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## The Best Reputations in High Tech

For Once, the Dot-Coms Trail Older Technology Firms—Microsoft, Intel and Sony

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**I**NTERNET STOCKS have created instant millionaires. Shoppers are buying everything from groceries to Gucci online. And the media are enjoying an advertising bonanza, as dot-com companies spend hundreds of millions of dollars to get noticed.

Yet when it comes to the best reputations in the digital-technology world, people still put their faith in companies with tangible products and services—and a solid track record in the marketplace.

Despite the government's antitrust suit and all the related negative publicity, Microsoft Corp. ranked No. 1 in a new study of the reputations of the most prominent technology companies. The software giant scored especially well for financial performance, vision and leadership and workplace environment.

Close behind Microsoft in the online consumer survey were such established companies as Intel Corp., Sony Corp., Dell Computer Corp. and Lucent Technologies Inc.

Gateway Inc., the personal-computer company, ranked No. 6 in the study. "My family and I absolutely adore Gateway," said Pam Pallak, 51 years old, of Cheyenne, Wyo., who purchased a second Gateway PC after her son enrolled at the University of Wyoming. "When we had problems with our computer because of power fluctuations, Gateway replaced our monitor, no questions asked."

Most Internet companies, on the other hand, ranked in the bottom half of the 40 digital companies in the study. America Online Inc. placed dead last, and even popular online retailer Amazon.com Inc. placed only 22nd.

The new online universe still seems rather ethereal to some people. "I have reservations about the reliability of online companies in general," said one respondent. "I believe that if you were to have a problem with a product or service, you would have a nearly impossible time rectifying it due to the fact that the company has no home base you can contact."

Yahoo! Inc. was the only Internet company to crack the top 20, ranked at No. 18. "Yahoo! is home for me," one enthusiastic

### Best-Regarded Companies

Digital-technology companies that received the highest corporate reputation ratings among online computer users.

Company	Reputation Quotient*
1 Microsoft	82.27
2 Intel	81.50
3 Sony	79.85
4 Dell	79.62
5 Lucent	78.35
6 Gateway	78.28
7 Eastman Kodak	78.23
8 Texas Instruments	77.57
9 Cisco Systems	77.23
10 Hewlett-Packard	77.20
11 Xerox	77.17
12 Symantec	76.73
13 Intuit	76.70
14 Sun Microsystems	76.58
15 IBM	76.02
16 Motorola	75.84
17 Red Hat	75.41
18 Yahoo!	74.91
19 3Com	74.89
20 Canon	74.86

\*A standardized instrument that measures a company's reputation by examining how the public perceives companies based on 20 attributes. Source: Harris Interactive Inc.

### Attitudes Toward Stocks

Percentage of respondents active in the stock market who said they will definitely or probably buy these stocks.

Company	Will or may purchase stock
Dell	74 %
Lucent	67
Gateway	63
Microsoft	63
Sun Microsystems	62
Intel	61
Cisco Systems	59
IBM	54
Micron	53
Compaq	51
Symantec	49
Motorola	48
Yahoo!	48
Texas Instruments	47
Advanced Micro Devices	46
Eastman Kodak	46
Novell	46
Red Hat	46
Hewlett-Packard	45
E*Trade	44

respondent said. "Yahoo! helped us to find my husband's brother, [whom] we hadn't been able to find in five years. I can get into the auctions and go to places I will only dream about."

The ranking of the 40 most visible technology companies, made available exclusively to The Wall Street Journal, resulted from a two-phase national study this fall by the research and survey firm Harris Interactive Inc. and the Reputation Institute, a New York research group.

Telecommunications-service providers, media companies, conglomerates like Gen-

eral Electric Co. and subsidiaries of companies, such as the Netscape Communications unit of America Online and 3Com Corp.'s Palm Computing subsidiary, were excluded from the survey.

The survey targeted online users because Harris felt they are most familiar with technology companies. A corporate reputation study earlier this year covering all industries was conducted both online and by telephone. In that study, Microsoft ranked 15th, with respondents expressing strong emotions—both pro and con.

"In the digital survey, reputation was

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DOW JONES

# The Best High-Tech Corporate Reputations Around

## Technology Company Rankings by Key Factors

PRODUCTS & SERVICES	WORKPLACE ENVIRONMENT	FINANCIAL PERFORMANCE	EMOTIONAL APPEAL	SOCIAL RESPONSIBILITY	VISION & LEADERSHIP
1 Intel	1 Microsoft	1 Microsoft	1 Dell	1 MindSpring	1 Microsoft
2 Sony	2 Dell	2 Intel	2 Eastman Kodak	2 Gateway	2 Intel
3 Dell	3 Intel	3 Lucent	3 Sony	3 Dell	3 Lucent
4 Microsoft	4 Lucent	4 Sony	4 Gateway	4 Lucent	4 Sun Microsystems
5 Eastman Kodak	5 Sun Microsystems	5 Cisco Systems	5 Intel	5 Microsoft	5 Cisco Systems
6 Gateway	6 Texas Instruments	6 Dell	6 Texas Instruments	6 Hewlett-Packard	6 Sony
7 Texas Instruments	7 Gateway	7 Hewlett-Packard	7 Symantec	7 Symantec	7 Gateway
8 Sun Microsystems	8 Cisco Systems	8 Symantec	8 Xerox	8 Sony	8 Dell
9 Lucent	9 Sony	9 Gateway	9 Hewlett-Packard	9 Intuit	9 Amazon
10 Xerox	10 MindSpring	10 Nokia	10 Lucent	10 Oracle	10 Red Hat

Source: Harris Interactive Inc.

strongly influenced by how well companies support you when something goes wrong with their products and services," says Joy Sever, a senior vice president at Harris. "Innovation, good value and product quality are all key to this industry's reputation."

Among all the online respondents who rated it, Microsoft received high marks on most attributes. But on the less tangible measure of emotional appeal, Microsoft scored 15th. The company was sometimes described as "imperialistic" or "a bully."

"The thing that's really aggravating is Microsoft's attitude that they know better than anybody else," said Paige Baker, a 49-year-old photographer and Web-site designer in Portland, Ore. "Such sheer arrogance stifles innovation."

A Microsoft spokesman says the company culture is one of "extreme humility," not arrogance. "We have many passionate customers who see Microsoft as unnecessarily critical of itself because we're never happy with the latest version of our products and always want to do better," he says.

The Harris survey was completed just before U.S. District Judge Thomas Penfield Jackson released his blistering findings earlier this month that Microsoft harmed consumers by engaging in a pattern of conduct to protect its monopoly power in computer software.

Americans' spirit of competitiveness and tendency to root for the underdog were apparent. Respondents liked companies they viewed as scrappy rivals to the big guys, most notably Red Hat Inc., which offers a computer operating system that challenges Microsoft's, and Advanced Micro Devices Inc., whose computer chips rival those of Intel.

Although the study focused on digital technology, some companies fared well because of their heritage of high-quality products of all types. People spoke positively about Eastman Kodak Co.'s traditional photography products, even though its digital business hasn't been a success yet. Sony placed third in the survey, largely because of positive experiences with its television sets and audio products.

Some veteran technology companies, notably Compaq Computer Corp. and Apple Computer Inc., ranked near the bottom of the survey. People rating Compaq (No. 35) generally said the company sells fine products but consider it a "follower" and its computers

"me too" technology. While respondents praised Apple (No. 37) for rebounding with its iMac line, they were less confident about the company's longer-term success.

Compaq says it has a record of "significant accomplishments," including its fast Alpha microprocessor, a new class of Internet device called iPaq and the first PCs priced below \$1,000. Apple had no comment.

Upstarts on the Internet stirred anxiety among many respondents. Some people said they are still reluctant to buy products or trade stocks on the Internet because of concerns about the security of their credit-card numbers and the risk of technical problems that could delay the execution of a stock transaction.

On the other hand, several people gushed about comical television commercials by both Ameritrade Holding Corp. and E\*Trade Group Inc. Because of E\*Trade's ads, one respondent said, "I feel that even my family can possibly purchase stocks online... I feel that most other companies are much too stuffy."

Some respondents were skeptical about auction sites, such as eBay Inc., because they feel vulnerable to being cheated by dishonest sellers. Many people also said eBay had put its reputation at risk by not policing its site well enough to prevent people from trying to sell "repulsive products" and items such as live babies and human kidneys.

An eBay spokesman referred to those listings as "pranks," but acknowledged that the company is experiencing "growing pains," moving from 800,000 to 7.7 million registered users in 18 months. Last month, it began requiring sellers on its site, for instance, to provide a credit-card number as an additional check on them.

Even more-established Internet sites aroused feelings of skepticism. Many people said they like Amazon.com's book business and have had positive experiences with it. But they worried that the company is expanding too fast into other areas, such as auctions, software and tools, and as one respondent put it, "will lose sight of what made them so good to begin with." An Amazon spokesman says the company has simply taken the knowledge it gained in the book business to new categories and continued "to enrich the bookstore."

The online respondents saved their sharpest barbs for America Online. Many were former customers affected by its

much-publicized service and billing problems of the past. "Their service was very slow, and I was constantly being cut off," said Charles Carden, a retired data-processing manager in California City, Calif., who said he stopped using AOL in May 1999 because of a billing dispute. "AOL is better called AOHELL," he added.

America Online says it doesn't believe the Harris survey is representative of the online population, because it doesn't include enough AOL users. The company also says other studies have shown it is highly regarded by the public and that its "customer satisfaction is the highest it has ever been."

## Study Methodology

The study of the reputations of America's most visible digital technology companies was carried out in two phases between Sept. 22 and Oct. 25. In the first phase, Harris Interactive Inc. conducted online interviews with 5,259 respondents throughout the U.S., randomly selected from the company's database of about 1 million people.

Respondents were asked to nominate the two companies they believe will have the most impact on digital technology over the next five years. Nominations were open-ended. A list of nominations of conglomerates, wholly owned subsidiaries, brands, telecommunications-service providers or media companies was deleted. Harris did so because it wanted the study to focus on companies that report financial results and on companies that operate nationally, unlike some regional telecommunications and cable companies.

Harris then determined the 40 companies named most often by the respondents. In the second phase, 16,887 randomly selected online respondents were asked to do a detailed rating of one or two of the 40 companies that they were "very or somewhat familiar with." Respondents rated the companies on 20 attributes related to their products and services, financial performance, workplace environment, social responsibility, vision and leadership, and emotional appeal.

Each of the 40 companies was rated by at least 300 people; the average number of respondents per company was 566. All data was weighted to be representative of the U.S. adult online population in terms of age, sex, education, race, ethnicity and household income, as well as other, nondemographic variables. About 18% of survey respondents work in a company with more than 10,000 employees. About 24% of them said they had traded stock during the past year. Finally, reputation-quotient scores were calculated for each company to determine the rankings. The scores were based on the respondents' ratings of each company on the 20 attributes. The highest possible score is 100. Each rating has an "estimated sampling tolerance" of +/- 1.5. In comparing any two RQ scores, a difference of 1.96 would be considered significantly different at the 90% confidence level.