?
- Do they believe what we do is safe and reliable?
- Are they sure we will not harm them?
- Can they rely on our abilities?
- Are they confident we will do what we say?
- Do we keep our promises?

Case Study: Breaking Trust

P&O Ferries sparked outrage after sacking 800 staff with plans to replace them with cheaper agency workers.

Staff told in a video call that it was their "final day of employment“.

Employees given no warning. No consultation with Unions or the Government.

“one of the most **shameful acts** in the history of British industrial relations“ - RMT Union

MPs described P&O Ferries' actions as "**callous**" and "**disgraceful**".

Business Secretary Kwasi Kwarteng told **P&O Ferries it has lost the trust of the British public** and given business a bad name.

DAILY EXPRESS

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FRIDAY, MARCH 18, 2022

80p

TOGETHER AGAIN... Nazanin reunited

SEE PAGES 10&11

BIDEN BLASTS PUTIN

'MURDEROUS DICTATOR AND PURE THUG'

SEE PAGES 6&7

BETRAYAL!

P&O sacks 800 workers by video

Captain locks out cheaper staff

By Chris Riches

FERRY giant P&O sparked outrage yesterday by sacking 800 staff in a video call – and replacing them with cheaper agency workers.

Unions branded the move "a betrayal" and "one of the most shameful acts in the history of British industrial relations".

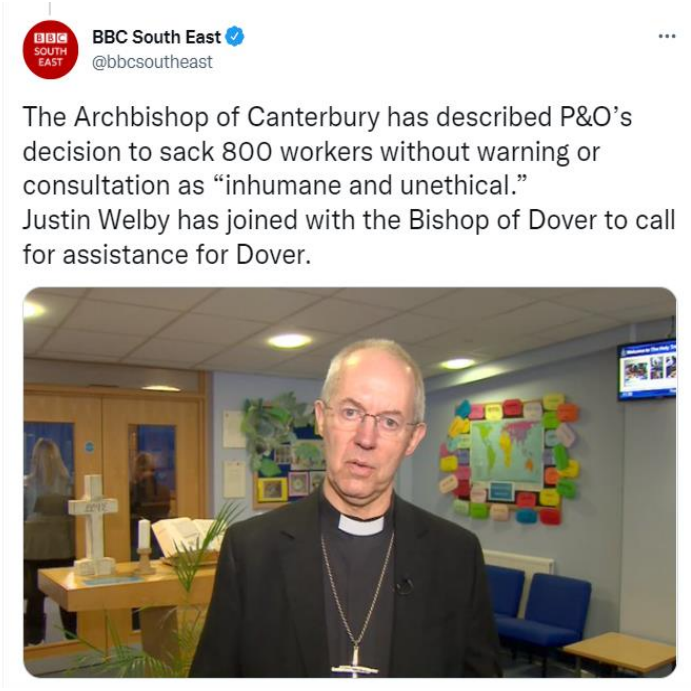
Security men with handcuffs tried to board ships and remove staff who stayed on after being told it was their "final day of employment".

Defiant captain Eugene Favier, *left*, locked down his ship to stop security teams escorting his loyal workers off

TURN TO PAGE 4

P&O ferries at Dover yesterday as protests raged

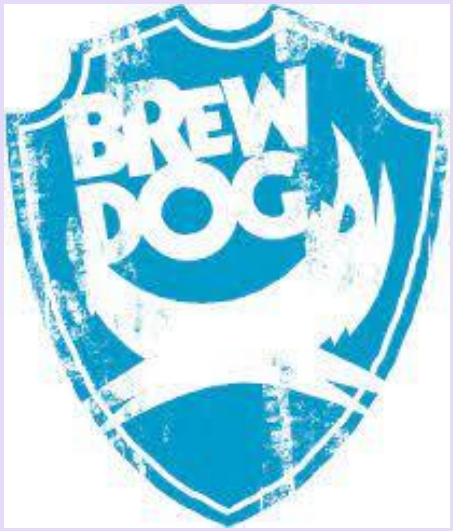
"Workers were **sacked via video message** without any notice, with reports of crew members being **removed in handcuffs** from ships by security guards at Dover" – Sky News



Natalie Elphicke, Conservative MP for Dover said P&O Ferries is at the "**heart of this community** and the way the workers have been treated is **appalling**".

Greater Manchester Mayor Andy Burnham: "*"I say to the Prime Minister: you have to step in and you have to deliver on your commitment to strengthen employment law so this kind of **gangster practice** can't be allowed to happen any more."*

Case Study: BrewDog Losing Employee Trust



"Former BrewDog staff accuse firm of culture of fear"

In an open letter circulated on Twitter, 61 former workers alleged BrewDog had cut corners on health and safety, espoused values it did not live by, and had a "toxic" culture leaving staff with mental illness.

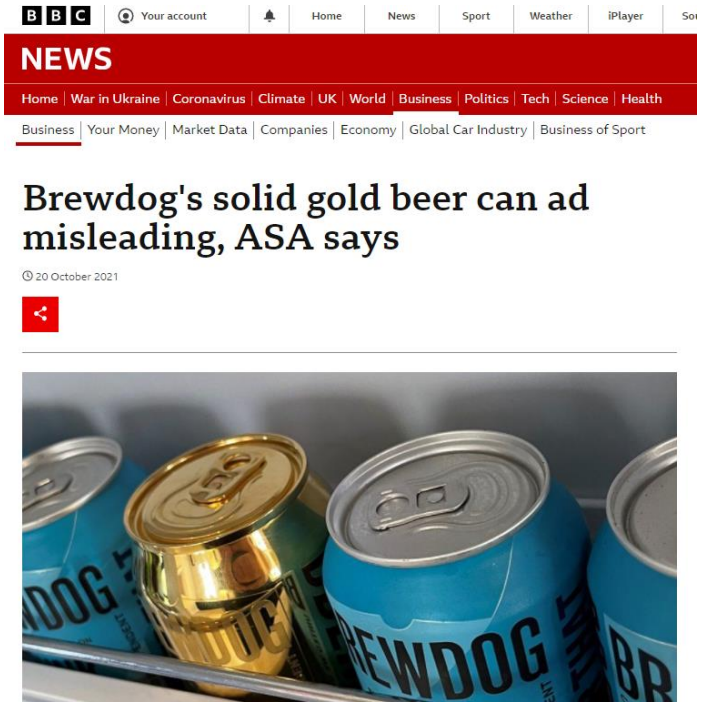
"Being treated like a human being was sadly not always a given for those working at BrewDog" it alleged.

"BrewDog made an apology in response to claims that **struck at the heart of its reputation**" (The Guardian, June 2021)

A BBC Scotland Disclosure team investigated the company. Their documentary 'The Truth about Brewdog' features interviews with former staff who allege inappropriate behaviour in the workplace by Mr Watt.

Mr Watt's lawyers deny the allegations.

- Trust was further affected when Brewdog hit the headlines when the Advertising Standards Association (ASA) **upheld complaints** over its **‘Golden Can’** promotion in a Willy Wonka style contest
- Consumers were left angry and disappointed when the ‘**solid gold can’ prize** turned out to be gold-plated instead.
- Winner Mark Craig said the gold-plated can he won is "**not worth anything**".
- He told the BBC: "They are meant to be there for the little guy and **this is two fingers to their customers** who are the ones who were taken in by this."
- Brewdog said its social media posts which contained the words "solid gold" did so in error and that **mistakes** were **a result of miscommunication between its marketing and social media teams.**



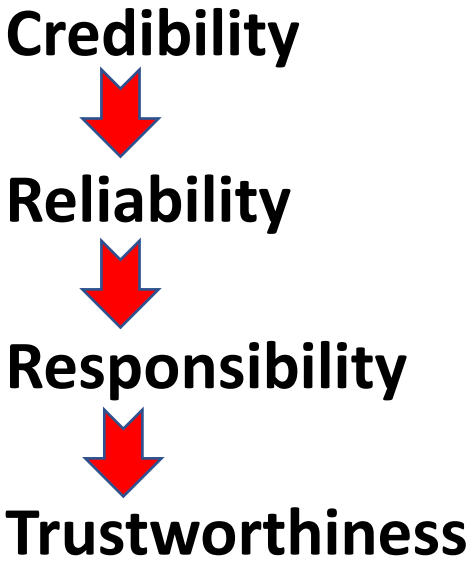
So how can PR help manage reputation?

In three ways….

1. Promote the 4 Pillars of Reputation

Raise awareness of the good work you are doing with each of the 4 pillars of reputation:

- Demonstrate and communicate you are a **credible** organisation and people can have confidence in you and your capabilities.
- Communicate your **reliability** and how you provide consistent quality and availability, and meet and exceed customers' expectations.
- Raise awareness that you are a **responsible** employer and support the community and environment, treating them with respect.
- Demonstrate and communicate your **trustworthiness** to employees and others, that your organisation is good, honest and truthful, and what you do is safe and reliable. Explain how and where you keep your promises.



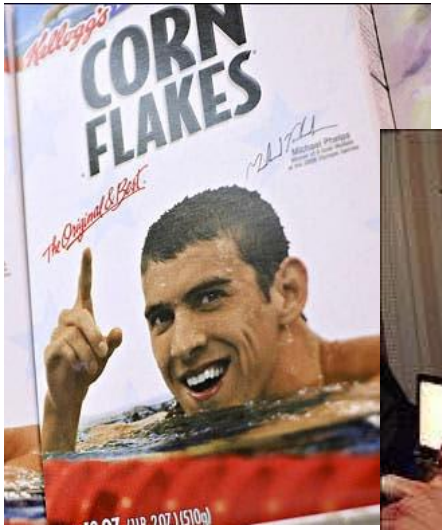
2. Avoid Negative Reputational Association

- **Be careful who you work with**, what their reputations are, who you collaborate with and which celebrities, influencers and sponsors you partner with. **Any negative activity by them will impact on <u>your</u> reputation** – and affect your credibility, reliability, trustworthiness and responsibility!
- Which is why Speedo dropped Ryan Lochte instantly, and why Adidas dropped Kurt Zouma immediately. Would you want your stakeholders to associate your boot brand with a footballer who kicks cats?

Reputational Association

Companies and brands' reputations can suffer negative reputational association unless they take swift action to protect their image e.g.

- **Helen Mirren**, celebrity face of **L'Oreal** admitted their moisturiser "probably does f--- all"
- **Michael Phelps** – the Olympic swimmer was dropped by Kellogg after a photo leaked of him inhaling from a marijuana pipe – which did not align with their 'family values' reputation.



3. Don’t Torpedo Your Own Reputation!

- When **PR works with senior management**, it can be instrumental in **preventing self-inflicted reputational damage.**
- As a **boundary-spanning activity**, PR acts as a link between the organisation and the outside world. PR can be the ‘**eyes and ears**’ as to stakeholders’ perceptions of the organisation and how its actions will be perceived (remember, reputation = perceptions)
- Public relations practitioners can therefore **counsel and advise organisations** on how their planned actions **will impact on their reputation** – and ideally prevent any blunders!

Case Study: E.On blasted for sending socks to customers

Organisations can also ‘shoot themselves in the foot’ when it comes to damaging their own reputations.

Energy supplier E.On recently said it was "**incredibly sorry**" for sending socks to 30,000 customers to encourage them to turn the heating down at a time when customers face a cost of living squeeze with energy bills set to rise by as much as £600 in April.

Customers reacted with anger - especially when socks were sent to elderly relatives…

“My elderly auntie on income support just received this pitiful pack from her energy company. A packet of polyester socks. Are they for real? Shame on you E-on.”

“This type of marketing stunt will feel like a slap in the face to households panicked about the soaring costs of energy.”

So don’t kill your own reputation. Remember a good reputation is hard won. Look for genuine ways to build and protect it…

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Thank you for listening.

Any questions?

To contact me

(or ask me to talk about reputation to your organisation!)

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