

# the company behind the brand: in reputation we trust

## ceo spotlight

At the close of 2011, Weber Shandwick and KRC Research conducted [The Company behind the Brand: In Reputation We Trust](#), a survey designed to investigate the rising interdependence of brand and corporate reputation. The survey was conducted among consumers and senior business executives in two developed (U.S. and U.K.) and two emerging markets (China and Brazil). In addition to the initial findings that were released early in 2012, we explored perceptions of business, business leaders and the impact of CEO reputation on corporate reputation.

It is no secret that the reputation of big business has suffered over the course of the past several

years. Numerous studies have revealed that consumers no longer trust business and those in charge. *The Company behind the Brand* research found that one out of every two consumers (50%) lost respect for corporate leaders over the past few years. Only 19% increased their admiration. Overall corporate reputations also took a hit: approximately four in 10 consumers hold large international corporations (41%) and their own country's largest companies (38%) in lower esteem than in years past. But not all news is bad news — on a more positive note, 55% of consumers have gained respect for small local businesses.

### How has consumer respect for each of the following changed over the past few years?

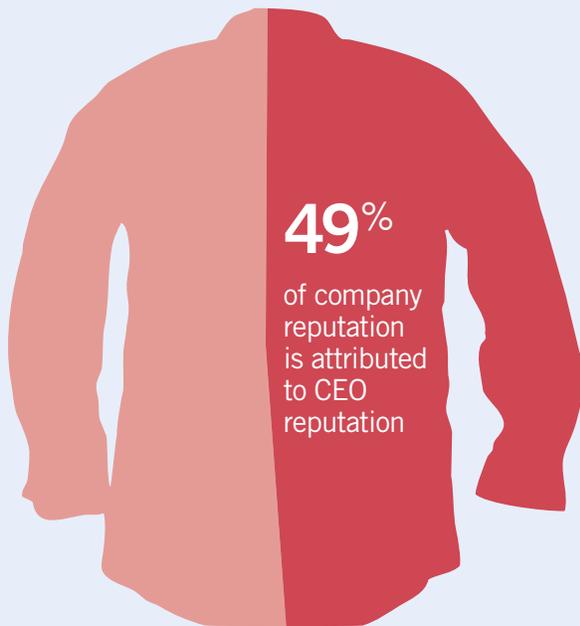


This second installment of *The Company behind the Brand* explores how executive leadership and communications from the top are critical to helping reverse the tides of waning respect for companies. Following are findings from our research:

## CEO Reputation is an Invaluable and Leverageable Corporate Asset

Executives in our study report that, on average, 49% of the reputation of their company is attributable to the reputation of their CEO. In turn, 60% of a company's market value is derived from its reputation. Clearly, there is a lot at stake when it comes to the reputation of the CEO.

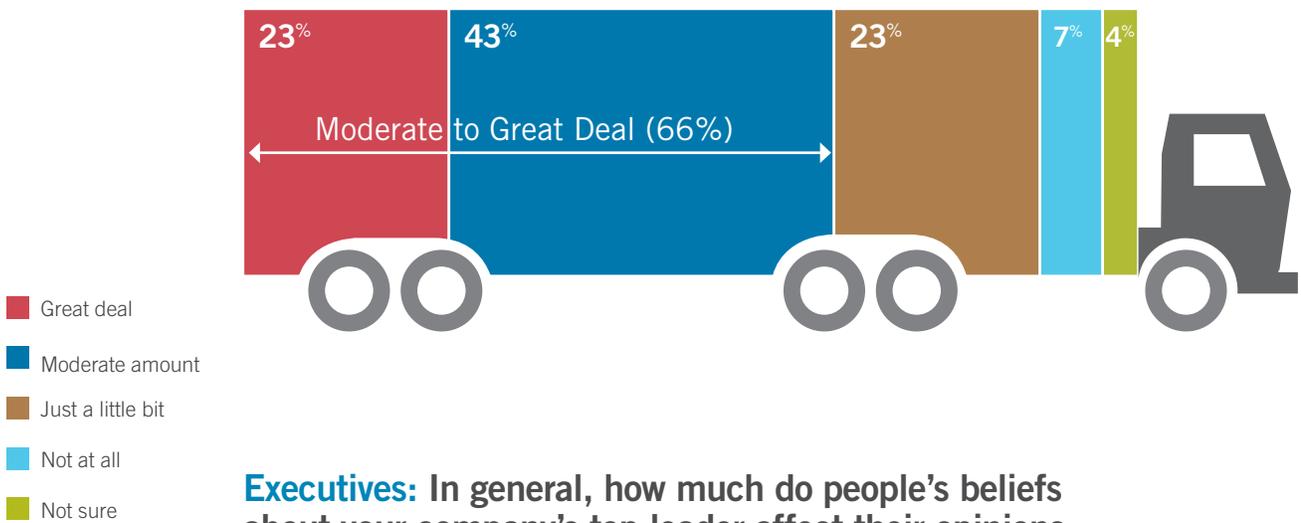
### Total Executives



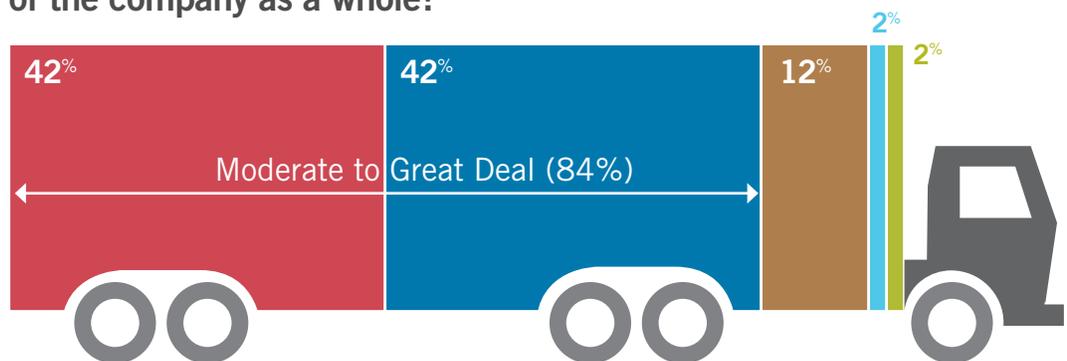
The importance of the CEO is not overlooked by consumers. A full two-thirds (66%) of consumers say that their perceptions of top leadership affect their opinions of company reputations a great deal or to a moderate degree – only seven per cent say their views on the leader at the top have no bearing on corporate reputation.

Executives are quite aware of the CEO’s role in consumer decision-making. More than eight in 10 executives say that consumers’ beliefs about a company’s top leader affect their opinions of the company at least to a moderate degree.

**Consumers:** In general, how much do your beliefs about a company’s top leader affect your opinion of the company as a whole?



**Executives:** In general, how much do people’s beliefs about your company’s top leader affect their opinions of the company as a whole?



## Executive Leadership is on Consumers' Radar Screens

Nearly three in 10 consumers (28%) report that they regularly or frequently talk about company leaders with others. While this rate is far below how often consumers talk about product quality (69%), it is a topic that comes up as nearly as often as company websites (30%) and community engagement (29%). In this anti-business climate, it is important for companies to recognise that the public talks about business leaders and it is to their advantage to provide them with fact-based information and positive news instead of letting them fill in the blanks.

“Whether it is greater internet access or an increased focus on jobs, business permeates the lives of consumers in ways never imagined. Consumers may like or dislike CEOs but there is no doubt that they are

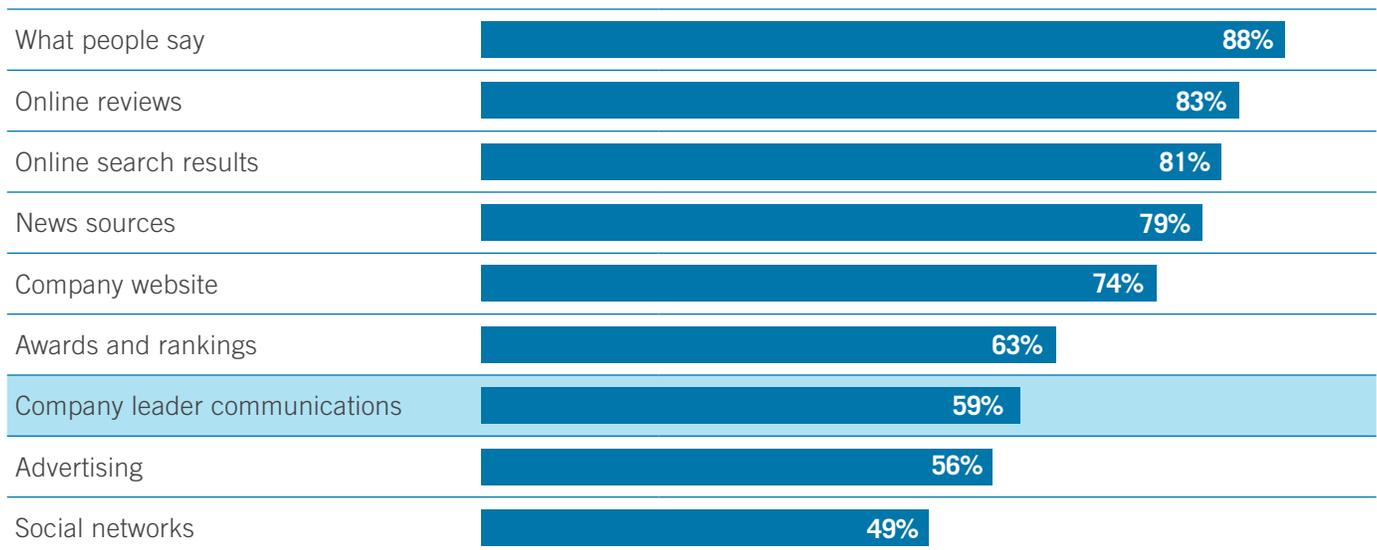
more attuned to what leaders are saying and doing than evidenced in years past,” says Weber Shandwick’s chief reputation strategist Leslie Gaines-Ross.

## Executive Communications Matter

Executive leadership is more than just a conversation topic. When consumers are asked what influences them about companies, approximately six in 10 (59%) say they are influenced by what top leaders communicate. Surprisingly, company leadership communications outranks investment-heavy advertising (56%) and social network conversations (49%). Word-of-mouth, online reviews and search results lead the list of what most influences consumers when they do talk about companies in general. Getting corporate messaging into that word-of-mouth conversation is therefore paramount.

### What influences consumer perceptions about companies?

(% Very/somewhat influential on consumer opinion)



Consumers judge firms based on information that flows from the top. What executives communicate, or don't communicate, shapes what the general public thinks about companies, and in turn, influences what consumers communicate with other buyers.

With 50% of consumers respecting corporate leaders less today, there is no better time for CEOs and other top executives to increase their public presence and speak to the issues that are of most concern to those buying their firm's products.

# CEO Reputation Differs Widely in Developed vs. Emerging Markets

Across all four markets in our survey, the average consumer discusses company leaders and uses executive communications to help them make judgements about the companies they discuss. The ways in which consumers perceive company reputation, however, vary by region.

- CEO reputation has taken an especially large hit in developed markets: 72% of U.S. and 71% of U.K. consumers have lost respect for corporate leaders, including CEOs in recent years. In emerging markets, Chinese consumers are evenly split on their changing opinions of corporate leadership. Brazilian consumers are more likely to have increased their respect for top executives than decreased their respect.

- Compared to consumers in developed markets, those in emerging markets are more likely to discuss company executives. When presented with a list of specific business topics, 39% of Chinese and 36% of Brazilian consumers report they often have conversations about company leaders. U.K. consumers are the least likely to discuss company leaders (16%) and U.S. consumers do so at a rate slightly below average (22%).
- Company leader communications are important across the globe, but to a greater extent in emerging markets. Nearly two-thirds of Chinese consumers (64%) and nearly three-quarters of Brazilian consumers (72%) rely on executive communications when learning more about a company. When they want to know more about a company, 56% and 46% of U.S. and U.K. consumers, respectively, find company leader communications influential.

	Total Consumers	U.S.	U.K.	China	Brazil
% Consumers whose respect for corporate leaders, such as CEOs, <b>decreased</b> over the past few years	50%	72%	71%	35%	21%
% Consumers whose respect for corporate leaders, such as CEOs, <b>increased</b> over the past few years	19%	3%	3%	38%	33%
% Consumers who regularly or frequently discuss company leaders	28%	22%	16%	39%	36%
% Consumers who are very or somewhat influenced by company leader communications	59%	56%	46%	64%	72%

The significance of company leaders and their communications in emerging markets suggests an even greater importance for their firms to keep executives visible and engaged.

## In Closing

CEO and company reputation are inextricably linked – corporate reputation is not isolated from the public’s views of a company’s top leadership. Together, company and CEO reputation make a solid contribution to a firm’s market value. Companies should therefore not only invest in corporate reputation for the long-term, but also in the reputation of top executives to maximise the chances of weathering the current climate of anti-business sentiment and providing maximum competitive advantage.

Weber Shandwick’s suite of executive reputation services is shaped by a deep understanding of the most important drivers of CEO and company reputation, and by time-tested strategies for improving engagement and credibility. The team’s counsel is built on groundbreaking research, in-depth expertise and best practices for CEOs as they journey through their first 100 days to their last 100 hours. Executive Equity & Engagement is a component of Weber Shandwick’s Enterprise Brand Engagement Model which also includes Corporate Storytelling, multi-channel Amplification & Engagement, and establishing third-party Credentials & Recognition.

**For more information on *The Company behind the Brand: In Reputation We Trust – CEO Spotlight* or any of Weber Shandwick’s Corporate and Reputation services, please contact: [ThoughtLeadership@webershandwick.com](mailto:ThoughtLeadership@webershandwick.com)**

You can also visit:  
[www.webershandwick.com](http://www.webershandwick.com)

