Winning in the New Reputation Economy

2019 Global RepTrak®

7 March, 2019
Focus For Today

- RepTrak Methodology
- Setting the Scene: New Era for Reputation
- Big Picture: Year-on-Year Trends
- Digging Deeper: Creating Assurance
- Reveal of the 2019 Global RepTrak® 100
- Reputation Spotlights: Learning From Key Companies
- Beyond the Global RepTrak® 100
Introducing Reputation Institute

"Global leader in reputation intelligence."

- Founded in 1997 we have been measuring reputation for more than 20+ years
- Our proprietary reputation measurement system is RepTrak®
- We measure more than 7,600 companies per year, across 50 countries, and 20+ different industries
- We help organizations answer the following three key questions:
  1. What is my reputation and how does it compare?
  2. How can I improve and protect my reputation?
  3. What is the business impact of better managing my reputation?
Gauging Reputation: RepTrak®

**THINK**

**REPTRAK® DIMENSIONS**
- Cognitive Consideration

**PRODUCTS & SERVICES**
- INNOVATION
- WORKPLACE
- GOVERNANCE
- CITIZENSHIP
- LEADERSHIP
- PERFORMANCE

**FEEL**

**REPTRAK® PULSE**
- Emotional Connection

**DO**

**BEHAVIORAL INTENTIONS**
- Reputation Outcome
  - PURCHASE
  - ADVOCATE FOR
  - ACCEPT
  - DEFEND
  - WORK FOR
  - INVEST IN

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How Media Impressions Impact Reputation

IMPRESSIONS

PAID MEDIA

EARNED MEDIA

OWNED MEDIA

DIRECT EXPERIENCE

PERCEPTIONS

Leadership

Well-organized
Strong leader
Excellent managers
Clear vision

Governance

Fair in business
Behaves ethically
Open and transparent

Trust

Societal influence
Supports causes
Protect environment

Esteem

Growth prospects
Profitable company
Financial results

Innovation

Innovative
First to market
Adapts quickly

Performance

High quality
Good value
Stands behind
Meets needs

Perceptions

Application

KPIs

Purchase

Advocate

Accept

Defend

Work for

Invest in

Sales

Loyalty

Profitability

Lic. to operate

Market value
Need to Understand the Media Narrative

**IMPRESSIONS**

Media RepTrak® Mining

**PERCEPTIONS**

Impact of media pressure

**INTENT**

**KPIs**

- PURCHASE
- ADVOCATE
- ACCEPT
- DEFEND
- WORK FOR
- INVEST IN

- SALES
- LOYALTY
- PROFITABILITY
- LIC. TO OPERATE
- MARKET VALUE
Gauging Reputation: Global RepTrak®
2019 Global RepTrak® 100

230,000+
Individual ratings

140+
Nominated Companies

Informed
General Public
Somewhat or very familiar

Familiarity
Overall familiarity of > 20% and > 20% familiarity 5+ markets

2 months
January-February 2019

“The largest normative database on corporate reputation in the world.”
Setting the Scene:

New Era for Reputation
We’re in a New Age for Reputation

“The Fourth Industrial Revolution is disrupting almost every industry in every country and creating massive change in a non-linear way at unprecedented speed.”

Bernard Marr
Forbes:
“The 4th Industrial Revolution Is Here - Are You Ready?”
August 2018
An Era of Elevated Reputation Risk

We are at a global strategic inflection point.

The internet of things, cyber physical systems, AI, the environment, global trade tension, changing human values, and desire for enhanced connectivity are fueling change.

There is increased risk to companies.
Implications: Reputation Judgement Day

Following last year’s reputation decline in trust, companies are on trial in the court of public opinion.

It’s a time of “reputation judgement day” when companies are scrutinized on all aspects of their company – ethics, leadership, values, and beyond.

To avoid risk, companies must know how to proactively manage reputation, deliver on stakeholder expectations, and mitigate against risk by delivering on reputation assurances.
Judgement is Passed Publicly and Quickly

“...all large institutions of any kind, whether they be government agencies, nonprofits, universities, and certainly including big corporations, deserve to be inspected and scrutinized. It’s normal.”

Jeff Bezos, Amazon CEO

“Nike’s stock falls after Duke star is hurt as his sneaker comes apart”

CNN

Source: GeekWire; CNN, Yahoo Finance
The Penalty For Loss of Reputation is Severe

“We know from the underreporting of incidents by CNN and others as just one example, the cost to the brand and reputation of Uber by a single case can cost the company millions of dollars in lost revenue from riders who hold a lasting impression that we are unsafe and not worthy of their trust.”

Source: Internal Uber memo on incident caseloads
Big Picture:

*Year-on-Year Trends*
Reputation Change in 2019: Global RepTrak® 100

There was an increase in reputation versus the previous year:

+1.0 pts

Significant difference > 0.9
Despite economic and geo-political uncertainty there are early signs of reputation recovery – the threat of a reputation recession is averted.
Recovery Translates Into Slight Increase in Support

Lack of assurance meant that overall company support did not bounce back to the high levels of 2017.

Source: 2015-2019 Global RepTrak®
Companies Are Slow to Regain Assurance

Marginal increase in support when it comes to “benefit of the doubt”:

+1.6% pts

Benefit of the doubt

% point difference is the 2019 vs 2018 T2 box (respondents who give a score of 6 or 7 on a 1-7 scale)
Purchase Loyalty is Even Slower to Recover

With recovery there is a only a marginal increase in purchase intent:

+0.9% pts

Willingness to purchase

% point difference is the 2019 vs 2018 T2 box (respondents who give a score of 6 or 7 on a 1-7 scale)
Company Recommendation Increase is Negligible

Slight increase in levels of company recommendations:

+0.7% pts

Willingness to recommend

% point difference is the 2019 vs 2018 T2 box (respondents who give a score of 6 or 7 on a 1-7 scale)

Source: 2018 - 2019 Global RepTrak®
Relationship Between Reputation and NPS

Relationship between Reputation and RI NPS

R² = 0.84

Source: 2019 Global RepTrak®
Lack of Reputation Assurance Inhibits NPS Increase

The overall NPS score of companies measured:

+0.8 pts

RI NPS Score YoY change

Source: 2018 - 2019 Global RepTrak®
Majority of the World is Doubtful of Companies

Global Levels of Detractors, Fence Sitters and Promoters (2019)

52% are “fence sitters” – they are less likely to give companies benefit of the doubt.

Note: Fence Sitters are those who are unsure and/or neutral in their support.

Source: 2019 Global RepTrak®
Building Assurance Among Fence Sitters Pays Dividends

Generating assurance to reduce doubt and create promoters pays reputation dividends:

+18.0 pts

Pulse Overlay - Impact of Benefit of the Doubt

Fence Sitters

Promoters

Source: 2019 Global RepTrak®

Note: Fence Sitters are those who are unsure and/or neutral in their support. Significant difference > 0.9
Digging Deeper: Creating Assurance
Opportunity to Create Reputation Assurances

- Focus on Enterprise
- Deliver on CR
- Leveraging Leadership
- Express Your Story
- Put Humanity First
- Engage Market Influencers
Focus on Enterprise

Who you are matters more than what you sell
Can’t Win on Reputation on Just Products/Services

Enterprise dimensions are increasing in importance – while product related dimensions are declining.

In 2019, perceptions of enterprise – who you are – drives two thirds of corporate reputation vs. what you sell which accounts for only a third.

Factor Adjusted Regression
N = 149,965
Adj-R² = 0.66

Source: 2018-2019 Global RepTrak®
Governance, Citizenship, and Products/Services Are Key

2019 Global Drivers for Fence Sitters (vs. All Respondents)

For Fence Sitters: Delivering on the dimensions of good Governance and Citizenship and Products / Services is highly important.
Deliver on CR

Be responsible in all aspects of your business
Increase in Corporate Responsibility Fueled Recovery

Reputation recovery is most driven by increases in Corporate Responsibility – Workplace, Governance and Citizenship; but most companies are average on CR indicating further upside opportunity.
Need to Increase Governance/Citizenship With Fence Sitters

For Fence Sitters:
Increasing perceptions of Governance and Citizenship can yield even higher returns – companies score lowest on these dimensions among Fence Sitters.

2019 Reputation Dimension Scores for Fence Sitters

- Performance
- Product
- Leadership
- Innovation
- Workplace
- Governance
- Citizenship

Source: 2018-2019 Global RepTrak®
Opportunity to Enhance Governance and Citizenship Drivers

Enhance

- Environmentally conscious
- Ethical
- Open and transparent
- First to market with new products/services
- Adapts quickly to change
- Concerned for employee well-being
- Strong/appealing leader
- Exceeds financial expectations
- Equal Opportunity workplace
- Rewards employees fairly

Performance

- Positive influence on society
- Fair in doing business
- Strong managers
- Innovate
- Exceeds financial expectations
- Clear vision for future
- First to market with new products/services
- Adapt quickly to change

Importance

Leverage

- High quality products/services
- Good value products/services
- Meets customer needs
- Stand behind products/services
- Well organized
- Strong prospects for growth
- Profitable
- Sustain

Source: 2019 Global RepTrak®
Leveraging Leadership

CEOs matter more and can establish assurance
Perceptions of Leadership are Amplifying Reputation

Leadership is becoming more important...

...as CEOs play a crucial role in shaping overall corporate reputation

Positive Relationship Between CEO Reputation and Corporate Reputation

Source: 2018-2019 Global and CEO RepTrak®
CEOs Accelerate Reputation Recovery and Enhance Trust

Consistent with what matters most for reputation, the perceptions of CEOs as “responsible, ethical and caring” has globally increased

+ 3.0 points

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO Reputation</td>
<td>+2.9 pts</td>
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<td>CEO Leadership</td>
<td>+1.5 pts</td>
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<td>CEO Responsibility</td>
<td>+3.0 pts</td>
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<td>CEO Management</td>
<td>+1.4 pts</td>
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<tr>
<td>CEO Influence</td>
<td>+2.4 pts</td>
</tr>
</tbody>
</table>

Significant difference > 0.9

Source: 2018-2019 CEO RepTrak®
Express Your Story

Speak to your corporate brand purpose and values
"Every company needs a framework to navigate this difficult landscape…it must begin with a clear embodiment of your company’s purpose in your business model and corporate strategy. Purpose is not a mere tagline or marketing campaign; it is a company’s fundamental reason for being – what it does every day to create value for its stakeholders. Purpose is not the sole pursuit of profits but the animating force for achieving them."

Larry Fink, BlackRock CEO
Tap Into the Power of Brand Strength, Be Relevant

The power of purpose and expressing your corporate brand strength in a unique, genuine, and consistent way can have the biggest impact on reputation – while being relevant also matters.

- **Brand Strength:** unique, consistent, genuine
- **Relevance:** relevant communication, open exchange, value alignment
- **Informativeness:** frequent / sufficient communication

Source: 2018-2019 Global RepTrak®
Most Companies Are Average in Brand Expression

Expressiveness Scores vs. YOY Change

Overall few companies excel in effectively expressing their corporate narrative – while most have improved on relevance and informativeness, companies have lost traction on brand strength.
Put Humanity First

Caring and honest are qualities that breed success
Be Progressive, Embrace Humanity

Progressive: tech-savvy, intelligent, modern
Caring: charming, nurturing
Straightforward: down-to-earth, fair
Self-Serving: greedy, arrogant

Self-serving platitudes have a negative impact on reputation – being viewed as progressive is the most resonant persona – caring and straightforward also matters.

Source: 2018-2019 Global RepTrak®
Companies Need to Especially Be More Caring

Companies are most likely to be progressive. The highest opportunity exists to increase feelings of caring to further drive reputation increases.
Caring/Straightforward is Crucial for Fence Sitters

Corporate Brand Persona Weights
Fence Sitters (FS) vs. Informed General Public (IGP)

Being perceived as more Straightforward and Caring is critical in driving positive impact among Fence Sitters.

Source: 2019 Global RepTrak®
Engage Market Influencers

Influence the influencers to spearhead reputation recovery
Market Influencers are Leading Indicators of Reputation

Market Influencers lead the way in driving the overall positive change for GRT100 companies, as the tipping point for reputation.
Perceptions of Governance and Citizenship Lag

Market Influencers:

Evident improvement on Products and Services, Financial Performance, and Leadership – but upside opportunity to do better on good Governance and Citizenship.
RepTrak® 100:
Reveal of the 2019 Global RepTrak® 100
### 2019 Global RepTrak® Top 10 Companies

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<th>Rank</th>
<th>2019</th>
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<tbody>
<tr>
<td>1</td>
<td>Rolex</td>
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<td>2</td>
<td>The LEGO Group</td>
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<tr>
<td>3</td>
<td>Disney</td>
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<td>4</td>
<td>adidas</td>
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<td>5</td>
<td>Microsoft</td>
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<td>SONY</td>
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<td>Canon</td>
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<td>Michelin</td>
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<td>9</td>
<td>NETFLIX</td>
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<td>10</td>
<td>BOSCH</td>
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</table>

- Rolex and The LEGO Group maintain leading position.
- Netflix jumps from #24 into the top 10 at #9 while Michelin moves up to #8.
- The BMW Group, formerly #9, and Google, formerly ranked #3, are no longer in the top 10.

Embargo Until March 7th
### 2019 Global RepTrak® 100

Embargo Until March 7th

<table>
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<tr>
<th>Rank</th>
<th>Company</th>
<th>Industry</th>
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<tbody>
<tr>
<td>1</td>
<td>Rolex</td>
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Source: 2019 Global RepTrak® 100
Reputation Spotlights: Learning From Key Companies
Spotlight: Rolex

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<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
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<td>Intel</td>
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<td>Amazon</td>
<td>16</td>
<td>Netflix</td>
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<td>VISA</td>
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<td>Levi Strauss &amp; Co</td>
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<td>Ferrero</td>
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<td>Caterpillar</td>
<td>15</td>
<td>Marriott</td>
<td>16</td>
<td>P&amp;G</td>
<td>20</td>
<td>RepTrak</td>
</tr>
</tbody>
</table>
| 5    | Microsoft   | 14   | Bridgestone | 19   | C 

Source: 2019 Global RepTrak®
Building Assurance Through Timeless Excellence

• Rolex has been the most reputable company worldwide for the past 4 years.

• While Rolex’s reputation stayed consistent, its brand relevance score has increased by 8.6 points (2.9 points higher than the global average).

• Rolex’s history of timeless excellence has secured its place as one of the most respected companies in the world – it ranks #1 and has an excellent score when it comes to the quality of its products.

Significant difference > 0.9

Rolex vs. Global 100 Brand Relevance Score

- Rolex Relevance Score: 8.6
- Global 100 Relevance Score: 5.7

Source: 2016-2019 Global RepTrak®
Rolex is Enhanced by Symbolic Spokespeople

Rolex sponsors world-renowned marine biologist Sylvia Earle.

Her story, the significance of her Rolex, and its deeper meaning, is linked to ocean exploration and protecting ecosystems.

Longtime spokesperson Roger Federer is symbolic of Swiss excellence – his story is linked to moments success and the resilience it takes to be one of the most admired athletes in the world.

“The concept of Rolex is supporting exploration, conservation, the arts and the best that humans can be.

So for me, wearing it, it’s like a signature, you care about those things too, you share something with the ethic of caring.”

— Sylvia Earle

Source: Rolex website
Spotlight: Microsoft
Microsoft’s Reputation Moves it Into the Global Top 5

Microsoft’s reputation increases at a higher rate from 2018-2019 than the global average.

Source: 2015-2019 Global RepTrak®
Microsoft Leads the Way in the Tech Industry

- While the tech industry has been negatively portrayed in the media across 2018, Microsoft has bucked the trend and is now #5 in the global rankings.

- Microsoft recorded significant improvement by effectively tying its Products/Services to purpose and good ethics.

- A focus on developing a product portfolio at competitive price points helped improve its top line— and its reputation.

Source: 2018-2019 Global RepTrak®
Microsoft Builds Trust Through Ethical Behavior

• Microsoft was able to deftly navigate the challenges faced by the tech industry in 2019.

• By remaining transparent in the face of product bugs and updates, Microsoft was able to improve reputation while best empowering its customers.

• This in turn helped Microsoft retain public trust in the face of increasing skepticism towards tech companies.

“We are humbled to be recognized amongst the five most reputable global brands as it reflects our commitment to ethics, transparency and corporate responsibility. Every day, our employees around the globe are acting upon our mission of ‘empowering every person and organization on the planet to achieve more’ and it’s rewarding to see the impact of their work recognized through the Global Reputation Ranking”.

Steve Clayton, General Manager, Microsoft
**Spotlight: Netflix**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Netflix</td>
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<tr>
<td>1</td>
<td>Rolex</td>
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<td>Disney</td>
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<td>4</td>
<td>adidas Group</td>
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<tr>
<td>5</td>
<td>Microsoft</td>
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<tr>
<td>6</td>
<td>Sony</td>
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<tr>
<td>7</td>
<td>Canon</td>
</tr>
<tr>
<td>8</td>
<td>Michelin</td>
</tr>
</tbody>
</table>

*Source: 2019 Global RepTrak®*
Netflix Becoming A Globally Relevant Brand

- Netflix has grown into a global power brand with almost 139 million subscribers worldwide.
- With its global expansion, Netflix's reputation increased by +3.0 pts in 2019.
- Netflix also increased in corporate responsibility by +3.0 pts.
Doing What’s Right, No Matter the Cost

Netflix took transparent and decisive action to remove Kevin Spacey from its hit show “House of Cards” following sexual harassment allegations, despite the show’s popularity.

Source: CNN Money
Product Drives Conversation for Netflix

- In 2018, conversations are generally excellent and mainly focused on Netflix's expanding business footprint and rising number of subscribers globally.

- Emerging positive sentiment on Innovation and Leadership reflect Netflix’s role as a positive disrupting force in the media landscape.

- Netflix’s ability to retain a respectable score on Governance during a challenging year for the media industry is a testament to its ethical endeavors.
Spotlight: Google
Google’s Governance and Workplace Challenge

- Google’s ranking drops from #3 to #14 on the Global 100.

- Google’s actions across the past year have caused a decline in their perception across all aspects of Google’s business – especially Workplace with a 2.4 point drop.

- Drivers of Google’s reputation decline are around its ethical behavior, lack of transparency, and how those concepts are linked to its workplace practices.

Google YOY Change in CR Attribute Scores:

- Ethical behavior: -1.7
- Open and transparent: -1.2
- Equal opportunities in the workplace: -2.1
- Concern for employee well-being: -2.8

Significant difference > 1.8

Source: 2018-2019 Global RepTrak®
Loss of Assurance Based on a Broken Promise

- The company that promised to “Do no evil” was increasingly being judged:
  - Employee Walkout over sexual harassment and gender inequality
  - Data breaches potentially exposing 52.5 million Google Plus users’ personal info
  - Congressional hearing on company Governance practices and transparency

Source: 2018-2019 Global RepTrak®
Estée Lauder is Building Assurance Through Relevance

- The Estée Lauder Companies, a global house of brands with more than 25 brands, increased its reputation +2.3 points.
- The Estée Lauder Companies is improving its reputation by enhancing brand relevance, which increased +8 points.
- The Estée Lauder Companies rely on influencer outreach to connect with consumers and to enrich brand experience.
Global Reputation Relevance Yields Business Results

• By increasing its reputation, the cosmetics company has seen increased bottom-line business results.

• In early February 2019, The Estée Lauder companies reported its first ever $4 billion quarter— which brought a 12% surge to its stock market evaluation.

• The Estée Lauder Companies reported its strongest sales came from the Asia/Pacific region, highlighting how reputation gains are global.
## Spotlight: Carlsberg

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>Carlsberg</td>
</tr>
</tbody>
</table>

Source: 2019 Global RepTrak®
Carlsberg Group Benefits from Brand Expression

- Carlsberg Group jumped in rank from #93 to #75 -- and its reputation increased + 3 points.

- Reputation has rebounded since 2018 decline, as Carlsberg has managed to grow on key corporate brand strength aspects, informativeness, and relevance.

![Carlsberg Group Brand Expressiveness YoY Score Changes](image)

Source: 2018-2019 Global RepTrak®
Carlsberg Group Links Brand With Purpose

- Carlsberg is a leading brewery in reducing its carbon footprint
  - The company is committed to being completely carbon neutral and reduce their water consumption by 50% by 2030
  - Carlsberg has eliminated plastic rings on cans by using glue

- Due to this, Carlsberg has increased its citizenship rank 22 points from 2018; matching the rise in brand expressiveness.

Significant difference > 0.9

Source: 2018-2019 Global RepTrak®
Linking Marketing With Corporate Narrative

• Carlsberg builds on its Danish heritage and company history through the launch of its 2017 *The Danish Way* ad, starring Danish actor Mads Mikkelsen.

• The series of messages connects Carlsberg with the quirkiness of Danish life such as happiness, work-life balance, nature, and the feeling of hygge.

Source: Carlsberg.com
Outside of Global RepTrak®100

Lessons learned from companies under reputation distress
In June 2017, former CEO Kalanick, leaves Uber with a toxic environment and a history of scandals.

New CEO Dara Khosrowshahi, introduces Uber’s new chapter and ethical commitment to stakeholders, through Uber’s Moving Forward promise.
Cultural and Workplace Assurances On the Rise

• New CEO Dara Khosrowshahi has contributed to Uber’s rise in workplace by providing assurances about positive culture changes in the media, in interviews, and on Uber.com.

• In his first two months as CEO, he crowd-sourced new company values (what he calls “cultural norms”) from the company’s employees.

• His commitment to the new Uber direction, contributes to the company’s overall increase in reputation.

“I am by no means telling you that we are where we want to be. But I know that we’re improving as a company. And one year from now, we’re going to be much, much better than we are today.”

– Dara Khosrowshahi on culture change at Uber, 2018

Source: 2018-2019 Global RepTrak®
Uber Sees Largest Improvements in Workplace

- Uber is on the rise: in 2019 it had the highest reputation increase globally +5.5 points.

- The new CEO has had a positive impact on the workplace dimension; it rose +4.5 points in 2019 outpacing the average increase for the top 100

Significant difference > 1.8
A Challenging Few Years for Facebook

Facebook's Reputation in the US

Facebook's reputation drops 8.1 points in October. After a year of fake news allegations and Russian interference with the 2016 presidential election, Facebook was on high risk of losing face. In October, Zuckerberg had an insensitive VR tour in Puerto Rico, despite its devastation from Hurricane Maria a month before.

On April 10 & 11, Zuckerberg testified at Congress about Facebook's involvement with the Cambridge Analytica crisis, where over 50 million people had their Facebook data compromised.

Facebook security breach exposes data of $50 million users.

Facebook's reputation plummeting into low 40s in the US in 2019.
Facebook’s Loss of Face Translates Globally

- Facebook had the biggest overall decline in reputation in 2019 - declines for Facebook are driven by a systematic failure to deliver on Governance and Leadership.

- This decline is directly tied back to the data privacy breaches and Cambridge Analytica crisis.

- Facebook’s Leadership has taken a significant hit - Zuckerberg, who claimed that “Facebook stands with many technology companies to protect you and your information”, is seen to have broken his promise.

Facebook Reputation and Dimension Scores YoY Change

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation</td>
<td>-6.2 pts</td>
</tr>
<tr>
<td>Governance</td>
<td>-7.6 pts</td>
</tr>
<tr>
<td>Leadership</td>
<td>-6.2 pts</td>
</tr>
<tr>
<td>Data privacy</td>
<td>-11.9 pts</td>
</tr>
</tbody>
</table>

Significant difference > 0.9 for reputation and dimensions; >1.8 for data privacy

Source: 2018-2019 Global RepTrak®, CNBC
From Fake News to Lack of Transparency

- Major transgressions in 2018 in data privacy and company transparency.

- In 2018, Facebook CEO Mark Zuckerberg testified in front of Congress concerning data privacy, election meddling, fake news, hate speech in Myanmar.

- Facebook has not been able to separate its brand from growing mistrust and public wariness of its overall affairs.
Remains Strong on Product, Punished on Governance

In 2018, half of the media impressions were centered around Facebook’s Products and half around the remaining aspects of its business.

Despite the relatively positive conversations around Product, Facebook’s deepening shortcomings on Governance have accelerated its overall reputation decline.

Facebook’s stagnating performance on the broader enterprise dimensions is also cause for concern.

2018 Media Conversation Volume & Sentiment for Facebook

- **Performance**
- **Products/Services**
- **Innovation**
- **Citizenship**
- **Leadership**
- **Governance**
- **Workplace**

**POOR**  **WEAK**  **AVERAGE**  **STRONG**  **EXCELLENT**

Source: 2018 Media RepTrak®
Becoming Reputation Ready: 
*Join the RepTrak program*
Join the RepTrak® Program

A GLOBAL MEASURE OF REPUTATION

• You can **measure your reputation** in **any country around the world**

• You can measure with **any stakeholder** that you like

• You can measure your reputation through **stakeholders surveys** or **media coverage**

• Your will get **integrated lens** to evaluate and manage your reputation

• You can measure your reputation on a **daily, weekly, monthly, quarterly, or annual basis**

• You can get **self service** or **in-depth reputation advice** depending on your needs

• You can get **inspiration from leading companies** as part of the Reputation Leaders Network
Thank You

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@shahngriff

@Reputation.Inst
Appendices:

*Other support slides*
Observation: High Risers and Fast Fallers

<table>
<thead>
<tr>
<th>Company</th>
<th>Rank</th>
<th>Rank Change</th>
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<tr>
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<td>Virgin Group</td>
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<td>19</td>
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<tr>
<td>Carlsberg</td>
<td>75</td>
<td>18</td>
</tr>
</tbody>
</table>

- Highest risers are a mix of consumer, hospitality, and beverage companies.
- Three fast fallers are linked to technology industry.
- Nissan dropped out of the top 100 -- while the Virgin Group made its way into the 100.
The Tech Industry Has An Ethics Problem

- The top 100 companies increased in governance score by +1.4 points, whereas the tech industry showed an average decline of -1.4 points.

- The biggest decline in governance within the tech industry was Google, which declined 39 places in the rankings, followed by Huawei, which declined 10.

  - Facebook only decreased 3 places in the rankings, but its score decreased by 7.6 points.

Significant difference > 0.9
And Has Failed to Build Assurance

- Tech giants were marred with transparency and data privacy controversies in 2018
- Facebook’s Cambridge Analytica scandal, Huawei’s spy threat, and Google Plus’ data breach
- Microsoft was able to buck the industry trend by aligning its products with fulfillment if good ethics
Cisco Systems rose 8 spots in the reputation rankings and is now the 35th most reputable company worldwide, with a strong reputation globally.
Energy Sector Sees Largest Reputation Recovery

No energy company made it into the Global RT100, but...

- As a whole, the energy industry saw an above average increase in its score for Citizenship and Governance when compared to the Global RT100.

- The score for “Acts responsibly to protect the environment” increased on average 4.0 points compared to the average change in the Global RT100 of 1.6 points.

![Energy Sector vs. RT100 YoY Score Changes](chart.png)

Significant difference > 0.9

Source: 2018-2019 Global RepTrak®
Energy Recovery Lead Through CR Initiatives

• In recent years, the energy industry has began to take a more progressive stance towards climate change and sustainability

• ExxonMobil, Chevron, BP, Shell, and Total have all joined the Oil and Gas Climate Initiatives to curb the impact of climate change

• The energy industry should continue to craft its message on climate change while aligning its actions to these values

“What you see in our strategy and the new targets we have set is …. is focused on meeting the due challenge of more energy with fewer emission. And, when we all work together towards a common goal, there’s nothing we can’t achieve.”

Bob Dudley, Group Chief Executive, BP
CR Dimensions Key To Build Reputation Assurance

CR dimensions are three most important drivers among companies with a poor reputation; and are among the key drivers for companies with weak to strong reputations.

It is only when a company reaches a strong or excellent reputation, and delivers on CR that other dimensions such as products, innovation or performance emerge as key focus areas.

Source: 2019 Global RepTrak®
Focus on Corporate Responsibility and Products

What Drives Benefit of Doubt?

- Governance: 16.5
- Products: 16.4
- Citizenship: 16.2
- Workplace: 13.7
- Innovation: 13.6
- Performance: 11.9
- Leadership: 11.6

Ethical, caring and good products drive and build assurance
Workplace Culture

Build assurance with future and current employees
Creating Workplace Assurance is a Multi-Faceted Approach

2019 Employer of Choice Dimension Weights

- Reputation Dimension of Workplace is trending up
- Attracting talent is primarily driven by companies’ responsible behavior and sustainable growth
- While products/services matter, the account for less than a third of what predicts one’s willingness to work for a given business
- Employer of Choice weights have seen no significant change YOY
Companies are Regaining Trust as Future Employers

- Top 100 global companies increased their EoC score from *average* to *strong* YOY
- Perceived performance on EoC dimensions have also gone up – spearheaded by higher scores on responsible behavior
- Responsible behavior dimension is still biggest opportunity for companies to rebuild assurances as a good prospective employer
- EoC dimension weights have remained stable YOY

---

**2019 Employer of Choice Dimension Weights and Scores**

- Responsible Behavior: 35.6%
- Strong Products: 28.4%
- Sustainable Growth: 36.0%
- EoC RepTrak® Score: 70.7

**2019 Global RepTrak® 2019 Employer of Choice Dimension Weights and Scores**

- Responsible Behavior: 66.8
- Strong Products: 74.3
- Sustainable Growth: 70.2

- 1.3 pts.
- 1.0 pts.
- 0.7 pts.
Embrace Female Empowerment

Companies need to speak to equal opportunity
Women have consistently rated companies higher on reputation, reputation dimension scores and have expressed greater support – suggesting a potentially quicker turnaround for this key demographic segment.
Businesses Are Taking Women’s Issues Seriously

Change in YOY Expressiveness Relevance Score for Women vs. Men

- Part of the budding recovery in assurance has been companies’ renewed focus on making their actions and messaging more relevant.
- In an environment of heightened awareness around gender dynamics, findings suggest that especially women give companies more credit for:
  - engaging in more open and equitable communication
  - providing them with more relevant information
  - aligning corporate values with their needs and priorities

Source: 2018-2019 Global RepTrak®
Direct Experience Fueling Recovery

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Source: 2019 Global RepTrak®
“Who You Are” Creates the Most Assurance

In an era of fake news defining who you are through transparency creates higher benefit of the doubt for global leaders in reputation.

Enterprise = Workplace, Governance, Citizenship, Leadership, Performance;
Product = Products/Services, Innovation

Source: 2019 Global RepTrak®
Global Industry Dynamics in 2019

- Consumer industry still leads the way with a strong reputation.
- Transport and pharma remain in #9 and #10, respectively and have an average reputation.
- The hospitality industry moves into 2nd place, while retail drops to #6.

<table>
<thead>
<tr>
<th>Rank</th>
<th>2019</th>
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<tbody>
<tr>
<td>1</td>
<td>Consumer</td>
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<tr>
<td>2</td>
<td>Hospitality</td>
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<tr>
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<td>Automotive</td>
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<tr>
<td>4</td>
<td>Technology</td>
</tr>
<tr>
<td>5</td>
<td>Industrial</td>
</tr>
<tr>
<td>6</td>
<td>Retail</td>
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<tr>
<td>7</td>
<td>Food &amp; Beverage</td>
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<tr>
<td>8</td>
<td>Airlines</td>
</tr>
<tr>
<td>9</td>
<td>Transport</td>
</tr>
<tr>
<td>10</td>
<td>Pharmaceuticals</td>
</tr>
</tbody>
</table>

- Consumer industry: +3
- Hospitality industry: -1
- Automotive industry: -1
- Technology industry: -1
- Industrial industry: +1
- Retail industry: -2
- Food & Beverage industry: +1
- Airlines industry: -1
- Transport industry: -1
- Pharmaceuticals industry: +1

Source: 2019 RepTrak®
Loco for Cocoa Sustainability

- Companies like Hersey, Mars and Ferrero are leading the way in the confectionary industry by focusing on more than just short-term profits.

- Sustainability programs are an important focus to align corporate brand purpose with the values its stakeholders hold to make their message more personally relevant while ensuring long term growth.

- There are many threats to the chocolate industry ranging from climate change, human rights for growers and supply chain transparency.

- These corporations symbolize how delivering a compelling corporate narrative provides a way to enhance reputation.

Confectionary Industry: In the News

- Bloomberg: Hersey to Spend $500 Million Making More Sustainable Kisses (06/19/18)

- FORTUNE: How the World's Largest Chocolate Maker Is Spending $1 Billion to Fight Climate Change (6/5/18)

- TRIPLE PUNDIT: Ferrero Pledges an Ethical And Sustainable Supply Chain in Latest CSR Report (2/14/18)
The Importance of Having a Relevant Conversation

Reputation Sweetener:
The companies focus on having a timely and relevant conversations has created not only a lift in reputation but also a lift in their brand perception – especially when it comes to its relevance.

<table>
<thead>
<tr>
<th>Company</th>
<th>Relevance Score YoY</th>
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<tr>
<td>Mars</td>
<td>+2.3 pts</td>
</tr>
<tr>
<td>Hershey</td>
<td>+6.6 pts</td>
</tr>
<tr>
<td>Ferrero</td>
<td>+3.0 pts</td>
</tr>
</tbody>
</table>

Significant difference > 0.9

Source: 2018-2019 Global RepTrak®