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| Contact: |
| Jennifer Norton |   |
| Weber Shandwick  |   |
| 212-445-8314 |   |
| jnorton@webershandwick.com |   |

**NEARLY SEVEN OUT OF 10 GLOBAL EXECUTIVES FEAR FOR THEIR**

**CORPORATE REPUTATIONS AS ONLINE RISKS GROW,**

**ACCORDING TO NEW WEBER SHANDWICK RESEARCH CONDUCTED in cooperation with the Economist Intelligence Unit**

*-**Threats Range from Rogue Employees, Misdirected E-mails to Confidential Leaks -*

*- Online Reputation Management Strategic Imperative for 2009 -*

**NEW YORK – February 3, 2009** – In response to frequent questions from corporate leaders on how the Internet is transforming corporate reputations worldwide, leading public relations firm Weber Shandwick conducted research among global executives on online reputation management in cooperation with the Economist Intelligence Unit (EIU). The survey, *Risky Business: Reputations Online™* (www.online-reputations.com) found that employee sabotage and misdirected e-mails are among executives’ greatest concerns, fueling the belief among 67% of top global executives that their own companies’ reputations are threatened.

“Our research found online reputation management (ORM) officially making it to the top of leadership agendas as executives recognize that new challenges can topple even carefully-built corporate reputations,” said Andy Polansky, president of Weber Shandwick. “As the Internet’s influence sweeps through corporate corridors and boardrooms, the research identifies the reputation-building and reputation-busting forces online and offline dramatically shaping corporate reputations and what can be done about them.”

*Risky Business: Reputations Online* was conducted among 703 senior executives within more than 20 industries in 62 countries spanning North America, Europe, Asia Pacific and other markets. Among the many issues on the minds of global executives when it comes to steering their corporate reputations through turbulent times are:

**Employee Sabotage**

A majority of leaders are out of touch with rogue employees online. A large two-thirds (66%) of global executives are either unaware or do not want to admit that employees are badmouthing their companies online. Surprisingly, only one-third (34 percent) of executives worldwide say they know of an employee who posted something negative online about their company despite the ongoing prevalence of damaging digital chatter. Jobvent.com, a Web site that allows visitors to rate their employers, includes comments on more than 7,000 companies. Jobvent.com estimates that 70% of posted comments fall into the “I Hate My Job” category [*The Columbus Dispatch*, December 7, 2008].

In addition to global executives’ lack of knowledge about their employees chatting online about work and their company, the research also highlighted that far fewer global CEOs/chairmen are concerned than non-CEOs/chairmen (21% vs. 43%, respectively) about employee work-related discussions on social networking sites, video-sharing sites and employee grievance sites. Global CEOs/chairmen may be fooling themselves if they think that employee sabotage and hearsay is not taking place online every day.

“Leaders’ short-sightedness about employees going online to complain about their bosses, discuss salaries and leak confidential information highlights one of the most dangerous threats to corporate and professional reputations now and in the years ahead,” said Dr. Leslie Gaines-Ross, chief reputation strategist at Weber Shandwick. “We commissioned this critically important research with the EIU to surface key issues so that we can advise leaders about how they can successfully manage, monitor and safeguard reputations in an always-on and always-open marketplace.”

**Loose E-mails**

All levels of employees have had a hand in potentially harming their company’s reputation online.An extraordinary 87% of global executives admit to having erroneously sent or received at least one electronic message (private e-mail, text or Twitter). Those in the corner office are not immune either: 80% of CEOs/chairs have mistakenly sent or received electronic messages themselves. The unintended and unexpected consequences of misdirected electronic messages can taint, sometimes permanently, company reputations in seconds. With more than 60 billion e-mails circling the globe every day, it is hardly surprising that many leave their intended orbit, especially when research shows: people e-mail in bed (67%), while driving (50%), at bars or clubs (39%) and during business meetings (38%) [A*nnual E-mail Addiction Survey, 2008*].

**REPUTATION-BUSTING ELECTRONIC MESSAGES**

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| --- | --- |
|  | **Global Executives** |
| **Admit to at least one erroneously received or sent message (Net)** | **87%** |
| Received an e-mail, text or Twitter message that was not intended for me | 64 |
| Sent an e-mail, text or Twitter message to the wrong person | 63 |
| Forwarded an e-mail, text or Twitter message to someone intentionally that was only intended for me | 27 |

*Source: Risky Business: Reputations Online, Weber Shandwick in cooperation with the*

*Economist Intelligence Unit (EIU)*

According to Gaines-Ross, “Risks that did not exist a decade ago are now on full display—internal e-mails going astray, negative online campaigns by dissatisfied customers, and online grumblings from disenchanted employees, bloggers and anyone else who has an opinion to voice. Our reputation management services ranging from early warning tools, online reputation monitoring and rapid response strategies could not be more timely or relevant.”

**Reputation Intelligence Online**

A wide range of topics were covered in the survey, including how global executives can use the Internet to build and sustain strong corporate reputations. When asked about the effectiveness of the Internet as a resource for judging reputation, global executives reported that the best uses of the Internet are for investigating business rivals (64%) and partners (60%), capturing customer feedback (63%) and exploring new employment opportunities (60%). Executives clearly recognize that a wide world of intelligence awaits them when they go online – insights ranging from rival product introductions and failures, patent applications, customer suggestions to employment practices. “The Internet has now turned many executives into online reputation sleuths,” commented Gaines-Ross.

Interestingly, global executives are less likely to find the Internet useful for assessing corporate responsibility track records, charitable organizations and activist groups or NGOs. “Perhaps leaders have fewer questions on corporate responsibility issues or suspect that companies can sometimes more easily mask reputational liabilities by ‘greenwashing’ their responsibility initiatives,” Gaines-Ross said. “It is also quite possible that executives leave social and environmental matters up to their corporate responsibility officers and advisors who are paid to know the ins and outs of corporate responsibility and NGOs.”

**USEFUL ONLINE REPUTATION INTELLIGENCE**

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|  | **Global Executives** |
| My company’s competitors | 64% |
| The quality of a company’s products and services | 63 |
| Companies to work for | 60 |
| Potential vendors and suppliers or partners | 60 |
| A company’s overall reputation | 57 |
| A company’s record of social and environmental responsibility | 40 |
| Charitable organizations | 40 |
| Job candidates | 35 |
| Activist groups or NGOs | 38 |
| A company’s work culture | 33 |

*Source: Risky Business: Reputations Online, Weber Shandwick in cooperation with the*

*Economist Intelligence Unit (EIU)*

Notably, global executives believe that only one-half (49%) of information in corporate blogs is accurate and much fewer (14%) trust them as a good source for assessing reputation.

**Strategies for Managing Reputations Online**

Based on Weber Shandwick’s comprehensive research in cooperation with the Economist Intelligence Unit, Weber Shandwick provides counsel for organizations in any part of the world to reduce vulnerability and manage reputational destinies. These strategies range from benchmarking and monitoring reputations online, assessing the right proportion of online and offline communications, scouring the Internet to make sense of emerging risks and issues, embracing search engine optimization (SEO), buying domain names, and creating an ongoing dialogue with employees and advocates before and when problems arise.

Weber Shandwick’s Polansky concludes: “Our in-depth research shows how leaders recognize the Internet’s wealth of opportunities but also see its fair share of risks. We provide counsel on the most effective ways of managing reputations and associated risks today, whether it is online or offline.”

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**About Risky Business: Reputations Online™**

*Risky Business* was conducted among 703 senior executives in 62 countries spanning North America, Europe, Asia Pacific and other markets. The online survey was conducted online in June and July 2008. Weber Shandwick will be following up on this initial release of *Risky Business* survey results with additional reports that will focus on select segments such as executive rank, geographic region and age. Other segments will include business-to-business vs. business-to-consumer companies, and privately vs. publicly held enterprises.

The Economist Intelligence Unit’s editorial team executed the online survey and the report was written by Weber Shandwick. The views expressed in this paper are Weber Shandwick’s conclusions of the study data. However, the survey data do not necessarily reflect the views of Weber Shandwick or the Economist Intelligence Unit. Whilst every effort has been taken to verify the information, neither the Economist Intelligence Unit, Weber Shandwick nor their affiliates can accept any responsibility or liability for reliance by any person on this information.

**About Weber Shandwick**
Weber Shandwick is a leading global public relations agency with offices in over 79 markets around the world. The firm’s reputation is built on its deep commitment to client service, creativity, collaboration and harnessing the power of Advocates - engaging stakeholders in new and creative ways to build brands and reputation. Weber Shandwick provides strategy and execution across world-class practices such as consumer marketing, healthcare, technology, public affairs, corporate/financial and crisis management. Its specialized services include digital/social media, advertising, market research, and corporate responsibility. Weber Shandwick received the highest client-satisfaction honors in the 2007 Agency Excellence Survey by *PRWeek* U.S., in 2008 won Large PR Firm of the Year (*PR News* U.S.), and in 2006 was named European Consultancy of the Year (*The Holmes Report*) and Network of the Year (Asia Pacific PR Awards). The firm also won the United Nations Grand Award for Outstanding Achievement in Public Relations for the past three years. Weber Shandwick is part of the Interpublic Group (NYSE: IPG). For more information, visit http://www.webershandwick.com.