

## Retail Companies in the United States Receive Reputation Rankings Reputation Institute Releases Results of its Global Pulse – U.S. 2008 Study

*A mixed bag of results shows big disparity across the industry*

New York, NY – June 4, 2008 – Costco Wholesale Corporation slides into the top spot with the highest corporate reputation among the largest U.S. retail companies surveyed in Reputation Institute's Third Annual Global Pulse Study, followed closely by Walgreens and Toys 'R' Us. The Global Pulse 2008 study measures the overall respect, trust, esteem, admiration, and good feelings consumers hold towards the largest 600 companies in the world, including the largest 150 U.S. companies. The top rankings for the retail companies are:

### 2008 Corporate Reputations of Largest United States General Retailers

	<u>U.S. Companies</u>	<u>2008 Pulse Score</u>	<u>2007 Pulse Score*</u>
1	Costco Wholesale Corporation	74.33	72.45
2	Walgreens	73.01	68.77
3	Toys 'R' Us	72.86	N/A
4	Office Depot	72.59	N/A
5	Best Buy	72.08	69.44
6	Staples	72.01	N/A
7	Lowe's Companies Inc.	71.76	70.85
8	Home Depot	71.49	69.76
9	CVS	71.14	69.37
10	JC Penney	69.92	73.71
11	Kohl's	69.31	N/A
12	Meijer	67.38	N/A
13	Target	67.38	69.61
14	Rite Aid	65.92	N/A
15	Circuit City Stores	65.74	N/A
16	Federated Department Stores	63.81	60.12
17	Sears Holdings	61.80	59.07
18	Gap Inc.	60.46	N/A
19	TJX Companies, Inc.	55.35	N/A
20	Wal-Mart Stores, Inc.	53.01	57.75
21	AutoNation	50.67	56.00

## **Retail Industry Findings:**

- On average, the retail category posted a moderate reputation with U.S. consumers.
- JC Penney lost its lead as the U.S. retailer with the highest corporate reputation from the 2007 study and falling to number 10 this year.
- Companies came in with both strong reputation standings such as Costco, and Walgreens and weak results such as Wal-Mart, and Auto-Nation.
- Wal-Mart dipped in reputation standing from 2007 to 2008 despite recent efforts to green its supply chain.
- Newcomers to the study Toys 'R' Us, Office Depot and Staples came on to the scene with strong showings.

## Reputation Drivers

Reputation Institute's research model indicates that reputation is built on 7 pillars from which a company can create a strategic platform for communicating with its stakeholders on the most relevant key performance indicators. These dimensions are: Products/Services, Innovation, Workplace, Citizenship, Governance, Leadership, and Performance. The 2008 Global Pulse survey indicated that consumers are most influenced by a company's delivery of high quality products and services, followed by its policies on governance (how the company is run, its ethics) and citizenship (social and environmental causes the company supports).

"The wide ranging results in the retail sector indicates the great disparity with which consumers view this industry," said Kasper Nielsen, Managing Partner at Reputation Institute. "Despite Wal-Mart's recent efforts to make improvements, it may take time for U.S. consumers to perceive the company in a more positive light."

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## **Survey Methodology**

The Global Pulse 2008 was conducted online in the U.S. between February and March of 2008. A Pulse score is a measure of corporate reputation calculated by averaging perceptions of 4 indicators of trust, esteem, admiration, and good feeling obtained from a representative sample of at least 100 local respondents who were familiar with the company. Scores range from a low of 0 to a high of 100, Pulse scores that differ by more than +/-0.5 are significantly different at the 95% confidence level. Scores can be categorized using the below key:

<b>Excellent/Top Tier</b>	above 80
<b>Strong/Robust</b> 70 – 79	
<b>Average/Moderate</b>	60 – 69
<b>Weak/Vulnerable</b>	40 – 59
<b>Poor/Lowest Tier</b>	below 40

\* **Note:** 50 additional U.S. companies were added to the Global Pulse in 2008.

## **About Reputation Institute**

Reputation Institute is a private advisory and research firm specialized in corporate reputation management. With offices and associates in more than 20 countries, Reputation Institute provides knowledge-based consulting services to some of the most respected companies worldwide. Our consulting teams regularly help global clients assess, value and act on their reputations by providing strategic analysis and direction, as well as relevant assistance in developing and implementing reputation measurement and management systems. Reputation Institute also identifies best practices from original research, and we share our cutting-edge findings with clients and members through engagements, seminars, conferences, and publications. The *Global Pulse* is Reputation Institute's flagship research study conducted annually with some 60,000 consumers in 27 countries from which emerge detailed ratings of the reputations of the world's 1000 largest companies. Each year, the results of this study are featured in leading business publications around the world. Visit [ReputationInstitute.com](http://ReputationInstitute.com) to learn more about us.

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