Building Trust and Protecting Corporate Reputation in a Digital World

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Trust in business declines

- Trust in business declined globally from 56% to 53%
- In 17 of 25 countries surveyed, government is now trusted by less than half to do what is right
As reputation scores improve, so does supportive behavior

<table>
<thead>
<tr>
<th>Reputation Range</th>
<th>Would Buy Products/Services</th>
<th>Recommend the Company</th>
<th>Benefit of the Doubt</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;50</td>
<td>22%</td>
<td>19%</td>
<td>17%</td>
</tr>
<tr>
<td>60-69</td>
<td>46%</td>
<td>41%</td>
<td>37%</td>
</tr>
<tr>
<td>80+</td>
<td>80%</td>
<td>66%</td>
<td>51%</td>
</tr>
</tbody>
</table>

2012 Reputation Institute U.S. RepTrak™ Pulse Study
Consumers exert greater control over what brands they buy

- **Corporate brand is as important as the product brand(s)**
  - 87% say that “a strong corporate brand is just as important as strong product brands”

- **Corporate reputation provides product quality assurance**
  - 70% avoid buying a product if they don't like the company behind the product

- **Corporate reputation contributes to company market value**
  - Reputation can be as much as 60% of a company’s market value and is viewed as more important than financial earnings

2012 Weber Shandwick Study: *The Company behind the Brand: In Reputation We Trust*
Changes in society drive changes in expectations and engagement

• **Demographic changes**
  - Hispanic population has doubled since 1990; Asians are fastest growing racial group

• **Sociological changes**
  - Baby Boomers represent 28% of the U.S. population and is projected to fall below 20% of the population in the next eight years
  - Millennials are first generation to be raised on cell phones and Internet
  - Three in four Millennials posted an online review about a product or brand

• **Physiological changes**
  - In 2008, Facebook had 100 million users; today it has 850 million
  - In 2008, Twitter had 8 employees; today it has more than 400
  - In 2008, YouTube averaged 13 hours of video uploaded every minute; today it averages 48 hours
Reputation drivers

Top 3 Influential Drivers of Reputation:

- **Products/Services, Governance and Citizenship**
  - Combined these factors drive 47.3% of U.S. companies’ reputations
  - If consumers perceive companies as performing well on these dimensions, their reputation and support are strong
  - If companies do not perform well in these areas, perceptions and support are likely to suffer

2012 Reputation Institute U.S. RepTrak™ Pulse Study
Corporate Social Responsibility is evolving to Corporate Responsibility

Definition

• Corporate Responsibility goes beyond philanthropy and compliance
• It addresses how companies manage their economic, social, and environmental impacts, as well as their relationships in all key spheres of influence

Terminology

• Many words – CR, CSR, corporate citizenship, sustainability, triple bottom line
• One message – Expanded accountability
Using Social Media to connect and engage

- Serve customers on Twitter, Facebook and Sprint Community
  - Social media team served 41,000 customers this year

- Provide a forum through Sprint.com/community to share device reviews, and latest technology trends
  - 1.4 million registered users, 10,000 new messages and an average of 1.2 million visits every month

- Produced more than 20 self-help videos on our YouTube channel

- Host an internal social network called Sprint Space
  - 2,400 social media ninjas

Facebook.com/sprint  @sprintcare  Community.sprint.com
Emerging trends: Growth of “big data”

• Production of data is growing at an astonishing rate
  - Digital universe will be 44 times bigger in 2020 than it was in 2009
• Every day, we create 2.5 quintillion bytes of data
  - 90% of the data in the world today has been created in the last two years alone
• Today’s data comes from social networks, blogs, chat rooms, product review sites, communities, Web pages, email, etc.
• Trick is analyzing data for new insights to improve business performance
  - Moving from collecting data to connecting data to reveal new insights
Emerging trends: Visual tools

Growth of visual content on rapid upward trajectory over last 12 months

- Photos are liked 200% more than text updates
- Videos are shared 1,200% more than links and text posts combined

Video is becoming the medium of choice and will dominate future communications

- In 2016, video will be responsible for 70% of mobile data traffic

Infographics convey complex data in a simple, visual format

- Tool for companies to create content that others will link to, thus boosting a company's reputation and online presence
Emerging trends: Total content development

• Long gone are the days of sending out one press release or one tweet and expecting to engage stakeholders

• Need to master total content development in order to reach diverse audiences in a more personal way
  - Develop content across multiple platforms -- video, tweets, online, blogs, employee materials
Thriving in a reputation world, driven by social media and the Internet

• In today’s climate of skepticism and uncontrolled media, successful companies will use image and trust as a means to achieve strategic outcomes

• Keys to success:
  - Systematically manage real, perceived, or potential image risks
  - Empower others to steward the brand
  - Make emotional connections with stakeholders