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## **Civility in America** Corporate Reputation Edition

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### Civility in America Corporate Reputation Edition

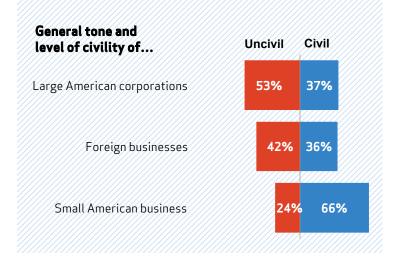
In mid-2013, Weber Shandwick and Powell Tate, in partnership with KRC Research, released the fourth annual **Civility in America: A Nationwide Survey** to gauge the American public's attitudes toward civility in society and their experiences dealing with incivility. The study used an online survey of 1,000 U.S. adults.

This year's study found that 70% of Americans believe incivility has reached crisis proportions. With Americans encountering incivility an average of 2.4 times per day, and 43% expecting to experience incivility in the next 24 hours, dealing with incivility has become a way of life for many.

We recently furthered our investigation into the survey results to explore perceptions of civility in business and the impact of incivility on consumer purchasing and supportive brand behavior. We share these results in this second installment of the study, benchmarking American perceptions of company civility and describing how business is lost through uncivil consumer experiences

# Corporate America's incivility reputation

Large American businesses are considered uncivil by 53% of Americans, a rate that is more than twice that of small businesses which are considered far more civil than uncivil. While foreign companies are not considered as uncivil as large American companies, Americans also don't see them as any more civil.



The fact that consumers view business as uncivil is meaningful to business leaders, regardless of company size or location. With previous Weber Shandwick research demonstrating that 60% of a firm's market value is attributable to its reputation, it is possible that being seen as uncivil may have an impact on a company's reputation, and in turn, on the company's market value.

Despite the majority belief that big U.S. companies are uncivil, the business environment has had somewhat of an incivility reprieve this year. The perception that Corporate America is contributing to the overall erosion of civility in America has softened since 2012. Today, 31% of those Americans who expect civility to erode during the next few years pin the blame on Corporate America, a rate significantly lower than in 2012 (42%) and 2011 (39%). Americans most frequently point the finger at politicians (62%), youth (61%), the media (60%) and the Internet/social media (59%).

CIVILITY IN AMERICA 2013 CORPORATE REPUTATION EDITION | 3



## Incivility's negative ROI

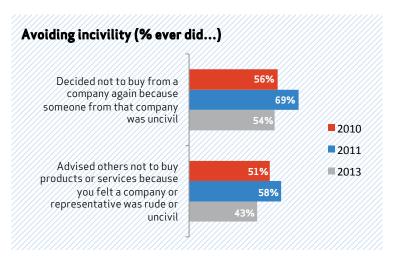
What is the business damage inflicted by incivility? When consumers have an uncivil experience with a business, they react negatively and in a way that hurts both sales and reputation. Six in 10 (61%) of all Americans say they either decided not to buy from a company again because they were treated uncivilly by the business (54%) and/or they advised others not to buy products or services from a company because they had a rude or uncivil experience (43%). Consumer demographic segments that marketers find most attractive for their spending and influence are the most reactive to uncivil experiences. Younger consumers (under 50), parents of kids under 18 and those in higher income households are significantly more likely than their counterparts to vote with their wallets and word-of-mouth influence.

#### Demographics of Americans reacting negatively to uncivil consumer experiences

	Age			Parent of child <18		Annual Household Income		
	18-34	35-49	50-64	65 or older	Yes	No	<\$50,000	\$50,000 or higher
Decided not to buy from a company again because the company or representative was uncivil	57%	60%	51%	40%	59%	51%	51%	57%
Advised others not to buy products or services because a company or representative was rude or uncivil	47%	49%	36%	31%	49%	39%	39%	49%

significantly higher vs. other sub-group(s)

While the incidence of these reported actions is high, they have receded since 2010. Perhaps uncivil businesses are being rooted out through consumer word-of-mouth, social media discussion and reduction in customer activity.



## Incivility from within

Business leaders not only have to worry about consumer perception, but also what is happening within their own walls, as their employees encounter incivility among themselves. Uncivil employees can mean higher attrition rates, lower morale and productivity, greater legal risk and increased chances that customers will bear the brunt of an unhappy or uncivil representative.

Positively, perceptions of the workplace as uncivil have risen only slightly over the past few years, though there is an upward trend nonetheless. The rate of Americans personally experiencing incivility at work dropped slightly after 2011 but still remains fairly high (37%).

One of the more concerning workplace trends is the rise in Americans leaving their jobs because of incivility. From 2011 to 2013, there has been a 30% increase in Americans reporting they have quit a job because it was an uncivil workplace (20% to 26%).

Workplace Incivility	2011	2012	2013
	%	%	%
Have personally experienced incivility at work	43	34	37
Believe general tone and level of civility of the workplace is uncivil	28	31	33
Have quit a job because it was an uncivil workplace	20	23	26

"Since reputation is a company's most competitive asset, workplace civility cannot be taken for granted. Incivility can negatively impact retention and recruitment not to mention customer service. Ultimately, incivility leads to a reputation cost."

Leslie Gaines-Ross Chief Reputation Strategist, Weber Shandwick

The risk of companies losing business because of incivility is high. The widespread perceptions of incivility in all facets of American life extend to consumer sentiment and buying behavior. While front-line personnel need to be well-trained to always treat the customer civilly, management also needs to ensure civility is part of the organization's culture. Businesses need to behave with civility both internally and externally.

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