

The new era of reputation insight



By Dennis Larsen.

Over the past 10 years, reputation measurement has moved out of the pioneering phase to becoming a 'must have' of corporate relations functions and business strategists alike. One can no longer design engagement and communication plans without some form of stakeholder perception data.

Senior experience and guesswork, however meaningful they can be, are no longer enough in the corporate relations strategy setting process. Pioneering firms realised early on that robust stakeholder insight was essential to course correct plans and to measure effectiveness of implemented strategies. Reputation measurement, in its various forms, is now truly embedded in organisational planning cycles and can be considered a hygiene factor.

The 'measurement era' has resulted in much experimentation of what works and how to use the data. Which research model to use, how often to conduct surveys, how to choose a relevant stakeholder sample, how to approach stakeholders, how to convey the results to senior management and employees— all these conundrums have been solved by practitioners, academics and consultants.

Coming to the end of this era, there is no clearly accepted standardisation of metrics (nor should there perhaps be) but we have seen very effective usage of tailored approaches by a range of entities from large multinationals to governments and NGOs. Effective reputation measurement has allowed executives to apply a degree of key hole surgery in strategic planning – both within corporate relations functions and, importantly, with colleagues in functions ranging from investor relations to marketing, operations, commerce and others.

We are transitioning from an era reputation measurement to one of strategic reputation insight. Savvy companies are going beyond 'standard' reputation metrics and are gathering much more advanced insight in a strategic way. There are three distinct areas where we are seeing this shift:

Insights gathering and research integration

Successful organisations are combining in depth stakeholder feedback with a raft of secondary data sources to form a fuller picture of reputation and how reputation drives stakeholder behaviour and business success. Reputation intelligence gathering can take many forms: from perception measurement and expert dialogue sessions through to media measurement and online data aggregation. We will continue to see firms reaping opportunities to integrate reputation models into existing research run across the organisation- delivering economies of scale and delivering a truly holistic reputation picture.

Where cyclical reputation trackers are well embedded, organisations are becoming more comfortable to go beyond reputation measurement and learn more about their stakeholders' preferences and expectations. In the coming era, organisations that fail to know what their stakeholders believe in, what sources they value and what will drive their decisions, will lose out. It is no longer sufficient to merely measure reputation. Effective reputation intelligence gathering will be required covering the breadth of prioritised stakeholders' views on the organisation, the sector and the wider environment in which it operates.

Active reputation management with advanced tools

In the coming era, active reputation management will rely even more on detailed intelligence gathering and advanced analysis. Metrics will still be gathered to track performance and course correct plans, but the way the insights are used across various functions will see a further shift towards deeper and further reaching analysis. Advanced reputation management tools including online interactive portals, data cross-referencing and data-mining will become the norm. CSR functions will mine the insights from stakeholders to understand what issues they consider to be most material to address. Consumer insights teams will seek reputation intelligence to understand how corporate reputation is driving purchasing decisions. HR will be even more interested in how internal reputation is enhancing employee engagement.

In sum, the reputation intelligence will serve as both an ear to the ground for the organisation as whole – uncovering important issues before they become potential crises- and act as an x-ray machine to uncover what drives stakeholders' decisions. Since reputations exist in the minds of one's stakeholders, it is imperative to its management that one not only measures **what** it is, but also **how** it works to impact stakeholders.

Organisational strategy

As reputation management consultants we have always known that reputation management is at the heart of business strategy. Whether or not it is singled out and labelled as such, those organisations that take business decisions with a reputational impact assessment built in tend to make better strategic choices and achieve more sustained longer term superior performance. Academic studies prove as much.

In the coming period, the battle for securing a seat at the business decision making table should be over. Reputation is now formally and explicitly embedded at the very top of most successful organisations. This requires both regular metrics and KPIs to hold executives accountable and in depth insights analysed when required. It will be standard process for firms to go beyond reputation measurement into much more savvy intelligence and strategic reputation management.

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