
A Record Number of Americans (88%) say the Reputation of Corporate America Is “Not Good” or “Terrible”, but the Public Rewards Companies that Concentrate on Building Their Reputations with “Excellent” Reputation Scores

Johnson & Johnson reclaims top spot from Google in the 10th Annual Harris Interactive Reputation Quotient® (RQ®) Study of the 60 Most Visible Companies, recording the highest individual company score since 2001

ROCHESTER, N.Y. – April 28, 2009 – Bailouts, bonuses and bad business behavior all combined to erode the overall reputation of corporate America to its worst standing in ten years. Technology remains the highest rated industry, but its reputation declined along with six other industries, with the Automotive industry reporting the greatest decrease ever. The Financial Services industry now shares the lowest industry ranking with the Tobacco industry, with just 11% of the public giving positive ratings to these two industries. The Pharmaceutical industry was the only industry to register a significant positive change from 2007, according to the Harris Interactive RQ survey.

Despite this free-fall in Corporate America’s image among consumers, Johnson & Johnson, Google, Sony, Coca-Cola, Kraft, and returning to the list of Most Visible Companies, Amazon.com, all received RQ scores that categorize their reputations as “Excellent”. An RQ score of 80 and above is considered “Excellent”.

“While the overall reputation of Corporate America has never been worse in the eyes of the general public, greater understanding of and credit for working diligently to build and maintain a good reputation has never been stronger,” says Robert Fronk, Senior Vice President, Senior Consultant, Reputation Strategy at Harris Interactive. “The RQ study also validates that both corporate behavior and corporate communication play a major role in how a company is perceived.”

Johnson & Johnson claimed the top spot for the 8th time in the study’s 10 year history by placing in the top 5, in five out of the six reputation dimensions. Sony had one of the biggest improvements in rank, climbing from 16th place in 2007, to 3rd place in this year’s ranking. The only company with greater improvement in its actual RQ score was Wal-Mart, whose score increased by almost 5 points.

“The companies that achieved RQ scores that characterize their reputations as either good or excellent have a decidedly value or comfort basis in their businesses”, says Fronk of Harris Interactive. “While the reputations of many of these companies have been relatively stable over time, there is no doubt that in the current economic environment, these two characteristics only serve to reinforce a positive reputation.

AIG, in its first appearance on the list, recorded one of the lowest scores in the study's history, with Enron's 2005 score being the last at this low level. The three Detroit automakers recorded the three largest reputation declines this year, with General Motors suffering one of the biggest one year drops in the survey's history, placing them 58th on the list of 60 companies rated. This contrasts with Toyota's number 10 ranking.

Along with the overall plunge in the perceptions of the Financial Services industry as a whole, seven individual financial services firms: AIG, Washington Mutual, Citigroup, Merrill Lynch, Wachovia, JP Morgan Chase, and America Express, which were not on the list in 2007 joined the list of Most Visible Companies in 2008. They joined repeat companies Wells Fargo and Bank of America Corporation. All had scores reflective of companies with very poor reputations.

"Our study indicates just how hard it will be for many financial services firms to regain the trust of both the public at large and their customers," suggests Harris' Robert Fronk. "These firms hold nearly all of the bottom spots on the lists of companies whose products are least likely to be purchased or recommended. And unfortunately, these companies have extremely high familiarity and recall of corporate communications, but are not seen as being sincere, transparent, accurate, or consistent in their communications, all of which have a very high correlation with positive reputation."

The RQ surveys more than 25,000 American consumers in a two-step process, through online and telephone interviews, to first identify the 60 most visible companies and then to rank these companies based on their reputation in six different categories: Emotional Appeal, Products & Services, Social Responsibility, Vision & Leadership, Workplace Environment, and Financial Performance.

The top 10 companies on this year's list in order of ranking include: 1) Johnson & Johnson; 2) Google; 3) Sony Corporation; 4) The Coca-Cola Company; 5) Kraft Foods; 6) Amazon.com; 7) Microsoft Corporation; 8) General Mills; 9) 3M Company; 10) Toyota Motor Corporation. For a full list of the top 60 companies and other findings visit: www.harrisinteractive.com/RQ

The six areas that the RQ survey focuses on that influence reputation and consumer behavior include the following, along with the companies that scored highest in these categories:

- **Social Responsibility** – Whole Foods, Johnson & Johnson, Coca-Cola, Walt Disney, Microsoft
- **Emotional Appeal** – Johnson & Johnson, Kraft, Amazon.com, Sony, General Mills
- **Financial Performance** – Johnson & Johnson, Berkshire Hathaway, Coca-Cola, Microsoft, Google
- **Products & Services** – Sony, Johnson & Johnson, 3M Company, Google, Kraft
- **Vision & Leadership** – Berkshire Hathaway, Google, Microsoft, Coca-Cola, Amazon.com
- **Workplace Environment** – Google, Johnson & Johnson, Sony, Microsoft, Kraft

Following are additional survey findings:

- Demographic sub-group results can be telling for an *individual company*:
 - Johnson & Johnson (1st overall), ranks number 1 among females, people aged 40 and older, people with a high school education or less, and those with a household income of \$35K to less than \$75K;
 - Google (2nd overall), ranks number 1 among males, people ages 18-39, people with a college degree or higher, and those with a household income of less than \$35K or more than \$75K;
 - Apple (14th overall), ranks 2nd among respondents with those with a graduate or higher degree;
 - Disney (13th overall), ranks 4th among people ages 40-54 and 5th among people with a household income of less than \$35K;
 - Whole Foods (18th overall), ranked 2nd among people ages 40-54; and,
 - Berkshire Hathaway (11th overall), ranks 5th among males, 5th among those with a college degree, and 3rd among people with a household income over \$75K.
- The majority of Americans believe that corporations are not adequately evolving to more sustainable business practices and will require regulation to do so:
 - Nearly all (98%) believe it is important that corporations do evolve to more sustainable business practices;
 - Over two-thirds (68%) believe American corporations are lagging behind companies in other countries;
 - Only 16% of Americans believe that they will make these changes on their own; and,
 - Most Americans (90%) give some consideration to sustainable business practices when purchasing a company's products and services. "There is a serious struggle right now for American consumers as they weigh "value" in a product or service and "values" in what they want and expect from companies," says Fronk from Harris Interactive.
- Three quarters of the American public believe that the economic crisis has worsened their *overall view* of the reputation of companies:
 - 77% feel that the country's economic condition will stay the same or get worse in the next 6-12 months;
 - Amazon.com, Wal-Mart, and Berkshire Hathaway receive the highest positive ratings in regard to the economic crisis effect on perceptions of reputation and likelihood to purchase.
- In addition to Wal-Mart and Sony, other big gainers in 2008 included AT&T, Unilever, Royal Dutch Shell, and Nike. Each of these companies has confronted reputation issues in recent years and it would appear that their efforts to mitigate these issues and rebuild a positive reputation are beginning to bear results.

Additional Information

To review selected research from the Harris Interactive RQ survey, please visit www.harrisinteractive.com/RQ.

Methodology

Harris Interactive has used the Harris Reputation Quotient (RQ) to measure the reputations of the most visible companies in the U.S. for ten consecutive years beginning in 1999. The annual study involves a two-step process which began with a “nominations phase” of telephone and online interviews with 6,587 people to identify the most “visible” reputations according to the general public.

The second part, or “ratings phase,” of the Annual RQ study is an in-depth assessment of the reputation of the most visible companies in the U.S. and included 20,483 online interviews. The RQ instrument rates a company’s reputation on 20 attributes (each measured on a 7-point scale) that fall into six key dimensions: Emotional Appeal, Products & Services, Social Responsibility, Vision & Leadership, Workplace Environment, and Financial Performance. In addition to the 20 attributes, the study includes a number of reputation-related questions that help provide a comprehensive understanding of public perceptions. The “nominations phase” of the 2008 RQ survey was conducted from September to October 2008, the “ratings phase” was conducted from December 31, 2008 to February 2, 2009.

About Harris Interactive

Harris Interactive is a global leader in custom market research. With a long and rich history in multimodal research that is powered by our science and technology, we assist clients in achieving business results. Harris Interactive serves clients globally through our North American, European and Asian offices and a network of independent market research firms. For more information, please visit www.harrisinteractive.com.

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