

# TRADE

JAN / FEB 2011

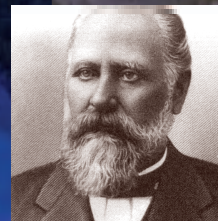
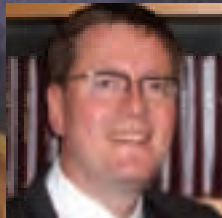


## German-American Business Outlook

German Firms Bullish about 2011

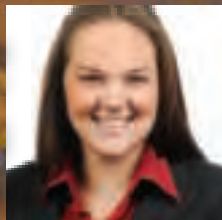
## GACC 2010 REVIEW Spotlight

Dr. Thomas Zielke, RGIT  
Washington Update:  
Rare Earths a Rarity?



Claus Spreckels  
"Sugar King"  
- Explore New Series  
German Roots

Pamela Jackson  
"How We Sink"  
- New Intercultural  
Series and Blog



German American  
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# Reputation of US Banks Suffered in Europe

*Governance & responsibility key to bank reputation*

The reputation of US banks has suffered during the worldwide financial crisis. That is the result of a study carried out by Stockheim Media and press relations in Germany, France and the UK. While not all results may be surprising, the underlying findings and implications certainly are.

A comprehensive media resonance study screened about 2,400 articles published in the daily and financial press in Germany, France and the UK during the past year. The articles were analyzed in detail with regard to overall tone, content and reputation drivers. The study focused on five major US banks.

The results show that the European media picked in particular on social corporate responsibility and business ethics. More than a third of all published articles dealt with social responsibility and governance topics. Reoccurring topics in this context were greed, high bonus payments, lawsuits, SEC allegations, compensation for investors and the resignation of CEOs. “Banks and financial institutions have lost credibility during



the financial crisis and are struggling to rebuild confidence”, said Ulrich Stockheim, Founder & CEO of Stockheim Media. “Corporate governance and social responsibility, that is how a company behaves with respect to ethics and transparency in its business practices, are the most influential drivers in a bank’s reputation.”

The financial performance of banks was also in the focus of the coverage. Ironically, this aspect received positive or neutral scores, since experts generally agree that banks are high-performance companies. Nonetheless, other important reputation drivers

seem to have the power to influence or even overrule the positive scores for financial results, because when dealing with banks, customers also look at corporate citizenship, the workplace environment, leadership and management. These factors can have a major impact on the bank’s overall reputation. An interesting twist could also be found in cases where a good financial performance was turned against a bank and used as proof for unethical business practices or socially irresponsible behavior. There seemed to be the underlying suspicion that these banks can be no good, if they make that much money. Thus, an exceptional financial performance may still have the potential to trigger negative coverage.

A company’s products and services tend to be the strongest reputation drivers. The study, however, shows that the products and services of banks, are hardly covered at all. Even if products are mentioned the articles tend to focus on governance and responsibility. The immense coverage of these aspects outclasses all other

reputation drivers. “Banks certainly differ in that regard from other companies, since customers have very high expectations toward trust and credibility. It is very important with whom you do business and whether this partner is reliable, in particular, if a customer invests his savings.” Ulrich Stockheim explained.

The study further indicates that there are a few exceptions. Not all banks receive bad scores. On the contrary, some banks receive slightly better reputation values. However, these banks are not covered as extensively as their competition. Ulrich Stockheim: “These findings also imply that there is the danger of a spill over effect - the large negative coverage of your peers may also influence the perception of your company as part of the same industry.”

The findings of the study imply that the banking sector still has a long way to go to restore trust in the industry and its processes. Ulrich Stockheim: “The image of the corporate brand has been impacted and now it is crucial to communicate in a transparent way with all stakeholders to reestablish trust”. It will be a key challenge in the upcoming years to address consumer misconceptions and to find better ways to communicate with all stakeholders. Given the significance of corporate governance and responsibility, banks should also give more attention to corporate social responsibility topics.

Stockheim Media is one of the leading owner-managed communications agencies in Germany with offices in Frankfurt, Cologne and New York. The agency offers its clients corporate communications and capital markets communications and realizes publishing and design projects for the financial services industry. All Stockheim Media consultants have a sound background in communications and understand the challenges surrounding business and financial issues in today’s global climate. Stockheim Media clients comprise of national and international companies from the business and financial sector. Ulrich Stockheim stresses: “Banks, insurance companies and other financial service providers have to rebuild their credibility and regain the trust of their customers. The industry is suffering from a loss of integrity and has to recognize the need for strategic communications. This is a great opportunity for many PR agencies, but only a few have the necessary financial expertise as a key competence.” **GAT**



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ABOUT THE COMPANY

## STOCKHEIM MEDIA

communication & consulting

Founded in 2003 by Ulrich Stockheim, Stockheim Media is today one of Germany’s leading owner-managed communications agencies and is highly specialized in financial and business practices. With head offices in Cologne, Frankfurt and New York, the agency – together with its British partner College Hill – serves clients around the globe with a broad range of PR services.