



Reputation MARKETING

Building and Sustaining
Your Organization's
Greatest Asset

Joe Marconi

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Introduction

Reputation marketing has emerged as an area of specialization among public-relations professionals and marketing consultants. A closer look at the subject reveals marked similarities to the practice of corporate-image management, and in some instances, brand management as well. Are these distinctions important? To some people, perhaps not. But they are distinctions worth knowing and understanding. These are times of unprecedented competition and soaring costs; once an objective is clearly defined and resources are committed to meeting that objective, the strategy and tactics should follow a straight line and remain as focused as possible.

Given that reputation management is a form of public relations, and public relations is part of the field of marketing, how and where does reputation management fit into the marketing plan? Is reputation marketing a viable approach?

This book sets up a number of marketing issues and challenges and examines them from a reputation-specific perspective. How did the marketing work? Sometimes corporate-image marketing techniques benefit a brand or product's reputation, sometimes not. We will note the distinctions and begin to understand that *image*, *brand*, and *reputation* are not the same, and that the terms should not be used interchangeably if a strategy is to achieve its objective.

The public is exposed to a myriad of images and brand-marketing messages every day. This same public forms perceptions of a brand that are based (in part) on the brand's image, and sometimes on its reputation, and makes its decisions accordingly. Marketers need to know what factors are considered in these decisions.

For purposes of this work, let us consider reputation management and reputation marketing as one process. This is not a great leap, since under most circumstances managing and marketing are indeed wholly linked.

A product's image in the marketplace is often enough to determine its success or failure. In today's media-intensive environment, images can be created virtually overnight with an advertising blitz, a highly promoted event, a well-managed cover story, or a prime-time appearance. Building a reputation takes longer, and cannot be bought for the cost of an advertisement. This is a key point that marketers must understand: making an impression and building a reputation are not the same thing.

Many companies and individuals are increasingly using their reputations as marketing tools. Such a strategy is possible in part because technology has evolved; the power of the media can be directed toward creating, changing, shaping, and influencing perceptions in a more narrowly defined context. This means reputations can be created more rapidly, though still not as instantaneously as images or impressions.

The same process, alas, can work in reverse. A reputation that has been carefully nurtured and protected for a century or more can be attacked with enough force to put it into free fall, threatening to undo a long and distinguished history of accomplishment and goodwill.

Reputation Marketing is a guide to creating a focused brand or corporate public-relations philosophy, as well as a plan of action. Each chapter includes specific examples and case references that

illustrate the premise of that chapter. This book is intended for marketers, but the information and examples presented here should be equally valuable to service providers, agents, managers, lawyers, and many of the folks in the front office—and the back office as well.

A reputation, good or bad, casts a shadow far and wide that can help or hurt a company or brand. Reputations can affect the bottom line—in every sense of the term. This is about recognizing that fact and making a difference.

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Who Do You Think You Are?

Understanding Reputation Marketing

**The reputation of a man is like his shadow,
gigantic when it precedes him, and pygmy
in its proportions when it follows.**

—Talleyrand

A name, or a single word, can suggest an image. It can speak volumes to us in terms of our beliefs and perceptions. Your target audience may be made up of housewives, students, corporate executives, or securities analysts, but all these groups are “consumers” who act upon what they have seen, heard, and learned. We make our decisions in no small part on impressions—sometimes first impressions, sometimes a series of impressions created over a lifetime, and sometimes impressions that were formed after reading persuasive research. An authoritative research report that begins with a phrase such as, “The company (or product or chief executive) has an excellent reputation,” has already colored and shaped all that will follow.

What Is *Reputation Marketing*?

The word *reputation* is not usually misunderstood. *Webster's New World Dictionary* defines *reputation* as (1) the regard, favorable or not, shown for a person or thing by the public, community, and so forth; (2) such regard when favorable (for example, *to lose one's reputation*); or (3) distinction.

Nurturing, protecting, or exploiting a reputation can be a difficult art; the skill with which it is done often determines whether a given company, product, or brand will succeed or fail. Because marketing is, in the broadest sense, about positioning, packaging, pricing, and promotion, managing a reputation is an essential part of the marketing process.

Reputation management is a very focused and specialized practice in and of itself; it goes beyond the routine public-relations and investor-relations functions that have been the standard for decades. A quick Internet search will turn up many public-relations firms that offer *only* reputation-management services.

Additionally, the singular-focus magazine called *Reputation Management* has established itself within the public-relations profession as a highly useful and respected journal with an increasing degree of influence. The magazine's publisher defines reputation management as (1) a counseling discipline that recognizes the importance of reputation as an organizational asset and seeks to ensure that management decisions are taken in an environment in which reputational implications are fully understood, evaluated, and considered so that an organization's behavior earns it a strategically appropriate reputation with important stakeholders; and (2) a results-oriented management function that seeks to leverage reputation as an asset, enlisting important stakeholder groups, including employees, consumers, communities, and investors, to assist the organization in the achievement of its strategic design, and seeking

to minimize the resistance of those groups to legitimate management objectives.

Whew!

As definitions go, that one would certainly qualify as being “encompassing”—perhaps too much so. Edelman Public Relations Worldwide, a well-recognized and powerful global PR firm that takes this subject very seriously, has a somewhat more concise overview: “Reputation management is the orchestration of discreet initiatives designed to promote and protect one of the company’s most important assets—its corporate reputation—and to help shape an effective corporate image.”

The Edelman approach uses a formulation that includes strategic recommendations for crisis management, media relations, philanthropy, influence outreach, corporate advertising, employee relations, sponsorship, and CEO positioning, in an effort to effectively—and strategically—manage a company’s corporate image. The Edelman agency’s clients are major companies, institutions, and brands, but one can easily make a case for reputation management as a viable approach even when the “product” is intangible: a cause, a public figure, a celebrity, or a politician.

Consider the circumstances under which a reputation can be created, changed, and used to influence consumers, investors, competitors, and the media, used as a consideration in recruiting, or even used to position a company for possible sale or acquisition.

Virtually all marketing revolves around (1) a plan and (2) a USP, or unique selling point. For the purposes of this work, we will focus only on the aspects of the USP that relate to the subject’s reputation. In an environment that’s crowded with brands, products, companies, and people, what or whom do we admire, like, respect, trust, appreciate, or just *feel good* about? What stands out when the subject is viewed among competitors or others in the same field?

Reputations and Trends

Marketing is routinely credited or blamed for creating trends, but just as often, marketers are required to react, or to *follow* trends created by others. In such instances, reputations can be either enhanced or diminished, sometimes significantly. An old expression in business admonishes, “If you can’t be the first, be the best.” More than a few late arrivals to the marketplace have had to set that as their goal.

At the very least, it is important to create a *perception* of being the best. If your company isn’t the one offering the product that was first in the market, or your company or product was not the first to be successful in a category, the assumption is that you are at a disadvantage. This can be especially humiliating for a market leader, if it is upstaged by a smaller or lesser-known company that brings the product to market first. The market leader has to uphold its reputation and is forced to respond.

Maybe not. The opportunity exists to expand, introduce, or position a product as a significantly better version of the first product. The improved entry may even change the direction of a trend.

Consider how many (or how few) people can tell you who created the first wristwatch, ballpoint pen, pair of eyeglasses, or slip-on shoes. The truth is that it doesn’t matter. The people who made these items famous improved on existing products. In the process, they rendered their predecessors less relevant, and altered the course of function and fashion in their respective industries so much that today, any number of creative competitors are regarded as leading brand names. The reputation for quality and style went to the companies that had the best products, not necessarily those that had the first.

Some people dismiss Seattle’s Best Coffee as a Starbucks wannabe, which copies the Starbucks marketing and distribution

concept—and even the coffee's taste. But by positioning its brand as an acquired taste, “not for everyone,” Seattle's Best Coffee offered itself as an *alternative*, setting the bar at a level that does not require it to overtake Starbucks in order to make a respectable showing in terms of market share, pricing, distribution, or advertising.

Perhaps one of the worst accusations against a marketer is that he or she is out of touch with prevailing trends, styles, or fashions. To not understand what is controlling the market at any given point in time calls into question the very need for marketers to exist at all.

The marketer's role is to create distinctions within the competitive environment. This requires an ability to recognize and understand the mood and characteristics of that market. More so now than at any other time, the challenge to “lead, follow, or get out of the way” is a pivotal consideration in the marketplace.

Knowing vs. Thinking

Knowing as much as you can about your market is extremely important, but it is only the first step in becoming market-ready. It is also important to know where you fit in—to *really* know and not simply *think* that you know. Don't fall into the trap of regarding personal opinions or beliefs as knowledge, and intuition as skill. Opinions and intuition can be valuable assets, but do not confuse those qualities with definitive research data.

It took awhile for much of the business community to recognize that research was not a superfluous item on the budget. Companies and professionals are finally beginning to appreciate the importance of separating facts—in the form of timely market research—from the opinions of the CEO's barber, car pool, or mother-in-law. As time goes on, spokespersons in public and cor-

porate life are increasingly announcing that a given thing is what people want, need, or are demanding, only to suffer embarrassment or financial loss for basing such announcements on little more than their personal opinions. And their reputations suffer as well, because they are then described as being out of touch.

The practice of marketing has become more focused, and certain aspects of it can take on greater importance under specific circumstances. For example, a bold use of color in packaging can make a product, company logo, or corporate-identity program appear fresh and more contemporary. But if a more conservative fashion currently dominates the landscape, the very same use of color can appear hopelessly out-of-date. Graphics that suggest a nostalgic, “retro” look might convey a sentimental or emotional appeal—particularly to members of a certain generation—while a design treatment with harder, sharp-edged graphics would appear more futuristic and evoke an entirely different feeling. These cosmetic touches can help define a message that supports a company’s desired reputation.

Public figures are increasingly marketed through ghostwritten books or autobiographies, videos, films, CDs, posters, newsletters, websites, lines of clothing, even foods and fragrances. These are products, but they are also intended as “reputation builders.”

Merchandising a Reputation

Consider the film star Paul Newman’s line of branded food products, Newman’s Own, which markets popcorn, lemonade, pasta sauce, and ice cream, among other items. Mr. Newman is widely known for donating the profits from the company bearing his name to various charities. But such a strategy might not be commercially viable if Mr. Newman did not already have a reputation as a social and political activist *before* undertaking this venture.

Another example that stands apart from the more common type of celebrity endorsement is that of the Kennedy family. The late president and Mrs. Kennedy, over the space of four decades, were merchandised on virtually everything from pens, coffee mugs, and money clips to books, films, videos, action figures, fashion dolls, and calendars. These merchandising possibilities were extended to virtually any member of the family and every generation, where reputations may seem fixed or enigmatic. A bust or souvenir plate of President Kennedy may not seem unusual. But replicas of Mrs. Kennedy's bridal gown, or the use of her image as the model for a line of collectible dolls, illustrated a unique merchandising campaign. Books of paper dolls with several changes of clothes were created around the Kennedy children. The Kennedys' glamorous image and reputation were the basis for all their merchandising.

A review by Professor Todd Gitlan of a book about the late Senator Robert F. Kennedy, the president's brother, focuses on the way that a reputation can define a subject. He notes, "The cliches start with the romantic, schemer and fixer. We know RFK for McCarthyism, ruthlessness, family devotion and doom, hubris, loyalty, passion, calculations, recklessness, moral advance through seasoning, grief, hesitation, missed opportunities, malevolent destiny, martyrdom. Notice how many of these features seem to cancel each other out."

Indeed.

The book described in the review reached the *New York Times* bestseller list shortly after its publication. Such is the marketing value of an image and reputation—even one that seems so contradictory.

Certain musical performers draw crowds to their concerts as much for their identification with particular social, political, or environmental causes as for their musical talent. People support performers who have a reputation for supporting issues the people themselves care about. And more cynically, companies that sponsor

charity drives or cause-related events frequently do so for the sole purpose of generating goodwill and a positive corporate image.

Treating a Reputation as an Asset

Reputation marketing can be found in most successful marketing efforts, even if the process is not described as such. Look again at the lengthy definition of reputation management offered by *Reputation Management* magazine. The word *asset* appears twice. In business, across the full spectrum of products, services, and intellectual property, a company's management and marketing go hand in hand. How people regard it is its asset.

An "asset" cannot be managed to its fullest potential without consideration for marketing at all levels (labor and management) and in all its characteristics (pricing, promotion, positioning, and distribution). Marketing is so critical a part of the production process that it cannot be separated from the asset at any stage.

Knowledge is power, but knowledge is never the result of guessing or following your gut. How much does the public (or target audience) know about the asset? How much does the marketer know? How much does the marketer *think* the target audience knows, and how much do they know for sure?

This goes directly to the central question of this chapter, "Who do you think you are?" It's a question that must be taken seriously. Companies all too often become so internally focused that their perceptions of their place and importance to the market are out of sync with reality.

After many years of hesitation, research tools like opinion polls, surveys, and focus groups are finally gaining influence with many of the top companies of the world. Very often, however, marketers (as with CEOs) are accused of disregarding or dismissing the results of