

MaryLee Sachs

Worldwide Head of MarComms

Chairman US – Hill & Knowlton



SUSTAINABILITY IN RETAIL

Retailing in the Green Economy: Getting Serious about Sustainability

The Collision of Brand Image & Brand Reputation

THE STORE

23 September 2008



The value of perception

IF...	...had the reputation of...	...its stock would rise...	...boosting market value by
Coca-Cola	Pepsi	3.3%	\$4 billion
Wal-Mart	Target	4.9%	\$9.7 billion
Colgate	P&G	6.2%	\$2 billion
CVS	Walgreens	6.9%	\$3.9 billion
Wachovia	Wells Fargo	3.5%	\$3.5 billion





BRAND = What you tell people about you



PROMOTING THE POSITIVES

creative insightful
easy-to-use fun innovative
caring challenger simple bold

BRAND

leader collaborative carefree
down-to-earth accountable
honest entertaining

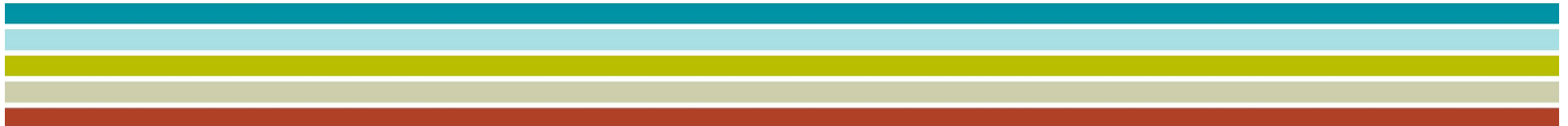
consumers

employees





REPUTATION = What people say about you



PROMOTING THE POSITIVES

journalists

bloggers

investors

industry analysts

consumers

global scale & reach
industry leader innovator
boardroom scandal CEO pay

employees

key opinion
leaders

REPUTATION
sweat shops lay-offs oil spills
community giving green
employee talent

financial
analysts

local community

regulators

MITIGATING THE NEGATIVES

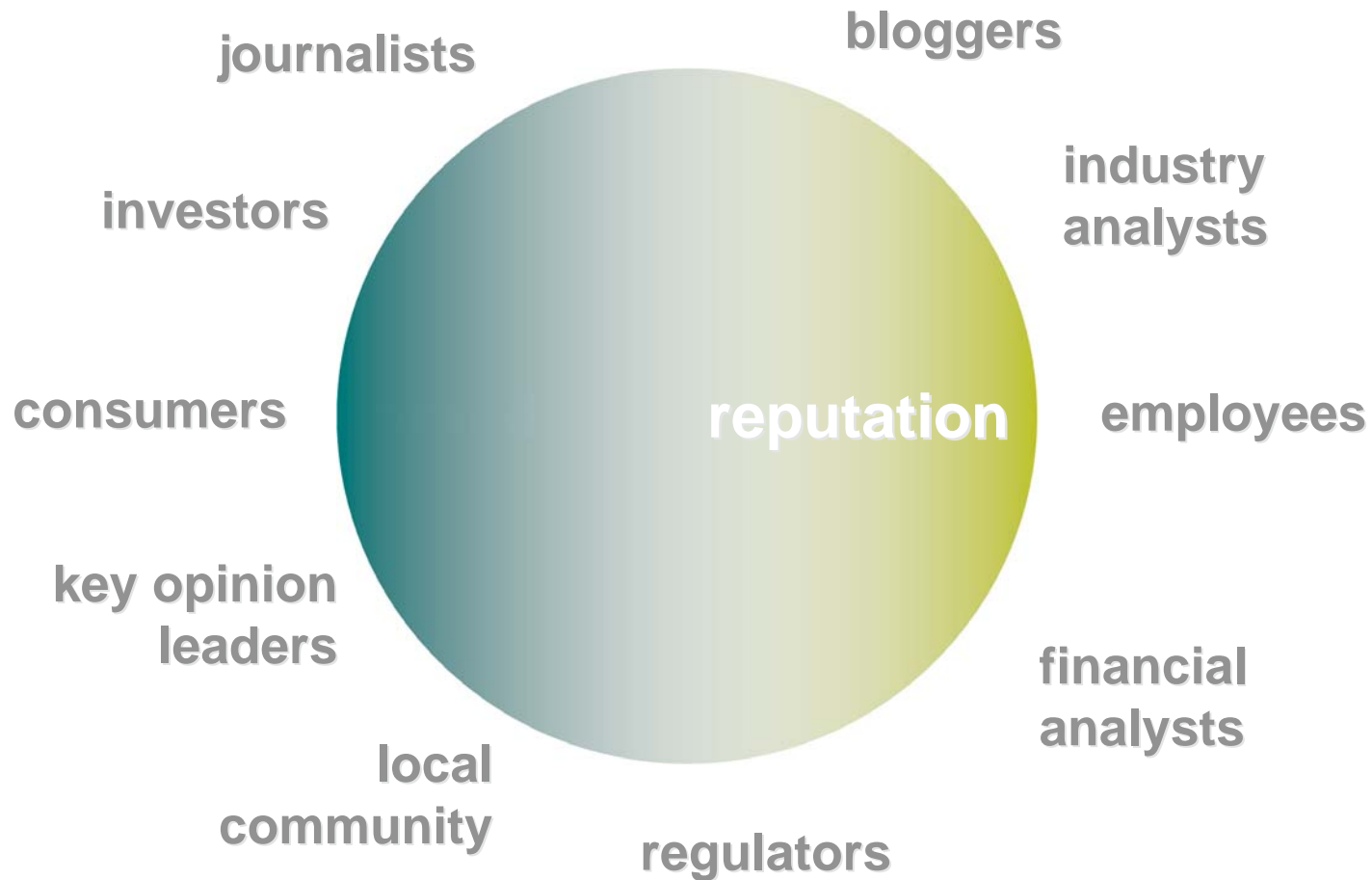


Brand and Reputation have become one.

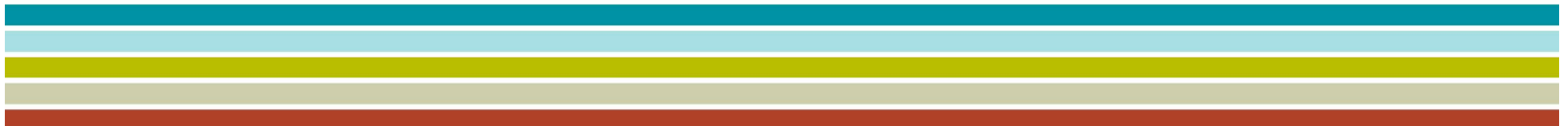
**You can't control everything being said
about your brand and you can't silo
brand constituents anymore.**



CONTROL



NO CONTROL



Brave new world

- Whole Foods, Mackey, & 'rahodeb': Full 7 Year History of Message Board Posts (*Business Week*)
- Wal-Mart: Blazing the Trail to Distrust (iMedia.com)

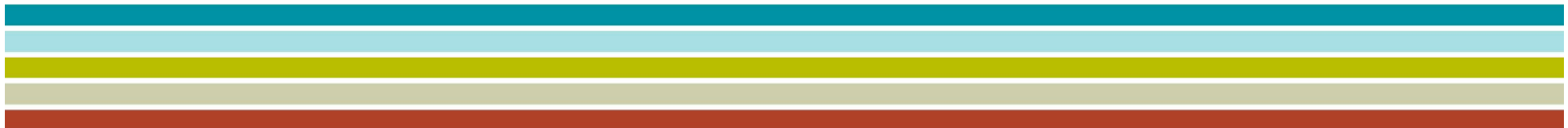


WAL★MART®
ALWAYS LOW PRICES. *Always*

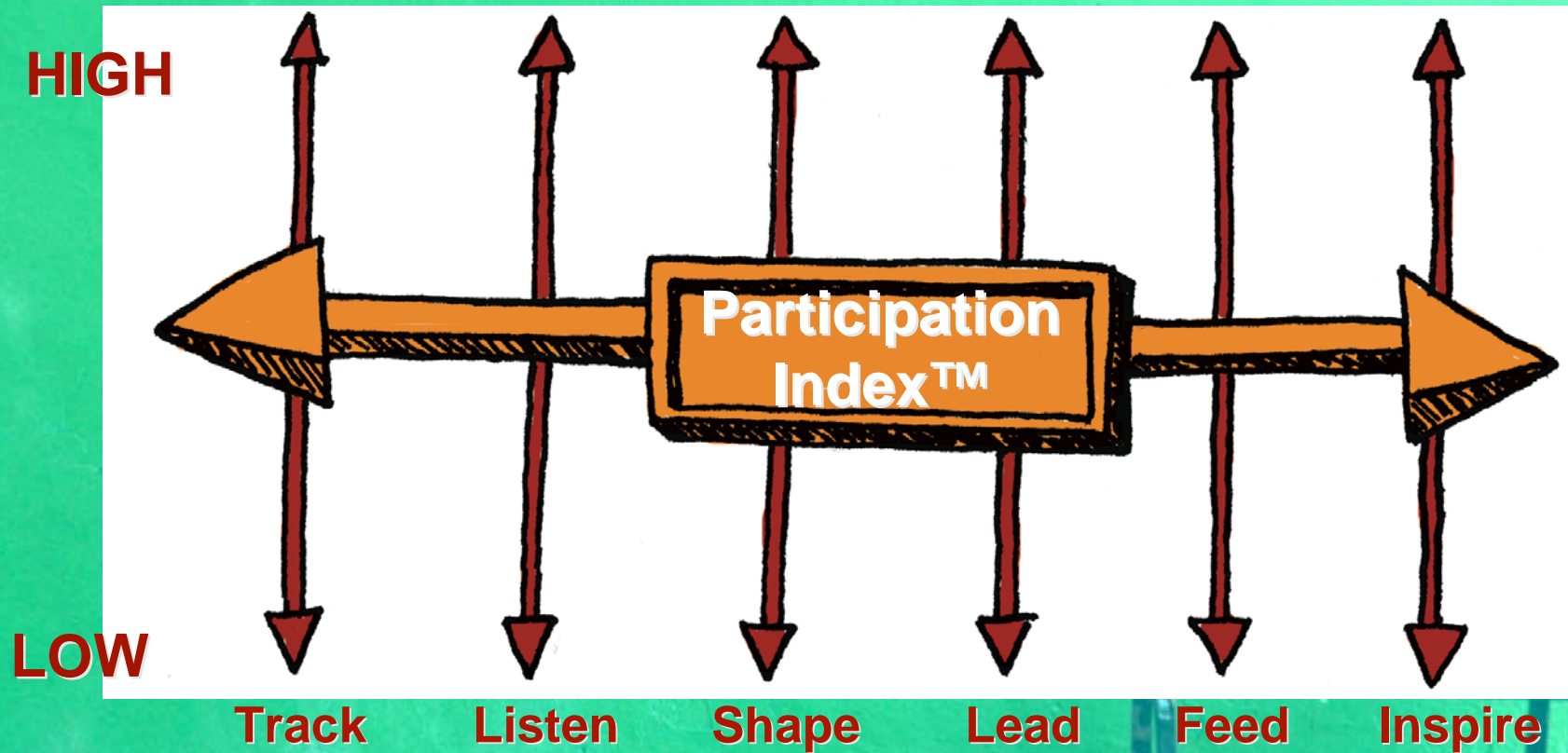


The profound effect of Web 2.0

- Digital is just a channel...but it enables the newly-minted empowered consumer to commentate and influence
- All audiences can interact & inter-relate with organisations
- Control is out; co-creation and ceding control is in
- Reputation influences purchasing decisions



How we look at "best practice"



Feed – best practice



Lead – best practice



Helpthehoneybees.com

Inspire – best practice



The issue of no control – some tips

- Listen: market research, prevailing biases, perception audits, messaging inputs
- Talk: educate, inform & encourage viral education/marketing
- Energize: encourage networks to *act & evangelise* each other
- Support: leverage your network to get people to support *each other*
- Embracing: the most traditional goal, but one you can't assume or jump to

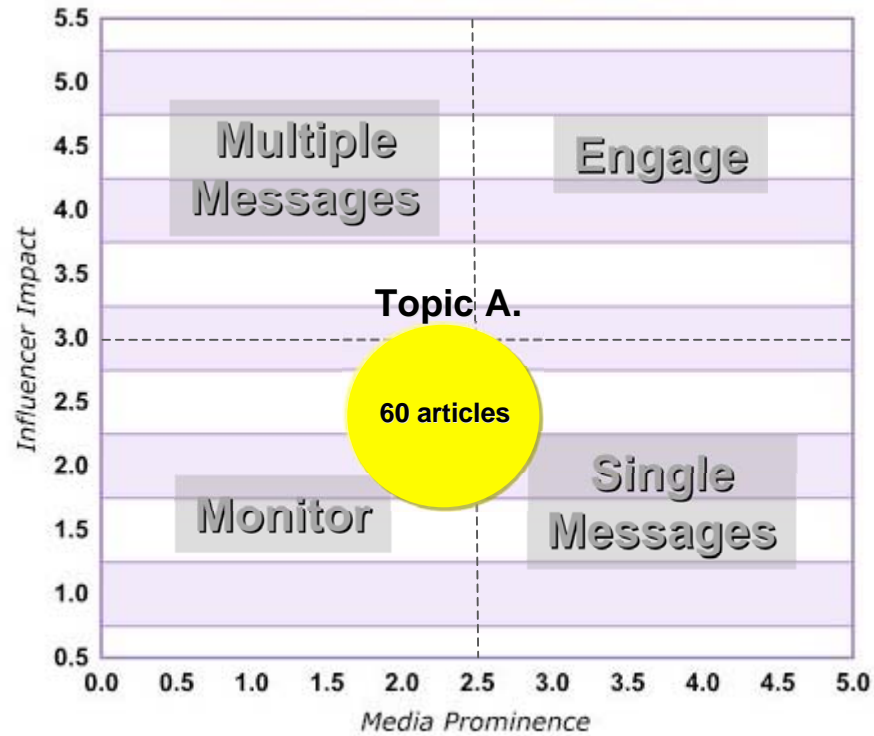
Source: *Groundswell* by Charlene Li & Josh Bernoff

Stage #1

Discover

Industry view of key issues

- Positive Sentiment
- Positive to Neutral Sentiment
- Neutral Sentiment
- Neutral to Negative Sentiment
- Negative Sentiment

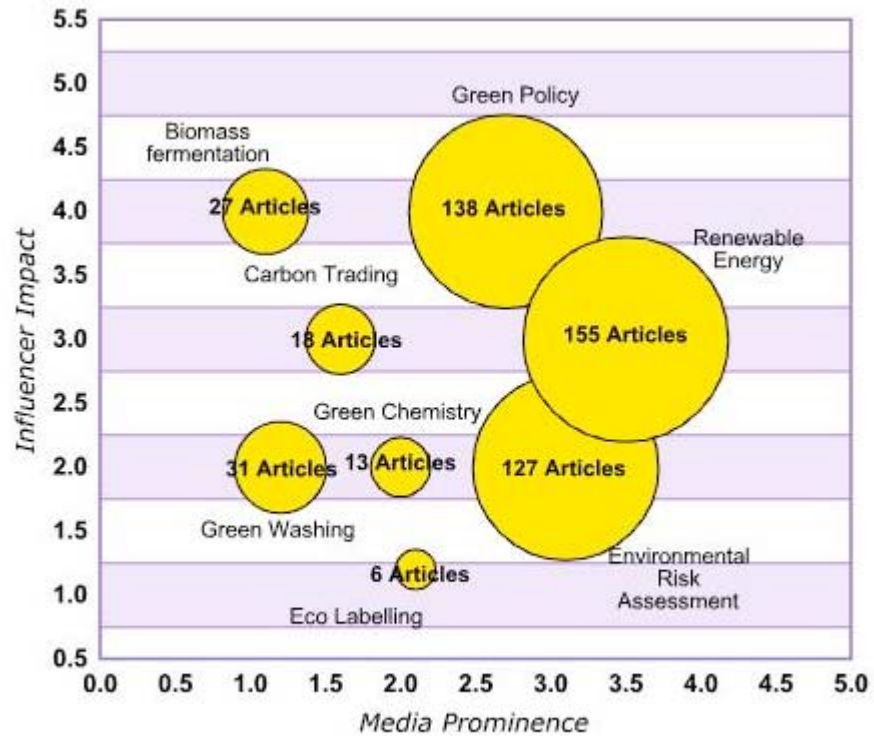


Stage #1

Discover

Industry view of key issues

- Positive Sentiment
- Positive to Neutral Sentiment
- Neutral Sentiment
- Neutral to Negative Sentiment
- Negative Sentiment



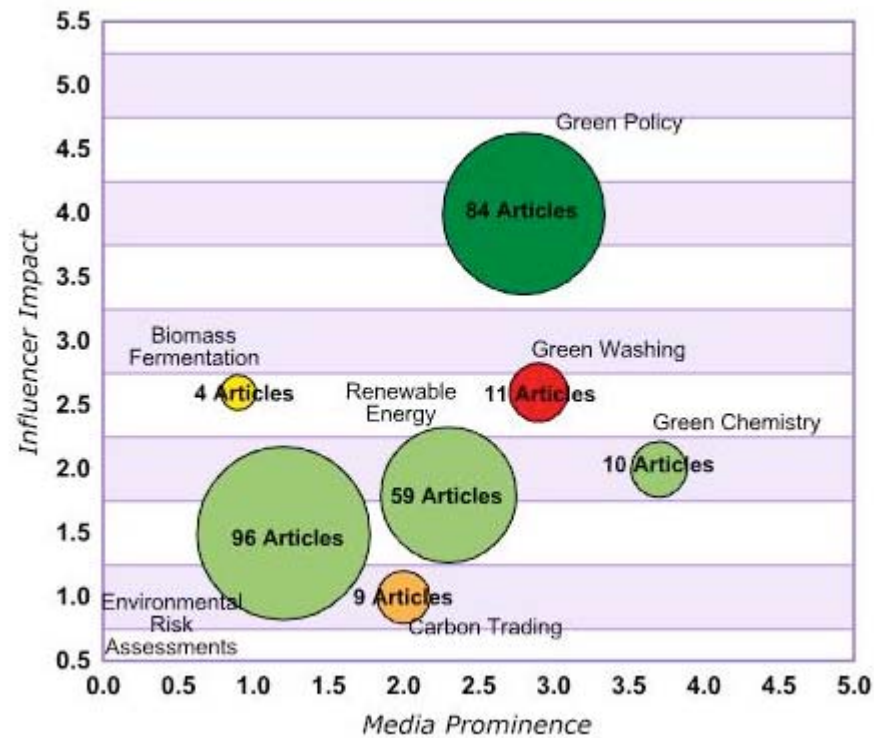
UK Retail

Stage #1

Discover

Company view of key issues

- Positive Sentiment
- Positive to Neutral Sentiment
- Neutral Sentiment
- Neutral to Negative Sentiment
- Negative Sentiment

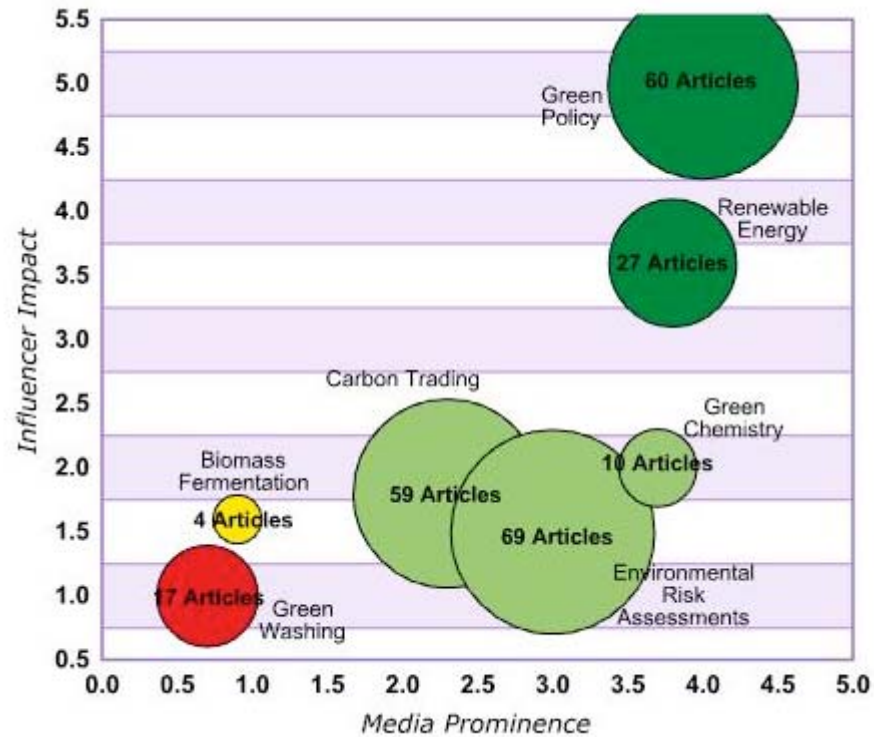


Stage #6

Evaluation

After the IM Campaign

- Positive Sentiment
- Positive to Neutral Sentiment
- Neutral Sentiment
- Neutral to Negative Sentiment
- Negative Sentiment





There are no new models.

**Instead, there are rules of
engagement that shape best
practice.**

**Key components are transparency,
being authentic & integration.**

**Hill & Knowlton
is a proud
member of**



s-team | p&g

By Thomas May 2007

