

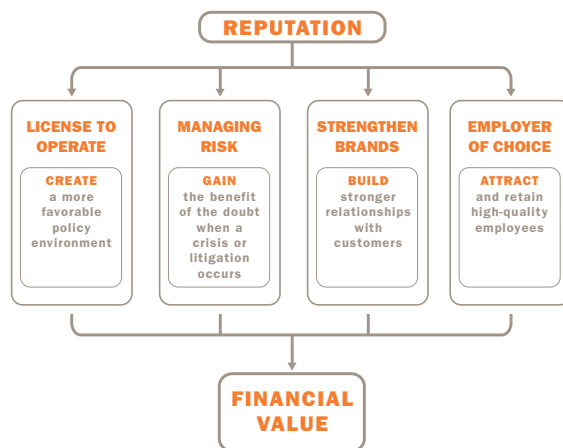
Understanding Your Most Valuable Asset. Providing Information for Action.

Over the past 30 years, public trust and confidence in business has been steadily declining. In the wake of the corporate scandals of 2001-2002, the public's confidence in business has hit all-time lows. With this decline in confidence, expectations for corporate reputation are changing and growing faster than ever. Despite these trends, many companies do not have a solid grasp on what defines their reputation and are ill equipped to proactively manage their most important asset.

Now, more than ever, building reputation capital is essential to ensuring success. Building reputation capital is like putting a deposit in the bank. In good times interest grows, and in times of crisis it gives the ability to draw down the deposit without draining the account.

Reputation directly impacts the business environment and a company's ability to succeed in the market and ultimately build value for shareholders. Reputation has a measurable impact on key outcomes that matter.

Although reputation is understood to have a profound impact on the business, few companies have a clear understanding of the elements that define their reputation – even though a majority of chief executive officers say it is the most important intangible asset held by a company.



Corporate reputation is the extent to which the company is meeting the expectations of all of its stakeholders. Since every company faces a very unique issue environment, the expectations that define reputation vary by company. One-size-fits-all models that claim to measure reputation against

a static set of attributes fail to capture the unique issues and expectations that are most important to individual companies. An investment in building reputation capital should begin with research that is directly actionable and should help companies to not only understand where they are today, but also how they can most effectively shape and enhance their reputation moving forward.

Reputation InsightSM is APCO's approach to understanding and measuring corporate reputation. Reputation Insight deconstructs the unique reputation DNA of a company, creating a customized reputation model for each client. This model identifies distinct issue drivers that define and drive corporate reputation across all stakeholders. By measuring the impact these issue drivers have on reputation and in driving key business outcomes, APCO provides a reputation blueprint with a clear roadmap for building a return on reputation.

THE SEVEN STEPS TO BUILDING REPUTATION INSIGHT

APCO Insight[®], APCO's full-service opinion research offering, developed a proprietary approach that has helped dozens of leading companies and industries to protect and enhance their most valuable asset.

- 1. Define Your Audiences:** Reputation is defined as the extent to which companies are meeting the unique expectations of their stakeholders. APCO works with clients to define the key stakeholder audiences among whom reputation will be assessed.
- 2. Step Back and Listen:** Instead of relying on preconceived notions about the issues and expectations that might define reputation, APCO's researchers listen to what stakeholders say. APCO Insight conducts in-depth qualitative research in the form of focus groups and executive interviews to understand the full range of expectations stakeholders have for the company. This research leads to a comprehensive list of all of the possible attributes that might define reputation.
- 3. Measure:** APCO Insight conducts scientific, random-sample surveys of key stakeholders to measure perceptions of the company along the comprehensive list of attributes uncovered in the qualitative research.
- 4. Develop the Model:** Applying advanced statistical analyses, APCO Insight statisticians analyze survey data to develop a customized and comprehensive model of the company's reputation. This analysis

uncovers the specific issue drivers that define reputation, the discrete attributes that are the most valid and reliable measures, and the relationship between the drivers.

5. **Analyze Impact and Performance:** Once the model has been developed, APCO Insight measures how the company is performing on each individual driver and the relative impact the driver has in defining the company's overall reputation. Advanced analyses are also conducted to understand the impact overall reputation – as well as discrete reputation drivers – has on key outcomes (customer behaviors, activist behaviors, public policy outcomes, investment decisions, etc.).
6. **Create the Reputation Blueprint:** The research findings are expressed in an easy-to-understand format that points to the key issues that must be addressed to protect and enhance reputation.
7. **Track:** Once the model is developed, APCO's clients have a highly accurate and efficient tool for tracking reputation over time. The model also provides a robust tool for measuring the effectiveness of various communication activities. Communications Impact Scores help clients assess the impact that paid and earned media, online activities, and other stakeholder communication are having in shaping reputation.

EXPERIENCE

Dozens of *Fortune* 100 companies and industry associations rely on Reputation Insight to help protect and enhance their most valuable asset. Research has been conducted in over 50 countries across a wide range of stakeholder audiences, including consumers, employees, government officials, investors and others. Reputation Insight is an integral tool for clients to develop reputation management strategies that become integrated into every business function and to measure the effectiveness of their corporate communication.

Some of the clients that rely on Reputation Insight include:

- Altria
- American Chemistry Council
- Borealis
- Borouge
- Disney
- GSK
- Kellogg's
- Siemens
- Target
- Wells Fargo

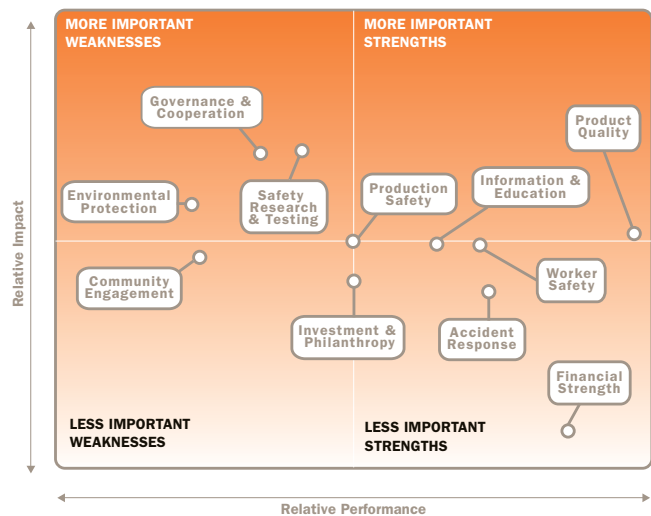
Reputation Insight Sample

The following are examples of a Reputation Insight model and matrix developed for a chemical company. The model serves as a reputation blueprint to identify new opportunities and provides a roadmap for strategy protection and reputation enhancement. The matrix isolates the unique drivers for the same company.

REPUTATION INSIGHT MODEL FOR A CHEMICAL COMPANY



REPUTATION INSIGHT MATRIX FOR A CHEMICAL COMPANY



APCO
worldwide®
apcoworldwide.com

Bryan Dumont
senior vice president
APCO Insight
700 12th Street, N.W., Suite 800
Washington, D.C. 20005
U.S.A.
Tel: +1.202.778.1000
Fax: +1.202.466.6002
bdumont@apcoworldwide.com

Mark Benson
president
APCO Insight
700 12th Street, N.W., Suite 800
Washington, D.C. 20005
U.S.A.
Tel: +1.202.778.1000
Fax: +1.202.466.6002
mbenson@apcoworldwide.com