

## FTI Consulting Study Shows that Confidence, not Reputation, is the Primary Driver of Stakeholder Behavior

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### On Average, Companies Have a 30 Percent Better Chance of Achieving a Desired Behavior if Stakeholders are Confident, than if Stakeholders Say the Company has a Good Reputation

WASHINGTON, Nov. 12, 2014 /PRNewswire/ -- FTI Consulting, Inc. (NYSE: FCN), the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, today announced the results of the firm's [2014 Enterprise Value Study](#), conducted by FTI Consulting's Strategic Communications segment. The study finds that there is a significantly stronger correlation between confidence in a company and stakeholder behaviors than between a good reputation and stakeholder behaviors.

The proprietary study surveyed U.S.-based investors, business-to-business ("B2B") customers, employees and public influencers regarding their attitudes about specific companies and their likelihood to engage in specific behaviors that include employees' tendencies to join or stay at a company, customers' inclination to buy products and services, investors' predisposition to purchase and hold stock in a firm and policymakers' and citizens' willingness to advocate for a company.

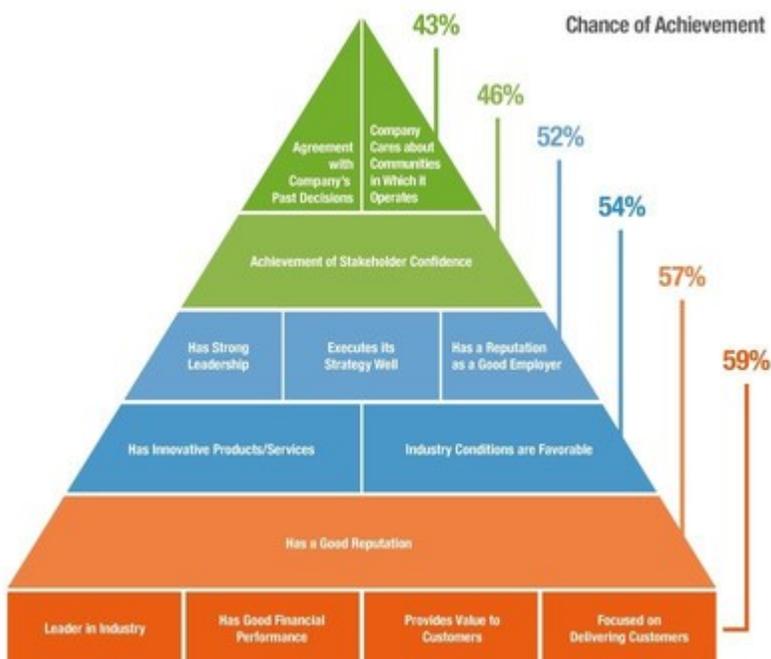
"A good reputation has long constituted the universal standard that a company should strive to enhance and protect, but the data plainly demonstrates that confidence is a far more significant driver of stakeholder behavior," said [Bob Knott](#), Senior Managing Director and Americas Head of the Corporate Communications practice at FTI Consulting. "Therefore, if a company is using communications to enable the achievement of business outcomes, cultivating confidence in the company should be their principle aim."

On average, the study found that companies have a 30 percent better chance of achieving the desired behaviors if stakeholders are confident, than if stakeholders say the company has a good reputation. By increasing confidence, the study finds, companies can turn stakeholders into "advocates", something that a strong reputation alone does not accomplish. Once achieved, stakeholder confidence affords companies a better probability of attaining desired behaviors, such as:

- recommending goods and services to others (a 121 percent probability advantage for confidence);
- increasing the business relationship with the company (an 84 percent advantage for confidence);
- recommending the company as an employer (a 48 percent advantage for confidence);
- supporting the company operating in the community (a 38 percent advantage); and
- investing in the company (a 36 percent advantage).

"Our research finds that, for companies to build confidence, they should focus on telling their business story," explains [Brent McGoldrick](#), Americas Head of the Strategy Consulting & Research practice within the Strategic Communications segment at FTI Consulting. "Each of the four stakeholder groups surveyed indicates that having strong leadership, being a good employer, believing in the company's ability to execute its strategy and agreeing with the company's past decisions are the important attributes companies must achieve in order to build confidence."

The study identified a Maslow-like hierarchy of attributes that includes a good reputation, while culminating in stakeholder confidence.



"A good reputation is important and, indeed, foundational," McGoldrick continued. "Our data plainly demonstrates that confidence in a company cannot be achieved unless, and until, it enjoys a good reputation among its key stakeholders. But, ultimately, companies will want to move beyond just building reputation and focus on building confidence."

The study reveals confidence to be a higher-order behavior than reputation. Stakeholder confidence was found to be on average 27 percent more difficult to achieve than a good reputation. Moreover, the study finds that stakeholders view a company's reputation to be a function of its past actions, whereas confidence is a forward-looking attribute that reflects stakeholders' belief in the integrity of its future actions.

#### **Survey Methodology**

The Strategic Communications segment at FTI Consulting conducted an online survey among institutional investors (N = 107) between January 23, 2014 and February 20, 2014. The firm's Strategic Communications segment also conducted an online survey among employees (N = 1,815), B2B customers (N = 312) and public influencers (N = 2,099) between July 24, 2014 and August 6, 2014.

#### **About FTI Consulting**

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 4,200 employees located in 26 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The Company generated \$1.65 billion in revenues during fiscal year 2013. For more information, visit [www.fticonsulting.com](http://www.fticonsulting.com) and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

#### **FTI Consulting, Inc.**

1101 K Street, NW, 9th Floor  
Washington, DC 20005  
+1.202.346.8800

#### **Investor Contact**

Mollie Hawkes  
+1.617.747.1791  
[mollie.hawkes@fticonsulting.com](mailto:mollie.hawkes@fticonsulting.com)

#### **Media Contact**

Matthew Clark  
+1.202.728.8766  
[matthew.clark@fticonsulting.com](mailto:matthew.clark@fticonsulting.com)

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