

REPUTATION BY ASSOCIATION

In order to promote the reputation of the sectors they represent, associations must take a joined-up approach to their communications, as new research makes clear.

BY **MARK DOBER** AND **PHIL RIGGINS**

We all know reputation matters. While it takes years for a company or organisation to build up a good reputation, it can be shattered in just a few hours by poor leadership, faulty products, unethical behaviour to name but a few reasons. The same goes for an industry sector or an association itself.

There are many definitions of reputation but in this context, we like to talk about meeting stakeholder expectations. In other words, a good or bad reputation is all about the degree to which an association or sector meets the expectations of its stakeholders. For example, if the banking sector disappoints its stakeholders, the reputational and regulatory fall-out will be considerable.

In a recent Ellwood Atfield survey we found improving the reputation of the sector is either the primary (or second after successful lobbying) expectation of association members. Although members seem generally quite happy with the ability of European associations to deliver favourable policy outcomes, they seem less happy about their communications capabilities. There are high expectations and big disappointments around what associations can do to improve industry reputation.

In our experience, particularly at the pan-European/EU level it is rare that an association has sufficient budget, or headcount, or even the mandate to deliver against the ambitious expectation to improve the reputation of an entire sector. For instance, while many stakeholders such as NGOs or the media expect a European association to represent a sector's views across the EU, in practice its communications outreach is often confined to the Brussels village. Furthermore, a slow-moving consensus model for arriving

at decisions does not fit with meeting the expectations or needs of an association's stakeholders, such as the media. As one journalist told us: "Unfortunately associations are often not the best sources for quotes and stories as they take too long to agree a press statement, and by the time they have the story has often moved on, particularly for online media".

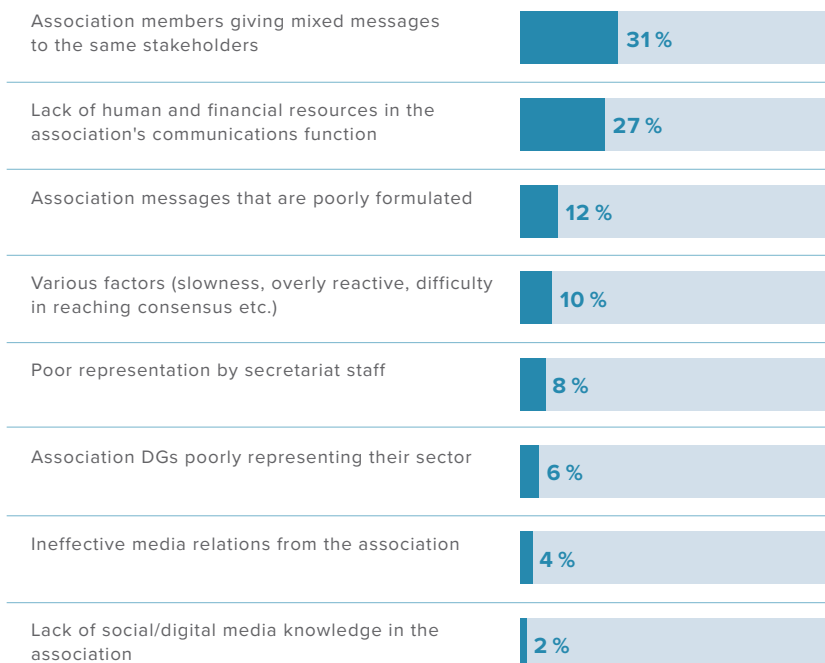
Ellwood Atfield recently conducted a survey of European association leaders and members. Some of our key findings are summarised below:

- 96 per cent believe that a sector's reputation is either important (22 per cent) or very important (74 per cent) in achieving

favourable policy outcomes.

- The three greatest risks to a sector's reputation in order of importance are safety, quality products or services and ethics/integrity.
- NGO activists are seen to present the greatest threat to the reputation of a sector, followed by journalists and regulators.
- The greatest threats to the reputation of an association are about messaging, primarily members giving mixed messages to the same stakeholders but also just poor messaging on sometimes complex issues. The lack of human and financial resources in most association communication functions also presents a considerable risk.

What presents the single greatest risk to the reputation of your European association (as opposed to your industry sector) among Brussels stakeholder?



- Only half of European associations regularly measure the reputation of their sector among policy-makers, mainly due to lack of budget.
- 60 per cent rate the human and financial resources of their European association's communications function as average or worse. Only 2 per cent say the function is "fully resourced". In our view, one of the critical factors for communications to be successful in a trade association is to be in – not report to – the leadership team.
- The top challenges for an association's communications function in the future will be addressing ever more audiences and channels against resource constraints, while also building and maintaining trust.
- Engagement with the media is relatively low – even with press releases. The majority of European associations only issue press releases between once a month and once a year, and one in six associations almost never issue them.

Overall, associations and industries that are serious about explaining their issues and improving their reputation must elevate the importance of the communications role. For this they require: an integrated communications infrastructure; mastery of digital communications; rapid response media relations capability; engagement with stakeholders; timely

and appropriate internal communications; well-managed events; with visually appealing and well-written materials.

Companies must invest in association communications to promote the reputation of their sectors

The world has changed and companies are changing with it. Social media and the internet have turned the world upside down in ways we are still coming to grips with. Research shows that senior communications professionals recognize communications has entered the hyper-space era, where more is asked of companies in ever-shorter timeframes. Our previous research in 2016 found that senior in-house communicators across Europe see the future of reputation increasingly driven by social media (25 per cent), greater expectations of transparency (18 per cent) and deeper social purpose (17 per cent). Reactive approaches are being replaced with proactive strategies to build and maintain reputation. Companies realize that they have to get ahead of the curve to avoid the crushing impact of real-time reputation crises – and the

resulting loss of consumer trust and increase in government scrutiny.

The same dynamic applies to sector reputation. It's not enough anymore to focus on your own individual company reputation. Companies need to be sure their sector reputation is strong, too. Sector reputation acts like a brake or throttle both with consumers and regulators. For example, the technology sector, once the darling of government and civil society is increasingly cast as the villain on issues like protection of personal data, privacy and tax.

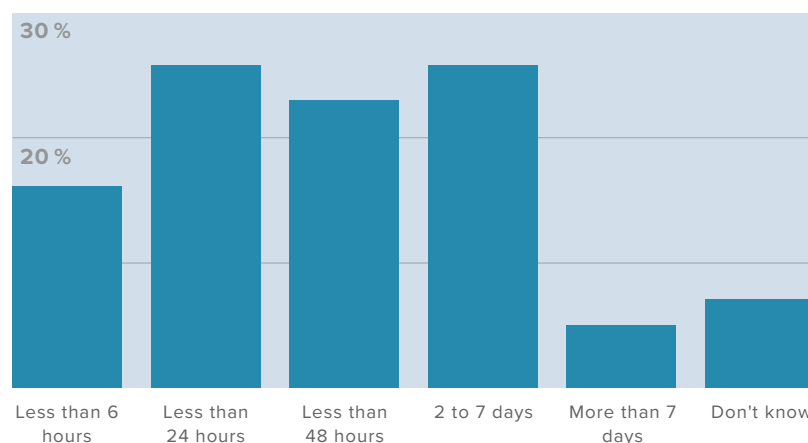
Individual reputation can be managed individually, but sector reputation requires a joined-up approach. While government and civil society partners want and expect to meet with the leaders in a sector, they understand that individual companies are first and foremost businesses, with targets to meet and shareholders to satisfy. Stakeholders expect to hear from sector associations too because they offer a more representative, industry-wide perspective. The result of a strong association strategy and approach on sector reputation management is increased credibility, trust and impact with stakeholders and consumers for companies across the sector.

Businesses understand this and, and as mentioned, view as a primary function of their associations helping to build the reputation of the sector. Unfortunately, our previous research shows that while associations understand their role, just 31 per cent feel prepared to deal with the changing communications environment they need to operate in to achieve success.

What are associations doing to promote their sector and where do they need members' support to be successful in the new communications environment? Qualitative research with senior association officials suggests the role of associations can be summarised as:

- **Early warning about issues, concerns and expectations.** Whether it's from one-on-one engagement or more scientific reputation research, associations provide feedback to members on how they and their issues are viewed by regulators and other stakeholders. They can also convey future-focused guidance on expectations

How long does it take your European association typically to get a press release out from a first draft through to sending it out to journalists?



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that need to be met in order to have a positive reputation.

- **Forum for formulating an industry vision.** The neutral setting and collective view the association provides enables it to provide an excellent forum for co-creating a cross industry vision for the sector's reputation aspiration.
- **Aligning the sector around it.** Similarly, it can drive the conversation within the sector to align national federations and members around the shared vision.
- **Engaging on the sector's behalf.** Finally, as the representative of combined sector interests, the association can be a more credible provider of content and views. It can lead information campaigns, introduce and monitor codes of conduct, and meet with stakeholders to gather feedback. It has its own reputation to preserve, so the more it can be open and transparent with its stakeholders on behalf of members, the greater its impact is likely to be.

What support do associations need from member companies to build and maintain strong sector reputations?

- **Empowering the association.** Without the clear and vocal support of key members, the role of associations in reputation building will be severely limited. Members need to give clear signs that the association has their support, speaks for them and is driving engagement. This goes beyond membership dues and staffing support to include public and private endorsements of their activities.
- **Identifying priorities.** Members know their businesses better than their association ever can. They need to bring this understanding to the table when they are working with the association to develop sector priorities on reputation issues. Their priorities need to help shape the sector's priorities and association's activities on reputation building. Alignment around sector priorities is more likely to receive the support of individual member senior leadership if sectors take this approach.
- **Being transparent, open and behaving properly.** It's a lot easier for a sector to have a positive reputation when individual companies behave appropriately. The more member companies can be open and transparent about their own policies and activities, the easier it is for associations to get others to support them.
- **Providing content and resources.** Associations depend on their members for the building blocks of compelling content to influence regulators and other stakeholders. Companies need to share facts, figures and case studies of relevant activities to help associations create content that can influence outcomes. To ensure they have the right skills and resources, they also need to support associations with training, briefings and other types of support on digital engagement, public affairs or marketing.

A core principle of successful stakeholder engagement is to build relationships with those who can impact your business before you need them. No one likes to get a phone call in the middle of the night from a stranger as-

king for a favour. Companies must act now to support their associations in proactively building their sector's reputation. Eventually, every sector finds itself in the hot seat of a reputation crisis. It's impossible to predict the exact timing of an issue or crisis. But what is predictable is that stakeholder support is more likely to be forthcoming if you've given your association the tools and support needed to do the job properly. ●

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