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Values-Driven
REPUTATION

Values-Driven Reputation

A modernized approach for building Corporate Reputation

PART 5

Stakeholders for Reputation Measurement

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

This paper is the fifth 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 fourth part of this series—[Resilience in Reputation](#)—underscored the importance of connecting Reputation measurement to real-world outcomes that enable the long-term success of an organization. This paper unpacks another key element to successful Reputation measurement: understanding stakeholders. It highlights five main <mark>Stakeholder Archetypes</mark> and introduces NRG's proprietary Reputation audience, which we call <mark>Values-Driven Influencers.</mark>

At its core, this approach is rooted in an understanding of what it means to be a <mark>Values-Driven</mark> company, and what 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.

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Predicting Reputation outcomes requires understanding the Reputation Universe

Companies today face a world of great political, economic, and social uncertainty. The only certainty is the continued broadening and deepening of stakeholder expectations, fueled by growing world consciousness. As people grow increasingly connected, cognizant of global issues, and aware of the impact their decisions have on the world, their expectations of companies rise.

This not only causes individuals to assume greater responsibility for their choices—from the products they purchase, to the jobs they choose, to the information they share—it also creates an impassioned culture of corporate accountability, meaning Reputation management is no longer an optional strategy.

Now more than ever, culture is Values-Driven–shaped by activists, influencers, and movement leaders who define and defend "the right thing to do." Whether through personal platforms or more expansive social movements—like Black Lives Matter, #MeToo, or the ongoing Hollywood strikes, for example—these Values-Driven Influencers apply pressure, assign responsibility, and award admiration to companies according to how well they uphold their Corporate Values.

As such, understanding the perceptions and expectations of these stakeholders is critical for a company's Reputation and, by extension, its institutional Longevity.

Mapping the Reputation Universe

Unpacked in the second part of this series, Separating Reputation from Brand, the concept of Reputation extends far beyond the world of Brand or products. To truly understand the Reputation Universe, a company must understand the perceptions and expectations held across a wide range of stakeholders, going beyond the world of its customers. A map of a company's Reputation Universe is typically composed of five Stakeholder Archetypes: Resource, Public, Governance, Information, and Investment.

As the term implies, the Reputation Universe exhibits gravitational pull across the ecosystem—with each stakeholder group influencing the expectations and perceptions of the others. For example, a growing expectation among the Public for companies

to produce products more sustainably can drive Governance stakeholders to produce new environmental legislation, and increase sustainability-related content produced by Information stakeholders. Understanding these relationships is critical to shaping effective Reputation strategies, and measuring and benchmarking their success.

A mistake companies commonly make in evaluating Reputation is focusing on Public stakeholders alone. While they are the easiest stakeholder group to measure, they represent just one of many forces shaping the ecosystem.

Measuring Brand vs. Reputation

REPUTATION

Wider range of perceptions and expectations across a broad range of stakeholders

BRAND

Narrower range of perceptions and expectations among consumer stakeholders

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The Reputation Universe is made up of five key stakeholder archetypes

PUBLIC

STAKEHOLDER EXAMPLES:
➡ General Public
➡ Consumers
➡ Opinion Elites
➡ Values-Driven Influencers

Social and political movements by these stakeholders greatly influence the Reputation landscape, as well as other Reputation stakeholders. A strong Reputation with this group leads to loyalty, advocacy, and the likelihood to forgive missteps; while a weak Reputation exposes a company to boycotts, resistance to expansion, and weakened financial performance.

RESOURCE

STAKEHOLDER EXAMPLES:
➡ Employees
➡ Suppliers
➡ Partners
➡ Distribution & Delivery

This group serves as the backbone of an organization's ability to develop and deliver quality products and services. A strong Reputation with Resource stakeholders produces highly engaged, motivated, and cooperative partnerships throughout the business. A weak Reputation among this group makes it difficult for a company to recruit and retain top talent, maintain supply chain consistency, and expand distribution networks.

INVESTMENT

STAKEHOLDER EXAMPLES:
➡ Institutional Investors
➡ Affluent Individual Investors
➡ General Public Investors

A strong Reputation instills confidence with Investment stakeholders, providing and protecting capital that allows companies to sustainably grow. Considering these stakeholders also provides insight about expectations such as ESG (environmental, social, and governance) practices, which are becoming increasingly prominent.

INFORMATION

STAKEHOLDER EXAMPLES:
➡ Traditional Media & Pundits
➡ Social Media Influencers
➡ Academia
➡ Think Tanks, Topic Experts, and NGOs
➡ Advisory Bodies / Consultancies

Coverage, analysis, and commentary from Information stakeholders provide knowledge to other stakeholders in the Reputation Universe, which greatly shapes the narrative surrounding how organizations effectively manage their Reputation. Partnerships with these stakeholders help companies identify proactive solutions that can build and protect Reputation.

GOVERNANCE

STAKEHOLDER EXAMPLES:
➡ Government Agencies
➡ Lawmaking Bodies
➡ Regulators
➡ Watch Dog / Advocacy Groups

These stakeholders serve as custodians of public interest and hold organizations accountable for their actions. Their actions can shape Public opinion, igniting or accelerating movements. Effective Reputation management can influence potential policies and regulations, ensuring compliance and mitigating Reputational risks, which promotes a company's license to operate.

COMPANY

Engaging Communications

Expectations

Impact Behavior

Perceptions

Easier to reach, smaller research investment
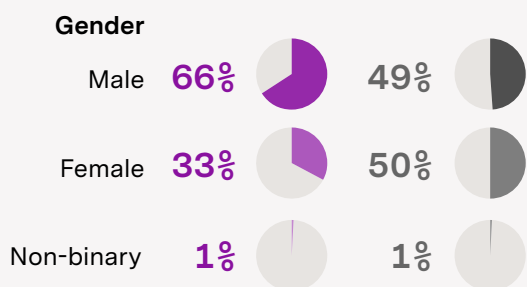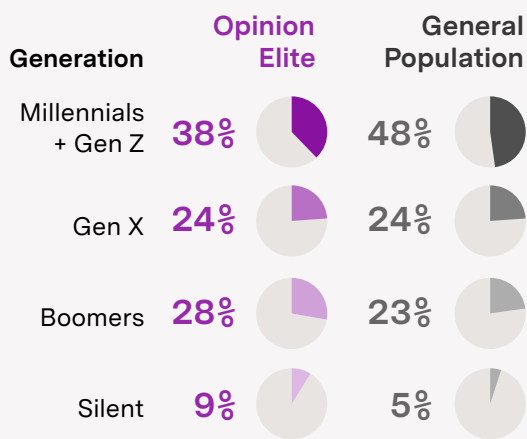
Harder to reach, larger research investment

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Measuring the Opinion Elite is suboptimal for understanding Values-Driven Reputation

The Opinion Elite has long been regarded as an important subset of the Public. Defined by their college education, higher income, and high engagement with the news media, many companies consider this demographic a highly influential and knowledgeable Reputation stakeholder. While attention to especially informed and powerful stakeholders is a critical component of evaluating the effectiveness of Reputation efforts, the Opinion Elite, as currently defined, may no longer be the most optimal fit.

There are two key reasons for this. For one, the criteria that define the Opinion Elite naturally skew the demographic in favor of older males. Income criteria introduce a gender bias—as males are 50% more likely than females to earn more than $100,000 a year—and force a focus on older segments of the population. When news consumption is used to define Opinion Elites, the age skew is only exacerbated. While 51% of Boomers watch, read, or listen to the national news at least daily, only 15% of Gen Z report doing the same.
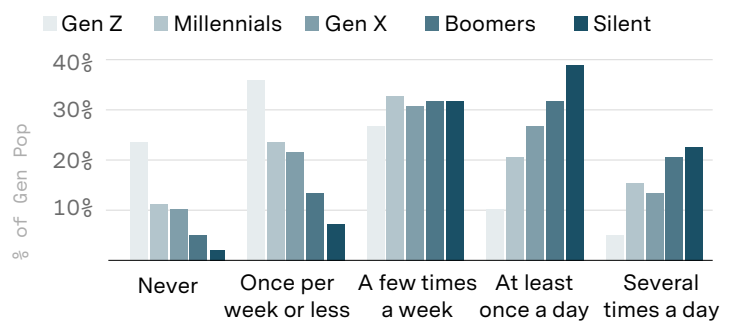
However, as we explored in the fourth part of this series, Resilience in Reputation, technology has significantly shifted the ecosystem of cultural influence—the undercurrent of the Reputation Universe. While older audiences are more likely to engage with popular mainstream news outlets, younger audiences demonstrate significant influence through social media. Thus, the typical definition for Opinion Elites creates a less inclusive, potentially biased audience—and, even more importantly, doesn't account for a younger demographic that can dramatically influence a company's Reputation.
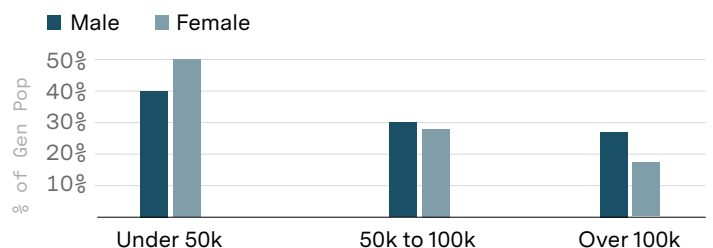
Demographics of the Opinion Elite

Generation	Opinion Elite		General Population	
Millennials + Gen Z	38%		48%	
Gen X	24%		24%	
Boomers	28%		23%	
Silent	9%		5%	

Gender	Opinion Elite		General Population	
Male	66%		49%	
Female	33%		50%	
Non-binary	1%		1%	

Older generations are significantly more likely to engage with national news

News consumption by generation

Legend: Gen Z, Millennials, Gen X, Boomers, Silent

Categories: Never, Once per week or less, A few times a week, At least once a day, Several times a day

y-axis: % of Gen Pop

Income criteria exaggerates gender bias within Opinion Elite

Annual income by gender

Legend: Male, Female

Categories: Under 50k, 50k to 100k, Over 100k

y-axis: % of Gen Pop

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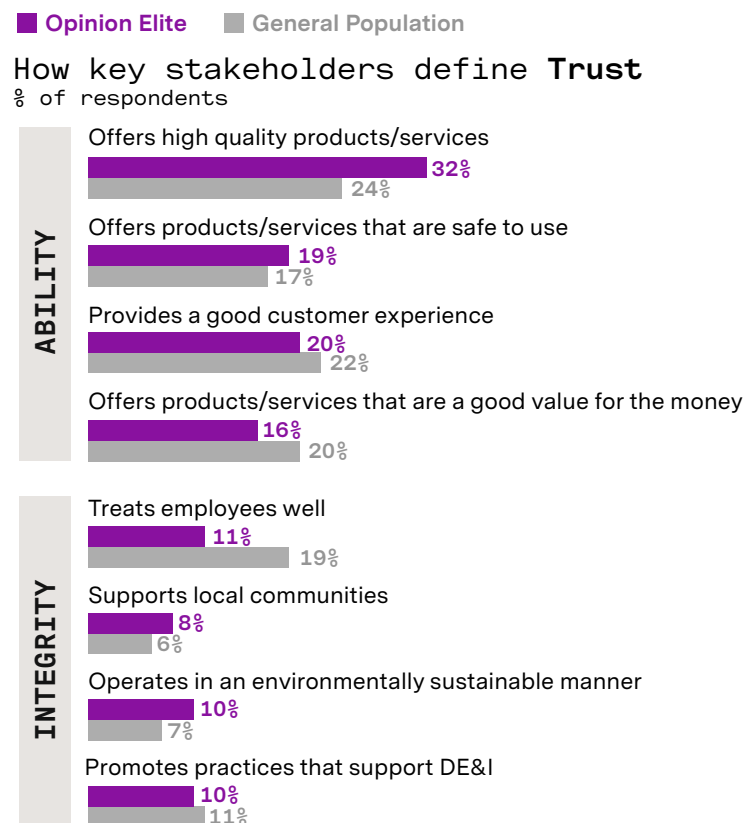
As we learned in part two, Separating Reputation from Brand, perceptions based on Integrity (e.g., treating employees well, supporting good causes, or taking a stand on social and environmental issues) are more indicative of a company's Reputation than those based on Ability, which speak primarily to Brand. Thus, the second key disadvantage of the Opinion Elite is their lack of sensitivity to Integrity-based, Values-Driven Impact Behaviors and Engaging Communications.

Both the general population and Opinion Elites evaluate their Trust for a company—and their willingness to pay a premium for that company's products— using Ability perceptions (e.g., understanding customer needs, product quality, customer experience, etc.). Boomers have a weaker connection to Values-Driven attitudes and a lower likelihood to engage in activism behaviors, which dampens their influence on other cohorts within the Public. Thus, Opinion Elites' inclination toward Ability-based perceptions means they are less reliable for evaluating a company's Values-Driven Reputation.

Gen Z are far more sensitive to Values-Driven Behaviors and Communications than Boomers

■ **Gen Z** ■ **Boomers**

% of respondents

VALUES-DRIVEN BEHAVIORS

Shared content on social media to raise awareness about social issues
- Gen Z: **30%**
- Boomers: **12%**

Made a recent purchase decision influenced by the company's societal impact
- Gen Z: **22%**
- Boomers: **12%**

Attended a march/public advocacy event
- Gen Z: **12%**
- Boomers: **2%**

Recommended a company based solely on how they address social issues
- Gen Z: **19%**
- Boomers: **9%**

VALUES-DRIVEN ATTITUDES

Would spend more on a product if the company seems sustainable
- Gen Z: **27%**
- Boomers: **12%**

Believes companies can do more to be sustainable
- Gen Z: **43%**
- Boomers: **31%**

More likely to purchase from a company that takes a stand on social issues
- Gen Z: **26%**
- Boomers: **22%**

Both Opinion Elites and the general population evaluate companies primarily on Ability, not Integrity

■ **Opinion Elite** ■ **General Population**

How key stakeholders define **Trust**
% of respondents

ABILITY

Offers high quality products/services
- Opinion Elite: **32%**
- General Population: **24%**

Offers products/services that are safe to use
- Opinion Elite: **19%**
- General Population: **17%**

Provides a good customer experience
- Opinion Elite: **20%**
- General Population: **22%**

Offers products/services that are a good value for the money
- Opinion Elite: **16%**
- General Population: **20%**

INTEGRITY

Treats employees well
- Opinion Elite: **11%**
- General Population: **19%**

Supports local communities
- Opinion Elite: **8%**
- General Population: **6%**

Operates in an environmentally sustainable manner
- Opinion Elite: **10%**
- General Population: **7%**

Promotes practices that support DE&I
- Opinion Elite: **10%**
- General Population: **11%**

By tracking the opinions of Values-Driven Influencers, companies can better predict Reputation outcomes

So, which Public stakeholder *is* the most suitable for evaluating a company's Values-Driven Reputation? Enter: Values-Driven Influencers. Like the Opinion Elite,

NRG has defined Values-Driven Influencers to represent a highly influential and knowledgeable subset of the Public. However, unlike the Opinion Elite, this group prioritizes a company's Integrity over Ability, and thus emphasizes Reputation more so than Brand in their decision-making. This means they offer a clearer measure of the effectiveness of a company's Values-Driven Reputation. This group is profiled based on their beliefs and the ways those beliefs inform behaviors, which includes three

defining factors: values orientation, consciousness, and movement.

Values orientation reflects the increased priority that this audience places on a company's Corporate Values, Impact Behaviors, and Engaging Communications when making decisions about how they engage, or do not engage, with the company. For example, Values-Driven Influencers are more likely to prioritize a company's values and responsibility efforts before applying for a job.

VALUES ORIENTATON

MOVEMENT

Values-Driven Influencers

CONSCIOUSNESS

The second criterion is how conscious they are of key issues and expectations that impact a company's Reputation. Consciousness is a preliminary requirement to action; people must first be aware of a topic before they can assess how important it is to them, which ultimately determines how they will act on the topic. For example, a Values-Driven Influencer is more likely to take note of and act on environmental topics, which means they are more likely to hold companies accountable for being environmentally sustainable.

The third criterion is movement—an indicator of this group's likelihood to engage in activism. The Values-Driven Influencer is more likely than the general Public to act on conscious beliefs, such as seeking out products from companies that act inclusively. While these three criteria are consistent among Values-Driven Influencers, the specific values, expectations, and resulting actions this group prioritizes should be varied to the issues and expectations stakeholders have for the company.

VALUES ORIENTATION

Values-Driven Influencers act according to their beliefs, and make judgements of a company based on how they meet those expectations. This group is more likely to consider the values of a company when seeking employment and/or pay a premium for products based on how well a company acts in accordance with their values.

MOVEMENT

Values-Driven Influencers advocate on the issues they care about. They are more likely to share information, take a stand on social/political issues, make purchases to support causes, and/or boycott companies.

CONSCIOUSNESS

Values-Driven Influencers believe companies need to do more to have a positive impact on society, and believe they can influence companies to change their behavior.

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One of the benefits of using Values-Driven Influencers for Reputation measurement is that they represent a less demographically biased Reputation stakeholder. Their Values-Driven behaviors and attitudes do not skew toward males or females. With 49% male, 50% female, and 1% non-binary gender splits, Values-Driven Influencers exactly map to the general population, eliminating the gender bias present within the Opinion Elite.

What's more, while the Values-Driven Influencers still reflect a segment of the population that is more likely to have a college degree, unlike the Opinion Elite, it does not necessitate it. In the modern era of information abundance, hyper-connectivity, and generally heightened global awareness, it's clear a college degree may no longer be the clearest testament to a consumer's level of knowledge or influence.

Because Values-Driven Influencers are classified by their Values-Driven behaviors and attitudes, we can expect a younger age skew towards Millennials and Gen Z. However, this demographic skew functions to appropriately account for individuals that exhibit Values-Driven behaviors and attitudes. Younger generations are more likely to engage in online discourse, attend marches/public rallies, or seek out and pay a premium for sustainable products, for example. As such, they are particularly influential in shaping Public opinion, impacting a company's bottom line, and are more likely to connect with Integrity-based communications and initiatives.
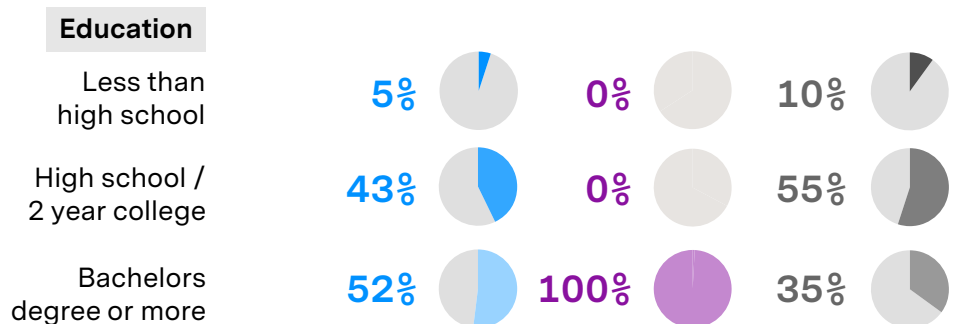
Demographics of Values-Driven Influencers

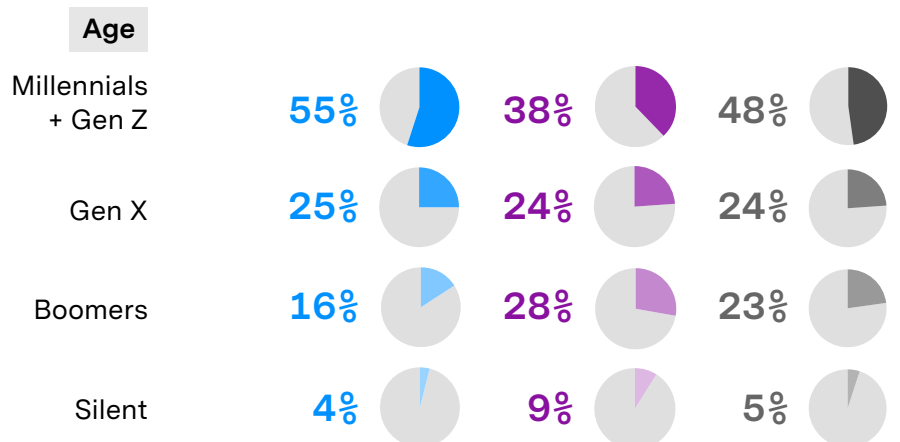🟦 **Values-Driven Influencers**   🟪 **Opinion Elite**   ⬛ **General Population**

Unlike the Opinion Elite, Values-Driven Influencers match the gender split of the general population

Gender

	Values-Driven Influencers	Opinion Elite	General Population
Male	49%	66%	49%
Female	50%	33%	50%
Non-binary	1%	1%	1%
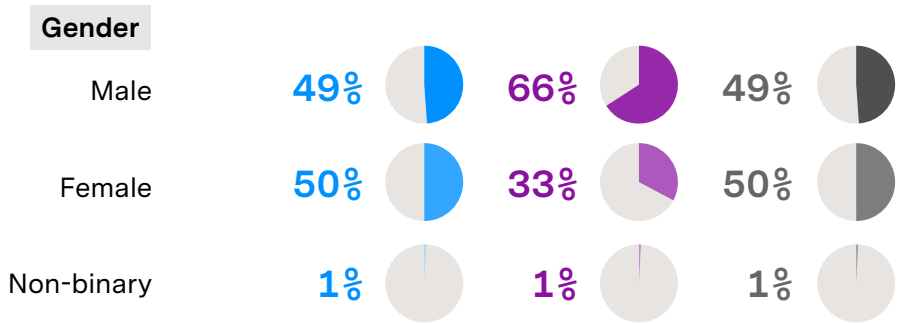
Values-Driven Influencers are well-educated, but not defined by a university degree

Education

	Values-Driven Influencers	Opinion Elite	General Population
Less than high school	5%	0%	10%
High school / 2 year college	43%	0%	55%
Bachelors degree or more	52%	100%	35%

Values-Driven Influencers appropriately over-index for younger, Values-Driven generations

Age

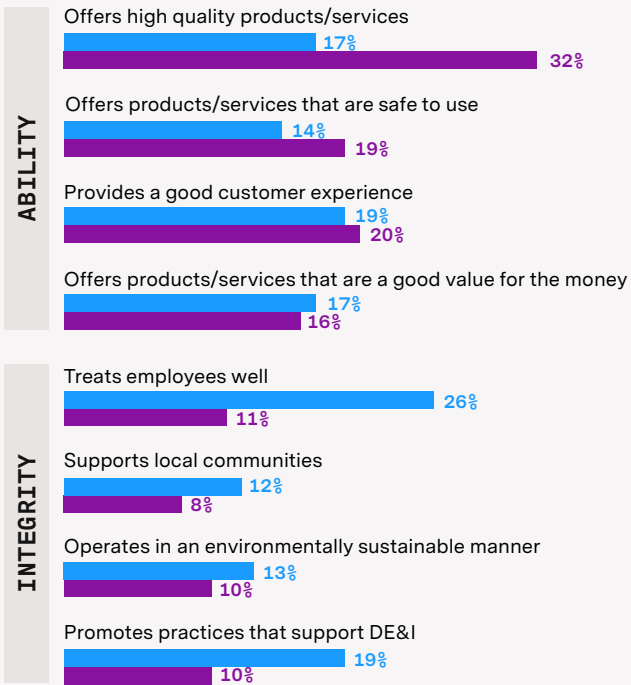|	Values-Driven Influencers	Opinion Elite	General Population
Millennials + Gen Z	55%	38%	48%
Gen X	25%	24%	24%
Boomers	16%	28%	23%
Silent	4%	9%	5%

Compared to the Opinion Elite, Values-Driven Influencers are more likely to form an opinion of a company based on Integrity, not Ability

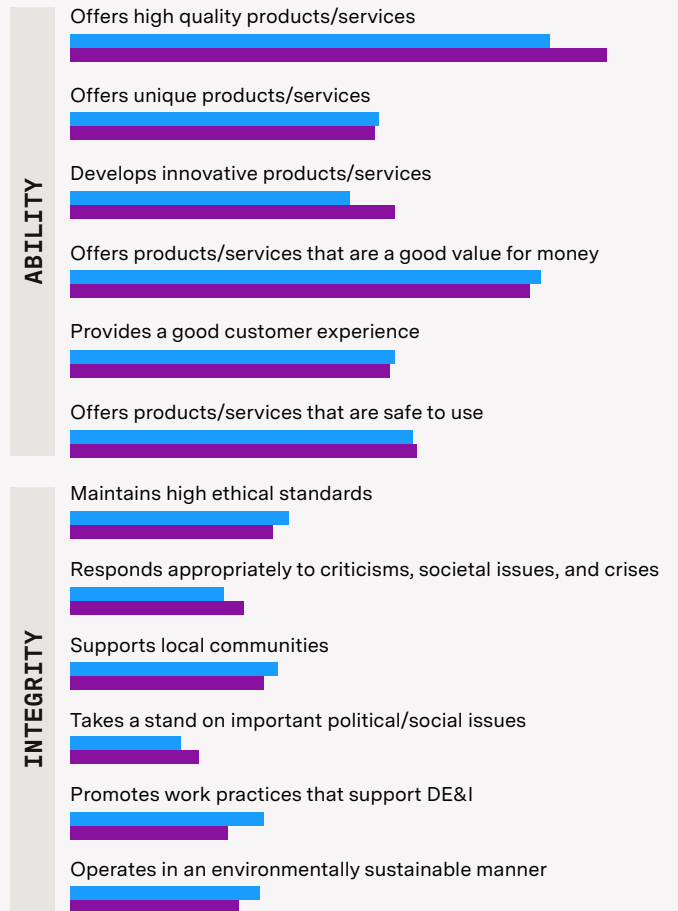■ **Values-Driven Influencers**   ■ **Opinion Elite**

How key stakeholders define **Trust**

% of respondents

ABILITY

Offers high quality products/services
- 17%
- 32%

Offers products/services that are safe to use
- 14%
- 19%

Provides a good customer experience
- 19%
- 20%

Offers products/services that are a good value for the money
- 17%
- 16%

INTEGRITY

Treats employees well
- 26%
- 11%

Supports local communities
- 12%
- 8%

Operates in an environmentally sustainable manner
- 13%
- 10%

Promotes practices that support DE&I
- 19%
- 10%

How key stakeholders determine **willingness to pay a premium**

Index scores based on MaxDiff results

ABILITY

Offers high quality products/services

Offers unique products/services

Develops innovative products/services

Offers products/services that are a good value for money

Provides a good customer experience

Offers products/services that are safe to use

INTEGRITY

Maintains high ethical standards

Responds appropriately to criticisms, societal issues, and crises

Supports local communities

Takes a stand on important political/social issues

Promotes work practices that support DE&I

Operates in an environmentally sustainable manner

Overall, the Values-Driven Influencer is less demographically biased than the Opinion Elite, and instead skews toward a population that is most attuned to a company's Corporate Values. This stakeholder does not exclude the opinions of lower income, lower education individuals—and importantly favors a Values-Driven cross-section of the Public, most likely to inform a company's Values-Driven Reputation.

By including Values-Driven Influencers, NRG ensures Reputation measurement programs are accurately benchmarking and assessing Reputation strategies. This stakeholder is not only highly influential and knowledgeable but is especially so for their prioritization of Integrity over Ability, rendering them the most reliable audience for understanding and evaluating a company's Reputation.

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At NRG, we link Values-Driven Reputation to Values-Driven Influencers

IN SUMMARY

What to consider when selecting stakeholders for Reputation measurement

01

As people become increasingly conscious of global issues–prioritizing values in decision-making–they are more willing to hold companies accountable. Thus, understanding the expectations of stakeholders is an imperative to effectively managing Reputation.

02

Reputation is best measured through a holistic view, encompassing a range of perceptions and expectations that are held across five main stakeholders: Resource, Public, Governance, Information, and Investment.

03

Opinion Elites are a suboptimal stakeholder group for evaluating Integrity-based, Values-Driven Impact Behaviors and Engaging Communications due to their demographic biases and focus on Ability-related expectations.

04

Instead, Values-Driven Influencers—while an equally influential subset of the Public—prioritize Integrity, and are more likely to pay a premium for products based on those perceptions.

05

Values-Driven Influencers are defined based on attitudes and behaviors. They better represent a wide spectrum of the general public, and are more likely to act on issues and expectations they hold a company accountable to.

The Reputation Universe is vast and, at times, can feel overwhelming. The most important objective is to establish an effective Reputation measurement framework that expands strategic understanding beyond product—and Brand—related insights. This means going beyond customers, even beyond the Public, to measure Resource, Governance, Investment, and Information stakeholders, thereby gaining a full understanding of the expectations and perceptions that constitute the Reputation Universe.

Failure to understand Reputation across a range of stakeholders impedes a team's ability to comprehensively inform strategies that shape and deliver Corporate Values, Impact Behaviors, and Engaging Communications that meet stakeholder expectations—which is key to generating consistent corporate commitments that effectively earn Reputation. Through Values-Driven Influencers, NRG best gauges the cultural climate and broad shifts taking place throughout the Reputation Universe that inform the Public stakeholder. This helps us to develop Reputation strategies based upon the perceptions and expectations that shape a Values-Driven Reputation.
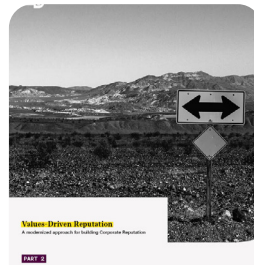
In the next installment of this series, we'll unveil NRG's Values-Driven Reputation measurement framework, that can be custom fit to any industry as well as a company's objectives and strategic mission.

Values-Driven Reputation

*A research series from
NRG Reputation*

Values-Driven Reputation
A modernized approach for building Corporate Reputation
PART 1

The Myth of Trust

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PART 2

Separating Reputation from Brand

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PART 3

Resilience in Reputation

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PART 4

Quantifying the Value of Reputation

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PART 5

Stakeholders for Reputation Measurement

PART 6
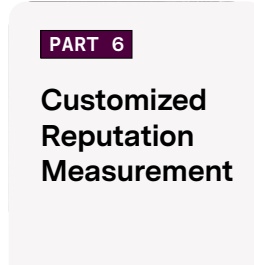
Customized Reputation Measurement

Coming September 2023

PART 7

A Modernized Approach for Future of Reputation

Coming October 2023

National Research Group is a leading global insights and strategy firm at the intersection of content, culture, and technology. The world's most powerful marketers turn to us for insights into growth and strategy for any content, anywhere, on any device.

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METHODOLOGY