



Values-Driven
REPUTATION



Values-Driven Reputation

A modernized approach for building Corporate Reputation

PART 2

Separating Reputation from Brand

Building Reputation is an organization-wide, long-term commitment. It takes years to earn a strong **Corporate Reputation**, while it takes only moments to lose it.

This paper is the second part of a series that will outline a new way of thinking about Reputation—one that seeks to address many of the ailments that have traditionally plagued the field of Corporate Reputation strategy.

The first part of this series—[The Myth of Trust](#)—looked at why trust is a poor metric to rely on when it comes to measuring a business's Values-Driven Reputation. This paper builds on that analysis by explaining why it's time to stop conflating the concepts of Reputation and **Brand**.

At its core, this new approach is rooted in an understanding of what it means to be a **Values-Driven** company, and the implications this has for how companies can earn, monitor, and protect their Reputations.

This Values-Driven philosophy is based on four core principles:

- 1** Establish the relationship between Corporate Reputation and real-world outcomes.

- 2** Measure the stakeholders who act on a sense of Values, rather than relying on demographically-defined audiences.

- 3** Distinguish Reputation from Brand, and build strategies that account for their inherent differences.

- 4** Analyze integrity perceptions that effectively measure a company's Values-Driven Reputation, rather than relying on ambiguous concepts such as Trust.

Relying on Trust as a metric leads to an unhelpful blurring of Brand and Reputation

When companies establish Trust as a guidepost to develop communications strategies and organizational goals, it comes at a cost: the conflation of Reputation and Brand.

While it's true that Reputation and Brand can intersect at times, understanding the fundamental differences between the two concepts is essential for strategists, communications professionals, and business leaders to succeed in strengthening both. When

01

Relying on Trust introduces Ability perceptions into your metrics for Reputation.

People are more likely to say that they trust companies that are relevant to them (i.e. those that understand their needs and offer a strong customer experience) regardless of what they think about those companies' values.

Reputation and Brand are conflated, it reduces a company's likelihood of earning a stronger Corporate Reputation.

Brand measurement, properly understood, entails understanding **Brand Relevance** through consumers' **Ability perceptions**; e.g., understanding customer needs, product quality, customer experience, and so on. Reputation measurement, on the other hand, requires looking at how stakeholders' **Integrity perceptions**—e.g., treating employees well, supporting good causes, taking a stand on social issues, etc.—shape their understanding of your **Corporate Values**.

02

This means that your strategy will be skewed by Brand Noise.

Strategists, planners, and executive leaders will end up shaping their communications plans around measurements that don't accurately reflect how consumers feel about their Corporate Values.

The problem with relying on Trust as a metric is that it inherently blurs these two different sorts of Perceptions (for more on this, see [The Myth of Trust](#)). As such, when Reputation measurement is guided by Trust, the result will inevitably be a strategy that is distorted by **"Brand Noise."**

This distortion in Reputation insights can often lead to the misdirection of **Corporate Communications** resources. Moreover, the Communications team may feel frustrated and undervalued, as they try to influence Brand-centric Trust benchmarks through Values-Driven Reputation campaigns and activations.

03

This, in turn, leads to poor allocation of resources and stakeholders feeling undervalued.

Deficiencies in communication activation and benchmarking will result in Communications professionals within your organization feeling as if their work does not have the impact it should.

▲
The dangers of letting Trust guide your Values-Driven Reputation strategy



A failure to separate Brand from Reputation hinders our understanding of both concepts

Just because a strong Brand and a strong Reputation contribute to similar outcomes, that doesn't mean the two are synonymous concepts. And yet, somehow, many professionals have arrived at a place where the terms Reputation and Brand are used interchangeably—as illustrated by the popularity of the term “Brand Reputation.”

This linguistic blurring likely has its roots in the history of expanded Corporate Communications that has unfolded over the past fifty years. And it's easy to see why this confusion would arise: after all, when faced with novel challenges, it's only human nature to attempt to solve them by applying convenient traditional rubrics.

But this temptation ultimately leads to a poorer understanding of both concepts. While some strategists may rely on the old adage of “don't reinvent the wheel,” the reality is that Values-Driven Reputation was never a wheel in the first place.

Four factors that have contributed to the blurring of the lines between "Brand" and "Reputation" ▼

01	02	03	04
How companies plan and align resources	Underestimation of Values-Driven Reputation	The "science" of branding is older than reputation strategy.	Mature philosophies dismiss novel, disruptive, ideas and approaches
IMPLICATION			
Overlapping gray areas between Communications and Marketing functions	Perceived cost, and complications, of a dedicated Values-Driven Reputation strategy	Natural human inclination to conform, avoiding new or uncertain concepts	Legacy reputation approaches have not evolved with societal pressures and world needs
WHY IT'S TIME TO START PUSHING BACK			
<p>While there are some gray areas between Marketing and Communications, there are differences in each function that companies can focus on to reduce Reputation and Brand confusion.</p> <p>Marketing creates revenue-generating Brand Relevance activations, typically through product promotion. Communications, meanwhile, builds and defends a company's positive Reputation mostly through Values-based strategies.</p>	<p>It can be convenient at times for companies to purposefully mix Values-Driven Reputation strategy with Brand strategy to streamline resources and business functions. But to build a successful Values-Driven Reputation strategy the company should quantitatively demonstrate how Values-Driven Reputation benefits the company.</p>	<p>Reputation is confused with Brand due to a tendency to ground our understanding of a newer concept in what we already know about an older concept. Brand is more established and Reputation is a newer, growing frontier.</p> <p>Companies must shift in mindset and strategy to differentiate to adopt a nuanced understanding of Reputation that extends beyond marketing tactics and incorporates newer concepts such as corporate social responsibility, stakeholder engagement, and ethical behaviors.</p>	<p>Reputation and Brand confusion has been exacerbated by the acceptance, and unchallenged application, of legacy Brand measurement approaches to solve modern Reputation challenges. This, in turn, has artificially limited the adoption of new approaches for the continuously-evolving world that Corporate Reputation managers face.</p> <p>Companies need to acknowledge that the world is becoming more Values-oriented as consumers become more socially conscious. And this means that traditional Brand measurement approaches cannot shape Values-Driven Reputation strategies.</p>



Separating Brand from Reputation requires rethinking the KPIs your company uses to measure them

If the goal of a Communications function is to communicate Corporate Values by addressing societal issues, building workforce engagement, and supporting communities, then metrics that provide insight into consumers' Integrity perceptions will be the most effective way to measure Reputation. By contrast, attempts to measure a company's Values-Driven Reputation through Brand Ability perceptions (such as product quality

or customer experience) will result in Reputation strategies that are "Brand-skewed."

These twin insights are the bedrock of NRG's framework for evaluating the success of a company's Values-Driven Reputation strategy. Within this framework, Values are measured through Integrity perceptions; while Brand, on the other hand, is measured through Ability perceptions.

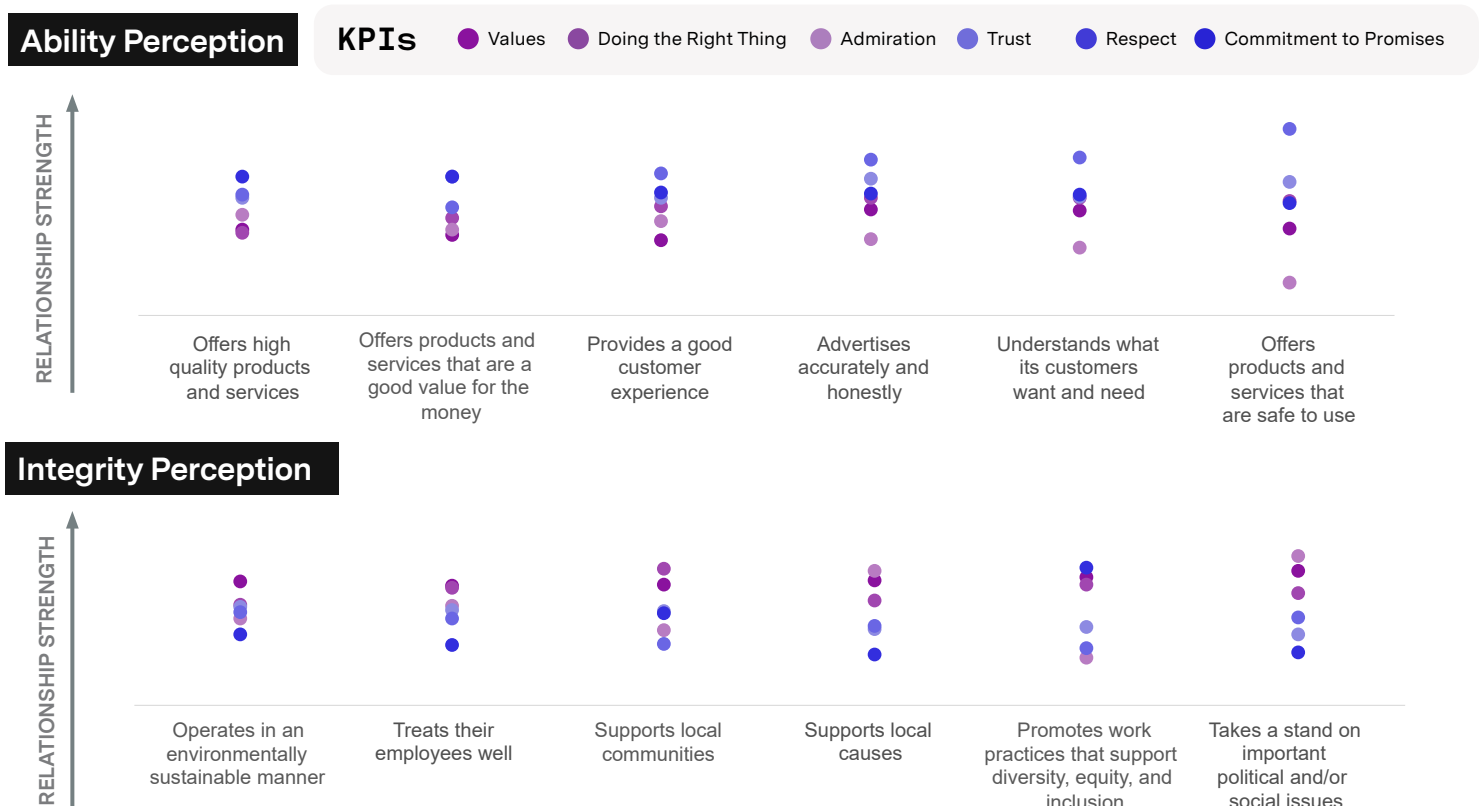
The efficacy of this approach can be seen by looking at the relationship between a company's Ability and Integrity perceptions, and how that company scores in the minds of consumers against a variety of commonly-used Reputation KPIs.

TRADITIONAL REPUTATION KPIs:

Trust, Admiration, Values, Doing the Right Thing, Respect, and Commitment to Promises.

Broadly speaking, when people are asked to think about a company's track record on social issues, workforce engagement, and support for communities, they are more likely to evaluate that company based on factors like Values, Admiration, and commitment to Doing the Right Thing—as opposed to Trust, Respect, or Commitment to Promises.

Relationship between perceptions about a company and Reputation KPIs ▼



However, for Ability perceptions, the inverse is true. In these cases, factors like Trust, Respect, and Commitment to Promises play a much larger role in guiding consumer sentiment. Taken together, this means that KPIs like Values, Admiration, and Doing the Right Thing are the ones that are going to pick up the least amount of “Brand Noise”—making them the most effective metrics to use when it comes to setting and evaluating Reputation strategies.

Through this analysis, it becomes clear that efforts to measure Values-Driven Reputation should be tied to metrics that provide a better understanding of how a company lives its Values. Metrics such as Trust, Respect, and Commitment to Promises certainly have a place, and can be vital for providing insights into the relevance of company’s Brand—but individuals tasked with setting and evaluating Corporate Reputation strategies need to learn to tune them out, and focus instead on KPIs that accurately reflect consumers’ Integrity perceptions.

This reassessment of measurement techniques illuminates what it truly means for a company to live its Values.

**Properly understood,
a Values-Driven
Reputation strategy
needs to be rooted in:**

01

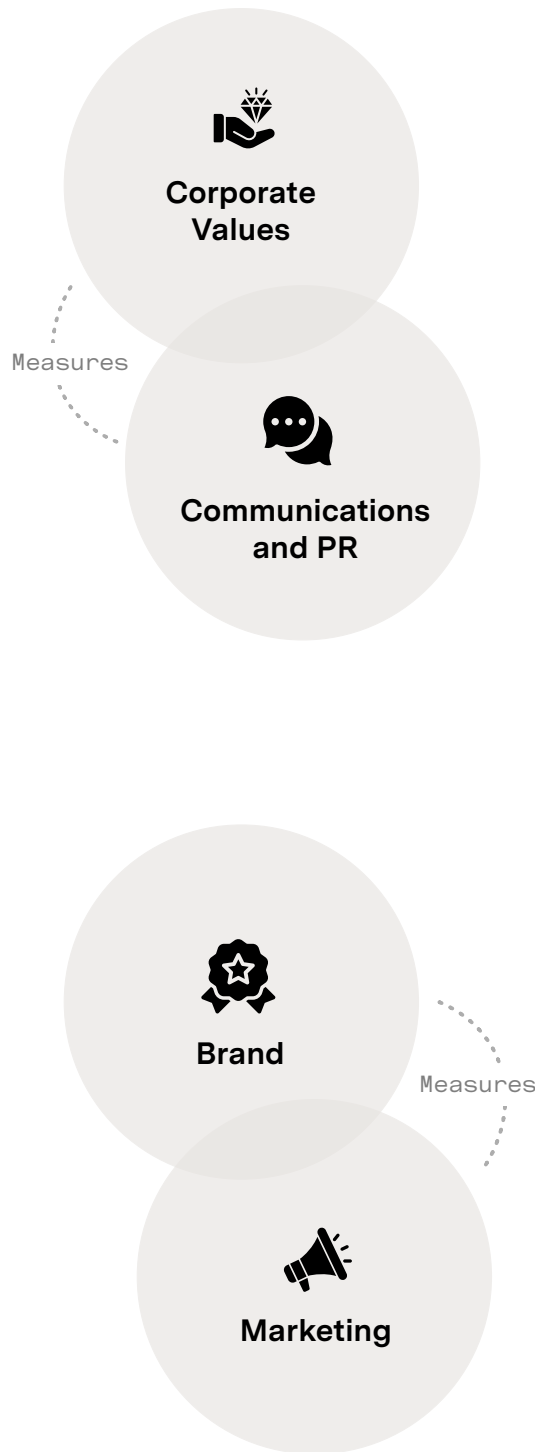
Authentic Corporate Values that a company stands by

02

Behavior that brings those Corporate Values to life

03

Communications that consistently and engagingly speak to Corporate Values



INTEGRITY

Values
Admiration

Doing the
Right Thing

Trust
Respect

Commitment
to Promises

ABILITY

At NRG, we prioritize Integrity to measure Values-Driven Reputation

While it may be easy to confuse Reputation with Brand, the separation of the two is critical to the success of any business.

Failure to properly distinguish between the two compromises our ability to accurately measure either of them, which in turn hinders a business' ability to craft an effective Reputation strategy.

In the next installment of this series, we'll explore the most effective ways to build Values-Driven Reputation using NRG's proprietary Reputation measurement metric: Resilience.

IN SUMMARY

Why we need to learn to separate Reputation from Brand

01

Although Reputation and Brand may appear superficially similar, there are substantial differences between them.

02

Reputation should be a measure of a company's commitment to serving society and the planet through its Corporate Values—not just another measure of customer-centricity.

03

Communications functions will be unable to see the true outcomes of their work if Reputation and Brand are conflated.

04

Effectively measuring Reputation requires an evaluation of Values-Driven communications and behavior, which can be assessed through consumers' Integrity perceptions.

05

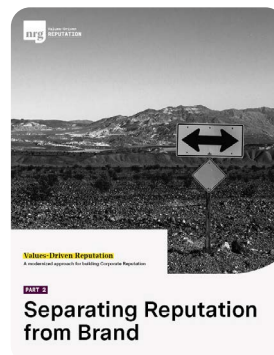
Reputation measurement should avoid Brand-skewed KPIs like Trust.

06

Integrity builds Resilience, enabling stronger Reputations that achieve real-world outcomes and mitigate risk.

Purpose-Driven Reputation

A research series from NRG Reputation



PART 3

Resilience in Reputation

Coming June 2023



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METHODOLOGY

Data in this report is from *Resilience in Reputation*, a study by NRG based on a study of 4,000 Americans ages 14+, conducted online from February 2 - 14, 2023. Sample was sourced from third-party, non-probability based research panels. Sample outgo was balanced to be nationally representative of the online population on age, gender, education level, region, and race/ethnicity. Post-field, data was weighted to these same set of demographic variables to ensure alignment with the population.