



How to win in the Reputation Economy in Europe

EU5 RepTrak 100

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Your Reputation Experts



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Focus For Today



- Methodology
- Global Big Picture
- Digging Deeper
- EU5 RepTrak® 100
- Company Spotlights
- Key Implications



EU5 RepTrak® 100

87,000

Individual ratings across 5 countries

140+

Nominated Companies

Informed General Public

Somewhat or very familiar with company evaluated

2 months

January-February 2018

“The largest normative database on reputation in the world.”



FRANCE • GERMANY • ITALY • SPAIN • THE UNITED KINGDOM



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

Setting the Scene: *Understanding Reputation in Europe*

Reputation is Creating Unique Challenges in Europe



New era is emerging in which the **intangibles of reputation** underscore political, social, and economic change in Europe:

- Trade Relations
- Brexit Reconstitution
- Newly Elected Leaders
- Growing Nationalism
- Data Privacy Issues
- Immigration Policy

Reputation Impact 2018: EU5 RepTrak® 100

Consistent with global trends, the reputation bubble has burst vs. 2017

-1.1 pts 

72% of all surveyed companies saw a drop in their reputation score from 2017 to 2018



Significant difference > 0.7

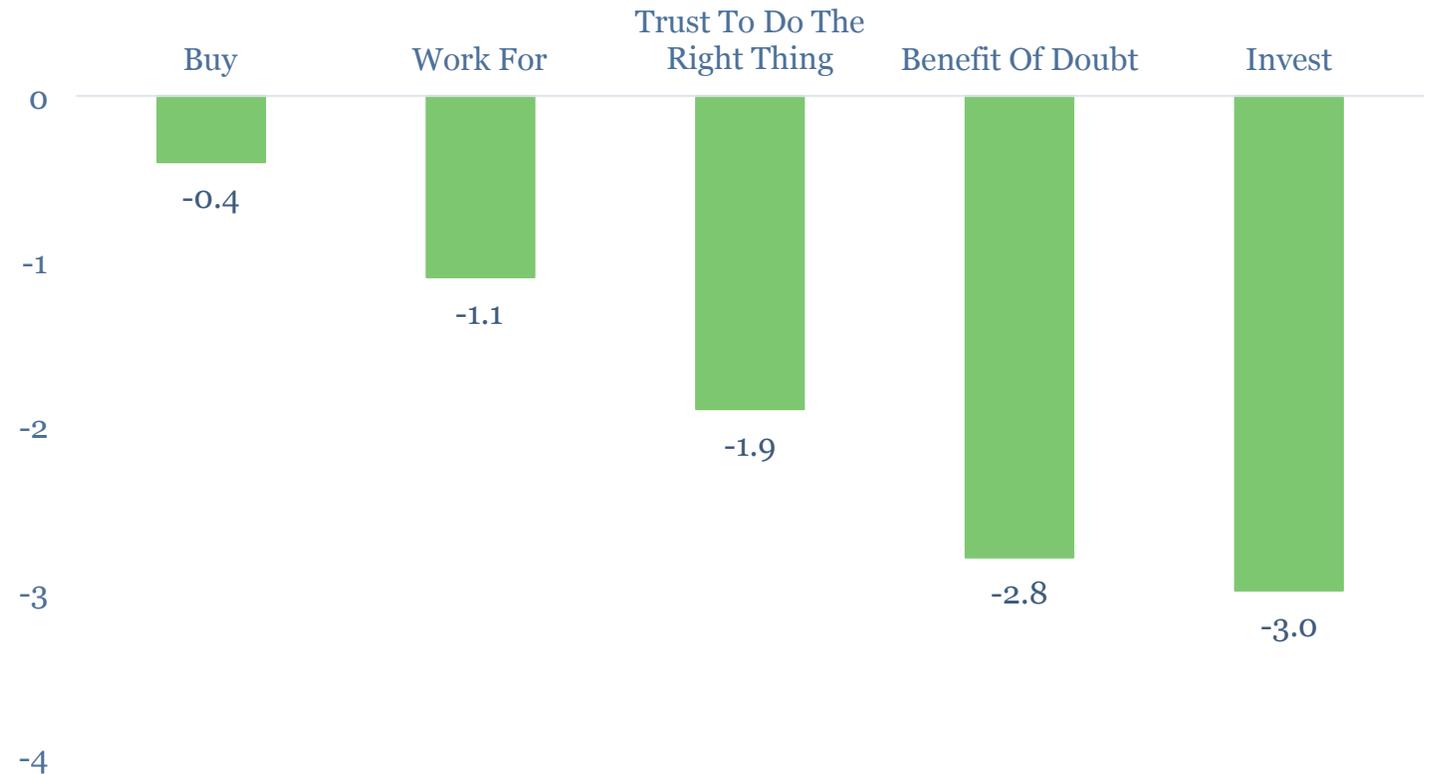
Overall Support Decreases With Reputation Decline

Behavioral Decrease

Behavioral intent has declined among the informed general public, especially on the key measures of support related to trust:

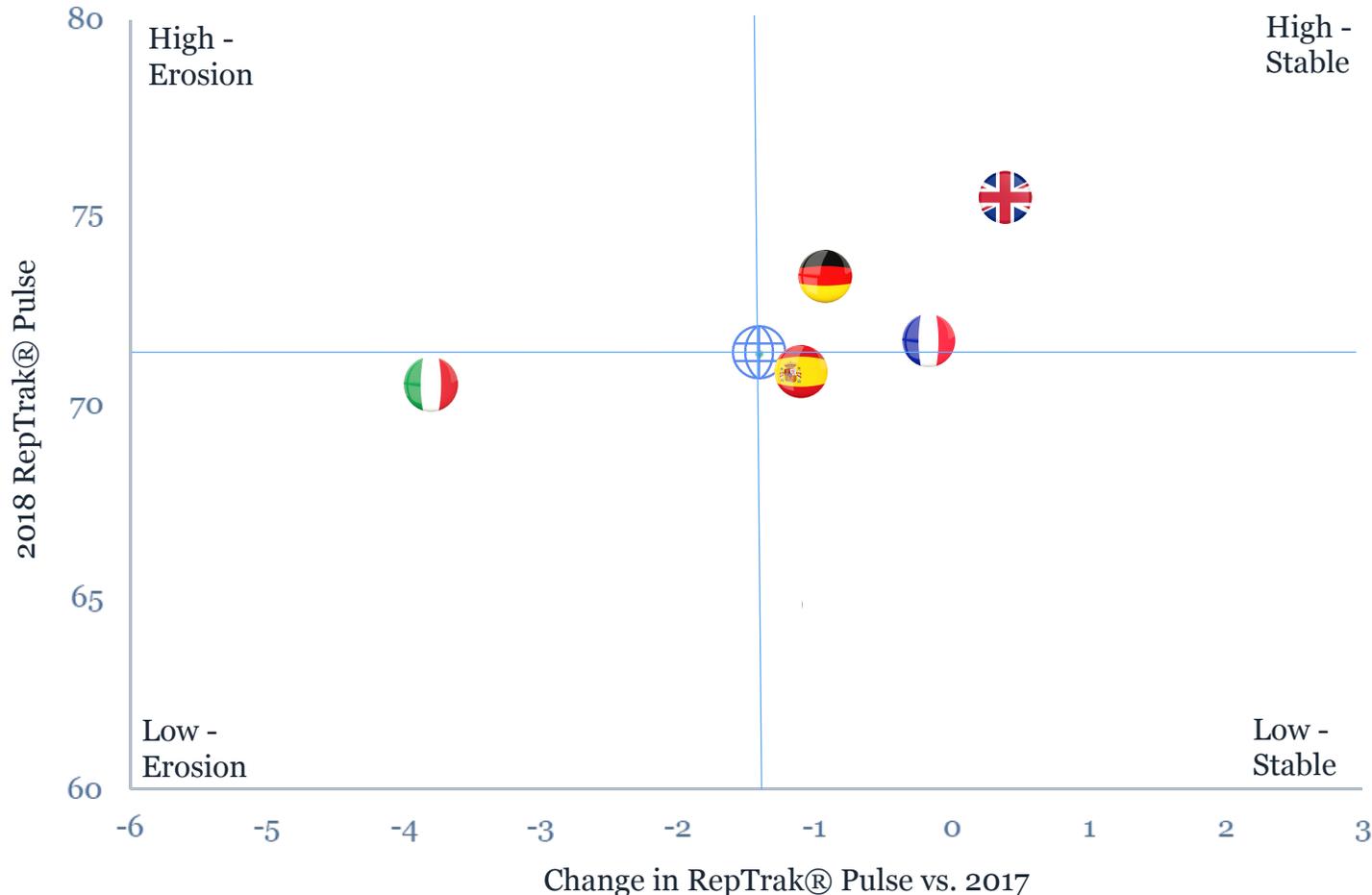
- Buy from
- Work for
- Do the Right Thing
- Benefit of Doubt
- Invest In

2018 vs. 2017 Support Scores



But Reputation Change Differs by Country ...

2018 Reputation Levels by Change vs. 2017



Trending Changes



- In a pre-Brexit environment, companies in the UK maintain the highest levels of average reputation
- But those in Italy drop from second most reputable in 2017 to least in 2018 by relative comparison
- Businesses in Italy have experienced the steepest decline in reputation, and are driving the EU5 average down

*Digging Deeper:
What Does It Take to Win on Reputation in EU5*

1 Drivers of Reputation: North vs. South Divide

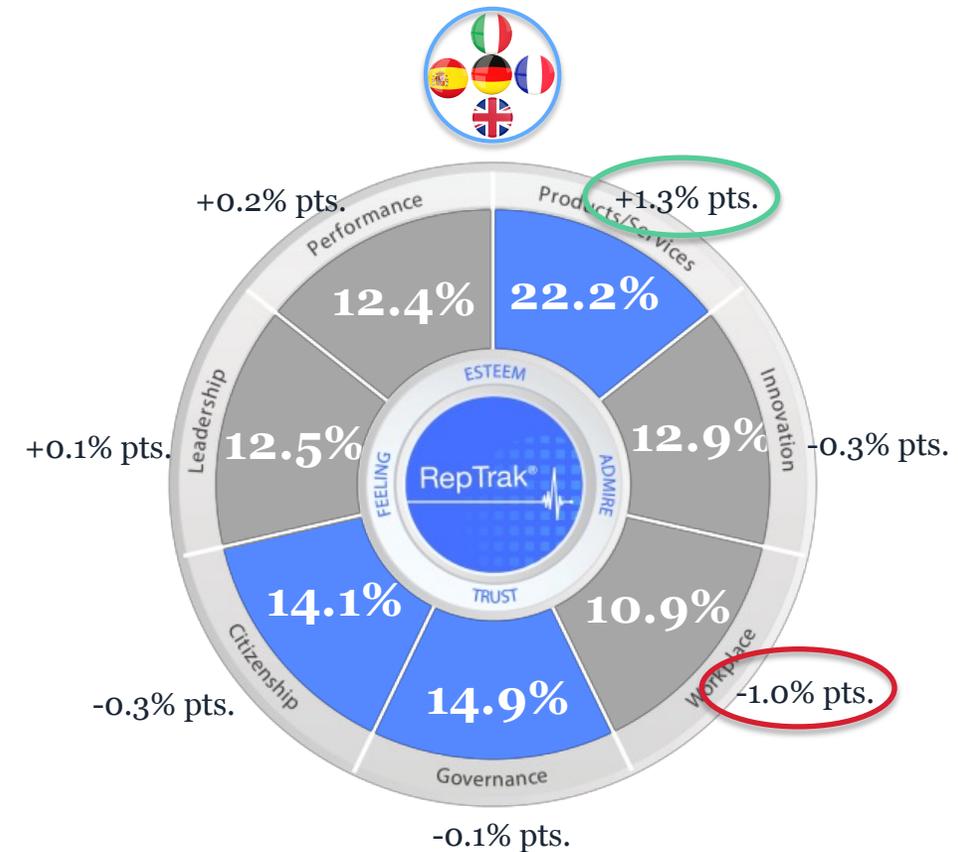
Products/Services Gain – Workplace Decreases in Importance

2018 Reputation Dimension Weights and Change vs. 2017

Breakdown

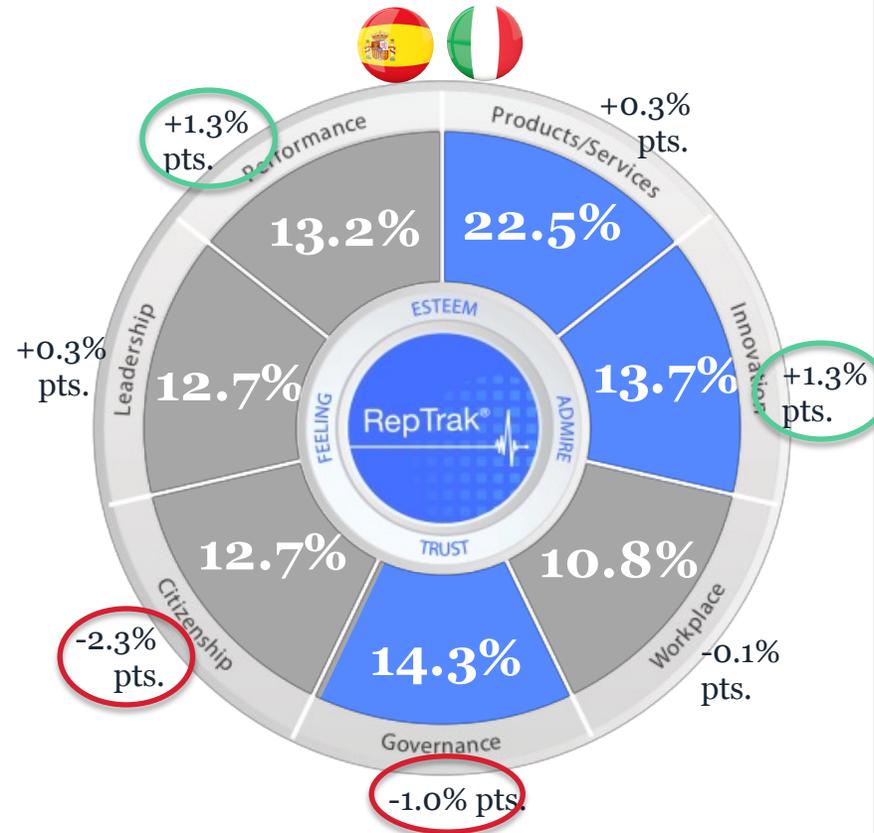
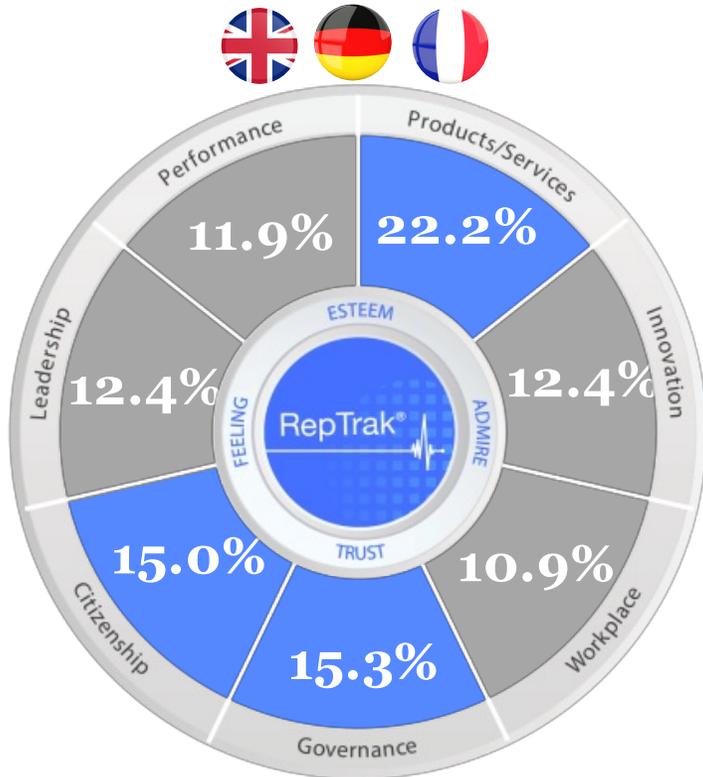


- With the exception of Products/Service and Workplace, weights have largely remained stable since 2017
- While company performance on Products/Services has become more crucial in predicting levels of reputation, workplace conditions have declined in perceived importance among the general informed public



North-South Divide in Driver Weights

2018 Reputation Dimension Weights: Northern vs. Southern Europe



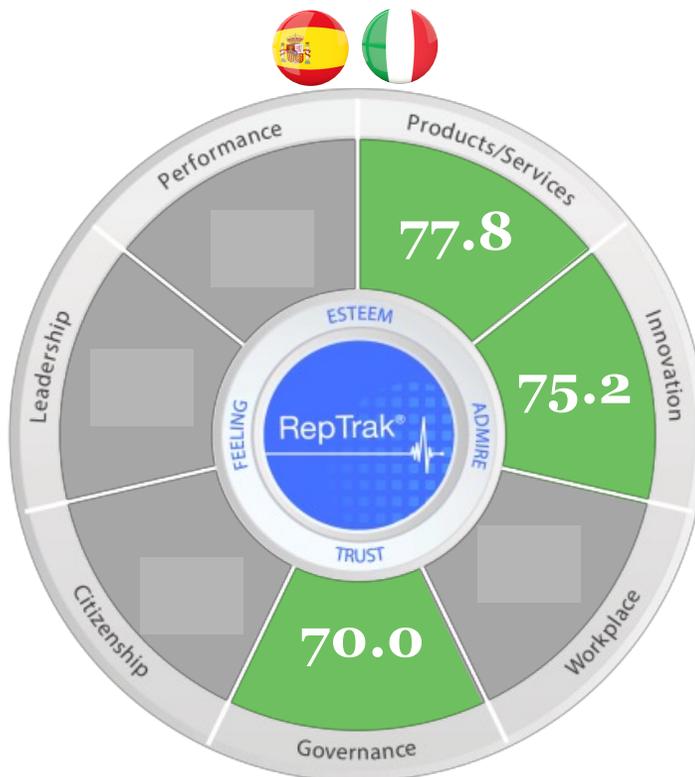
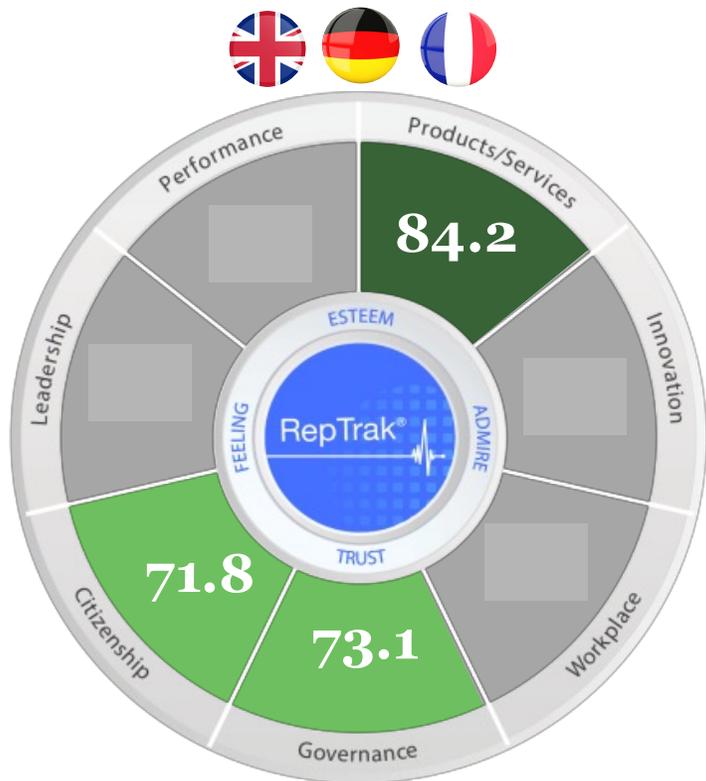
Breakdown



- Products/Services and Governance are top 2 reputation drivers in for companies in all EU 5 countries
- Innovation and Financial Performance carry a higher weight in Spain and Italy
- Citizenship and Governance are relatively more important in Germany, France and the UK

Bosch Spotlight : Regionally Successful Reputation Management

Bosch 2018 Reputation Dimension Scores: Northern vs. Southern Europe



● POOR ● VULNERABLE ● AVERAGE ● STRONG ● EXCELLENT

Breakdown

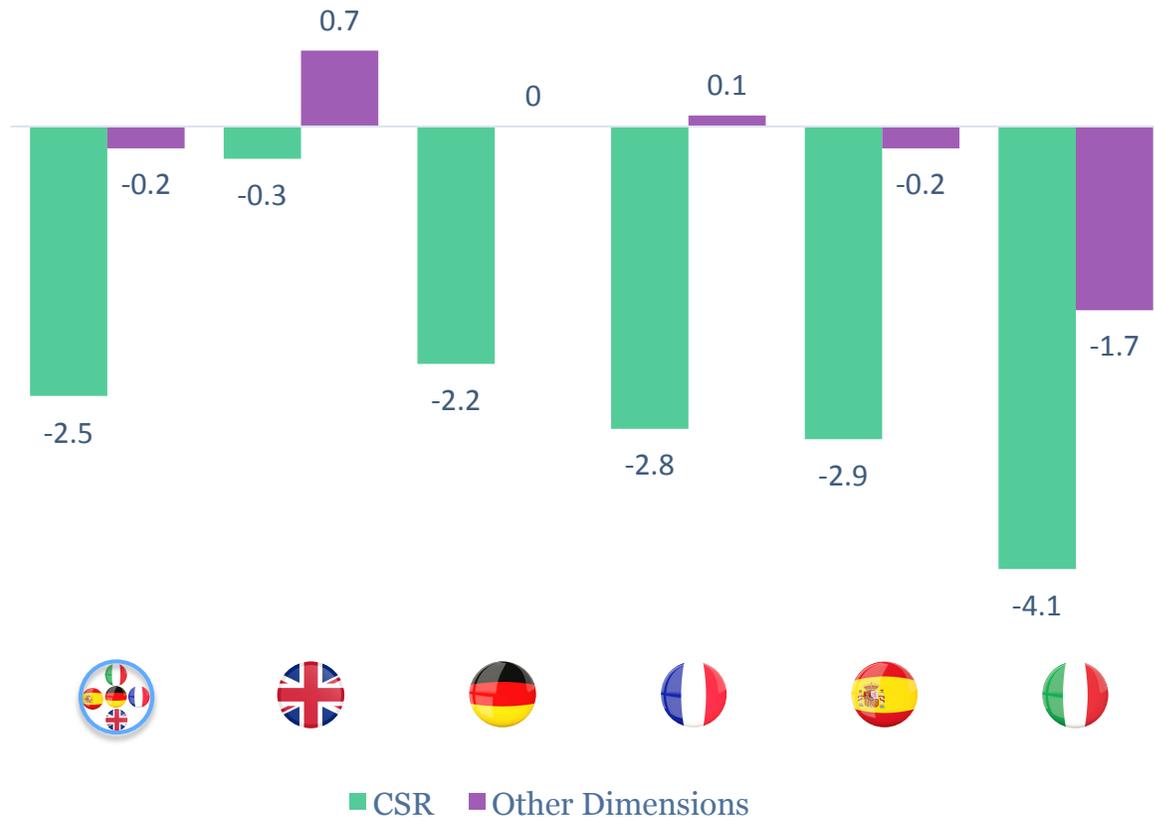


- Bosch is one of the companies that has been able to achieve strong performance on the key dimensions that matter most in Northern *and* Southern Europe
- Bosch’s scores rank them at number three across the UK, France and Germany and number six in Spain and Italy
- Bosch has the best *Products/Services* score in Northern, and the second highest *Governance* score in Southern Europe

2 CSR Performance Needs to be Top of Mind

Decline in CSR Performance Weighs on Reputation Scores

EU5 Change in CSR and Other Dimension Scores



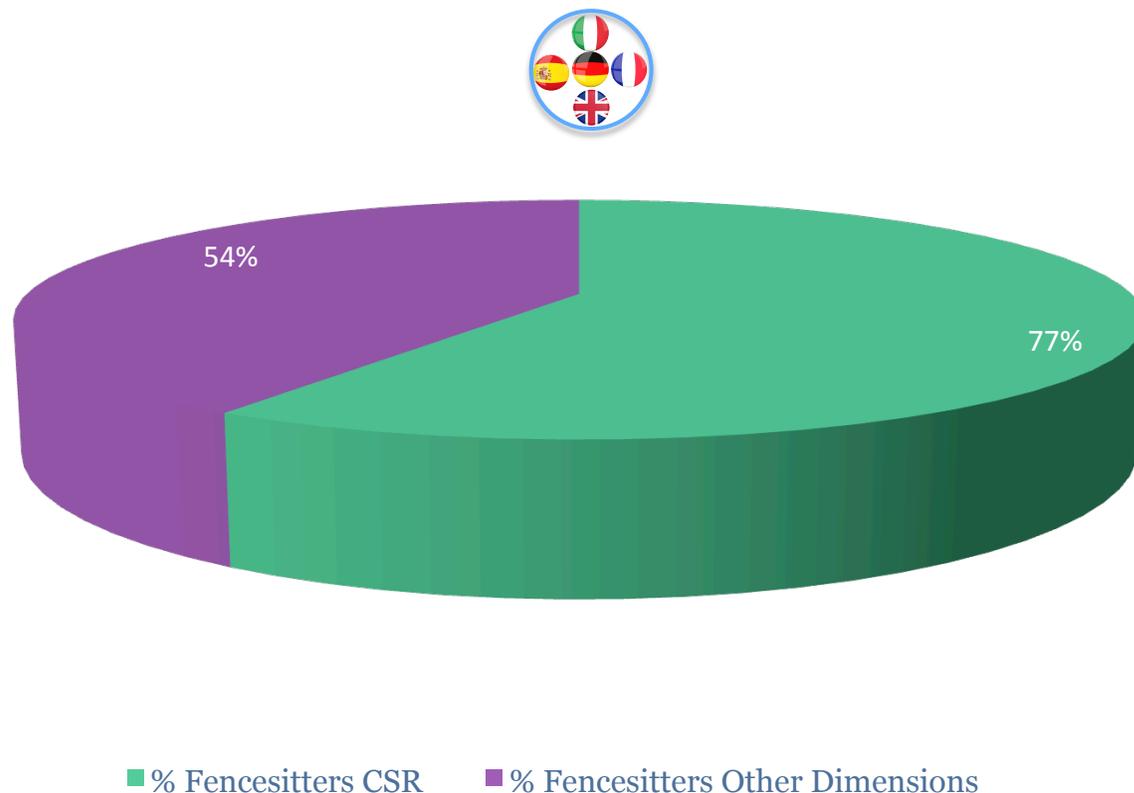
Breakdown



- Perception of *Governance, Citizenship and Workplace* performance have declined since 2017 - other dimensions have remained stable
- Country-specific differences in companies' reputation decline largely mirror their CSR performance
- Only businesses in Italy saw significant declines in scores on non-CSR related dimensions

Opportunity to Convince/Educate Public on CSR

% Fencesitters by CSR vs. Non-CSR Dimensions EU5



Breakdown



- Close to 8 out of 10 respondents are either unsure or neutral (“fencesitters”) when it comes to companies CSR performance – providing an opportunity to convert into advocates
- The percentage of fencesitters is much lower on other reputation dimensions, incl. Products/Services, Innovation, Leadership and Financial Performance

Apple Spotlight: A Crisis in Governance and Citizenship

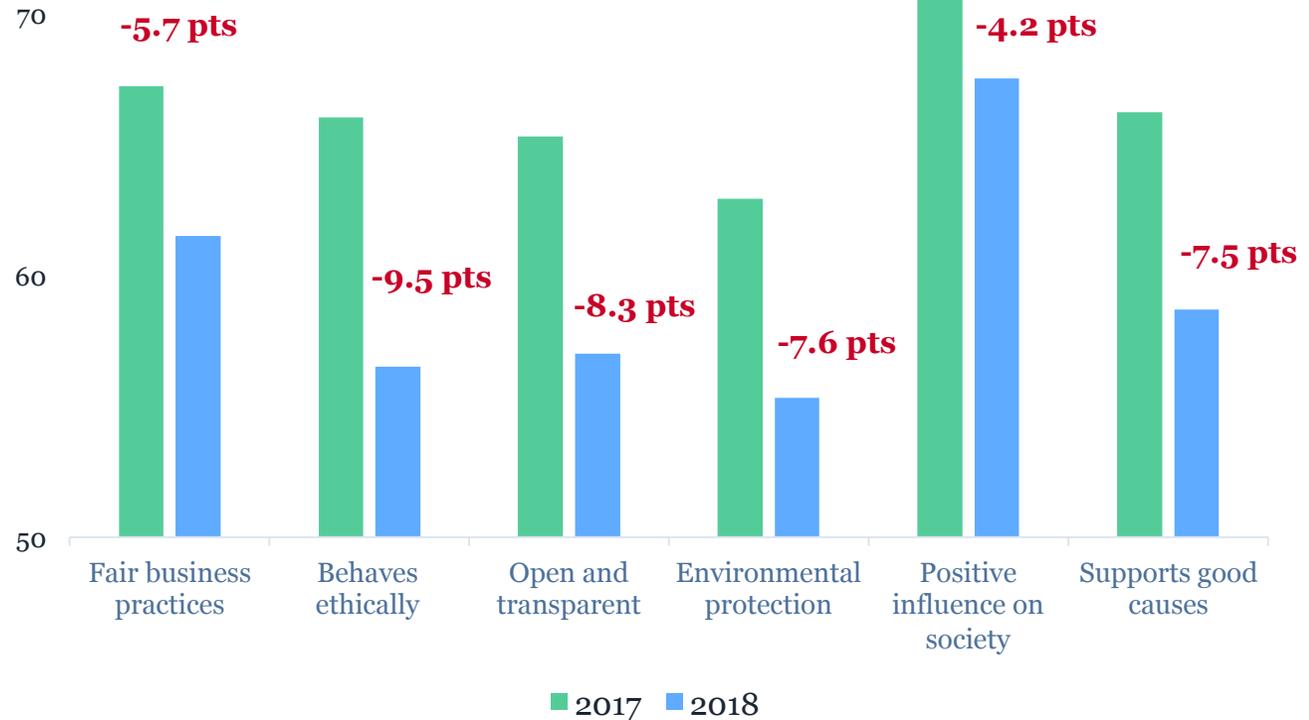


Breakdown



- Among top 100 EU companies, Apple sees the largest drop in reputation score with a decline of 6.8 points
- Apple's most significant declines are on the key CSR drivers of reputation: Governance and Citizenship, and especially around ethical behavior and transparency

EU5 Governance and Citizenship Attribute Scores for Apple: 2017 vs. 2018

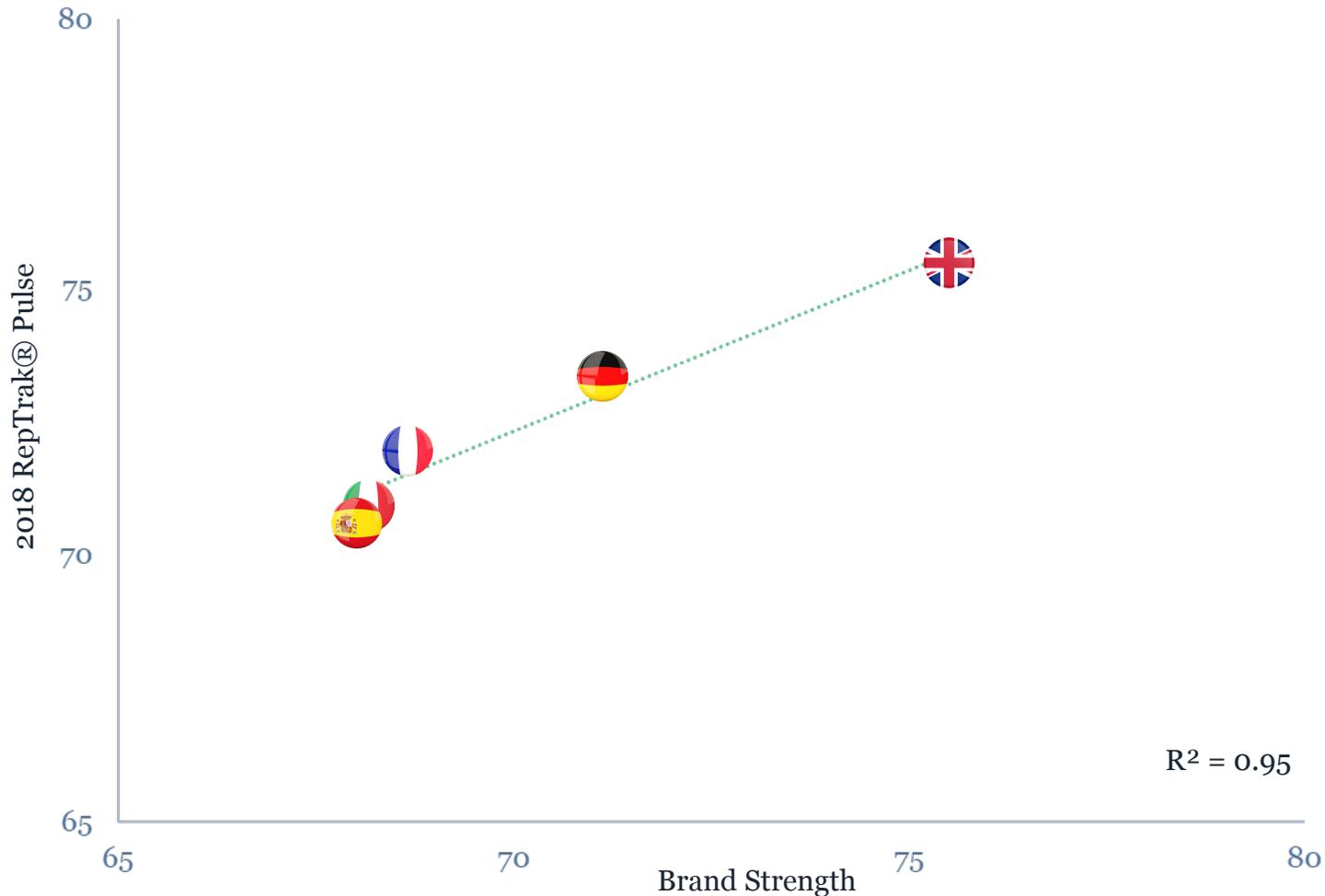


3

Corporate Brand and Reputation are Linked

Corporate Brand Strength is Linked to Stronger Reputation

2018 Association between Corporate Brand Strength and Reputation for EU5



Breakdown



- Brand strength – the degree with which companies are unique, provide a consistent experience and appear genuine in what they say and stand for – is a key predictor of reputation for top 100 multi-national companies in EU5
- That association is very similar to that found at a Global level (not shown here)

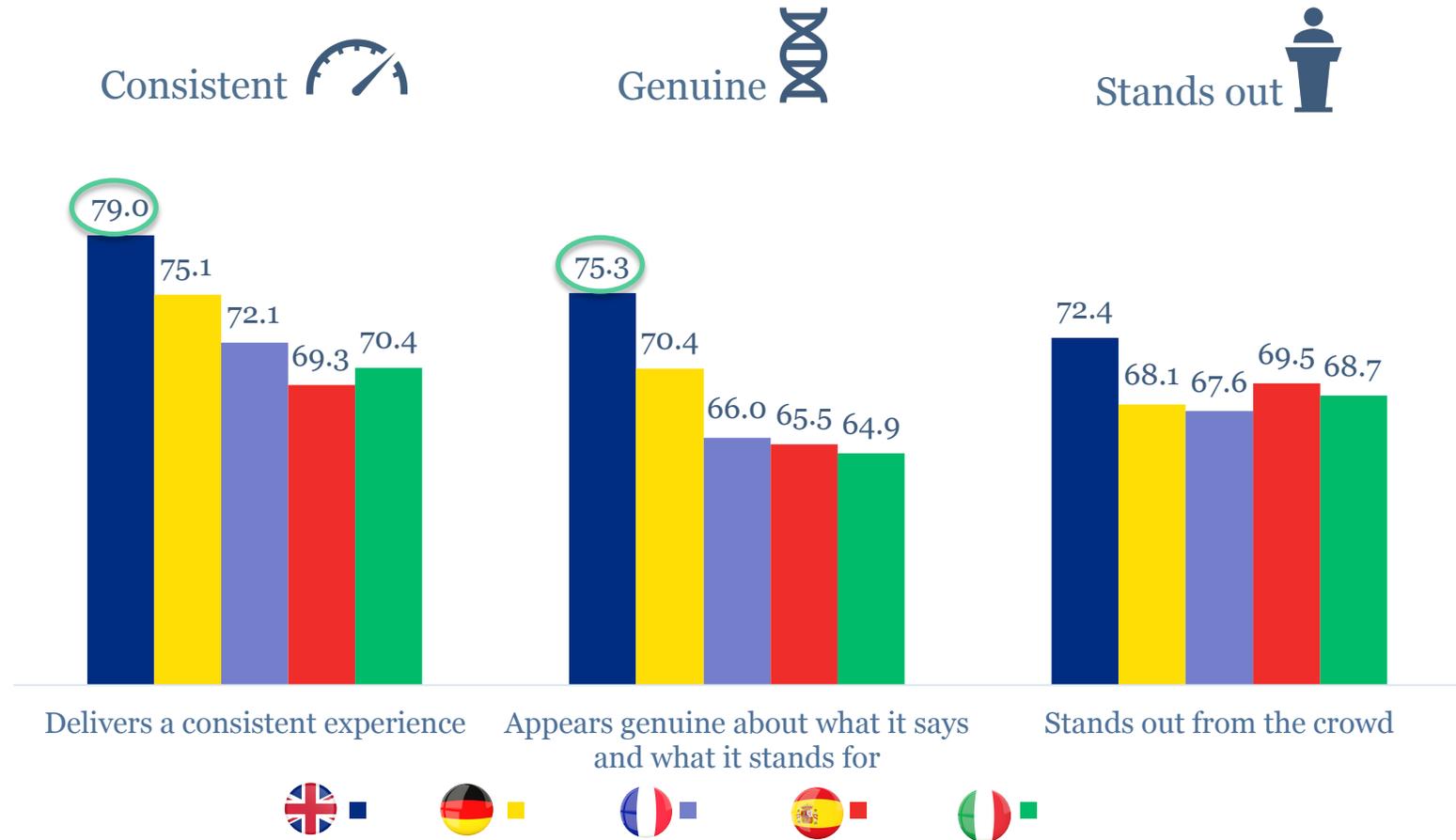
Companies in UK Excel on Consistency and Genuineness

Breakdown



- Top 100 global companies in UK have an edge especially on consistent delivery and authenticity
- Businesses in the UK and Germany struggle most with uniqueness – those in remaining countries with perceptions around genuineness
- Of all components of corporate brand strength, genuineness has seen the biggest drop since 2017 in every single EU5 country

2018 Scores of Corporate Brand Strength Components for EU5



LEGO Spotlight: Product and Corporate Brand Alignment



Breakdown



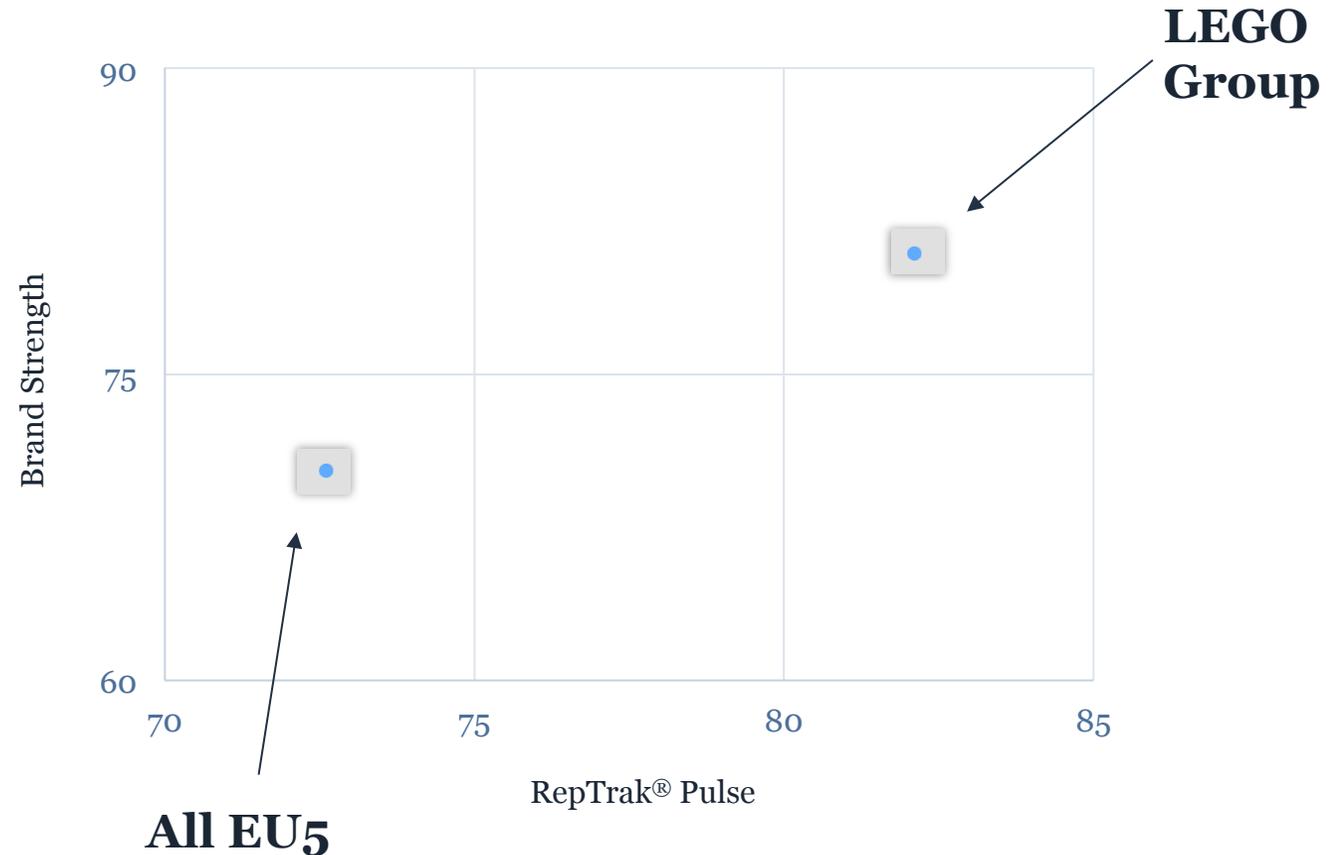
- LEGO scores highest in corporate brand strength, with a score in that is 10.6 points in excess of the EU5 Top 100 average
- LEGO exemplifies how products and purpose align to create brand cohesion

“Our purpose as a company – to inspire and develop the builders of tomorrow – is what drives us and keeps us on our toes (...)”

Niels B. Christiansen,
Chief Executive Officer,
The LEGO Group



2018 Association between Corporate Brand Strength and Reputation: Lego vs. Average EU5



4

Project the Right Persona to Support Your Narrative

Be Authentic and Dynamic - Yet Charming

Breakdown



- Across all EU5 countries, being perceived as a genuine company is by far the most important corporate brand persona
- Biggest opportunities are around projecting genuineness, excitement and charm as levels of association are low
- Projecting a modern persona is uniquely important in EU5 – the remaining four are similarly crucial from a global perspective

EU5 Corporate Brand Persona Association and Reputation Impact

Brand Persona	Association	Reputation Impact
Genuine	21%	5.0
Exciting	14%	3.8
Charming	11%	3.7
Intelligent	27%	3.6
Modern	36%	3.6
 Average	21%	3.9
 Average	23%	3.2

Country Dictates Winning Corporate Brand Persona

Breakdown



- While being perceived as genuine is a top 3 reputation driver in each of the EU5 countries, the most influential brand persona differs nationally
- Spain has the highest association with its top persona – Germany the lowest
- Highest brand persona impact in the UK and Italy – lowest on France and Germany

Top Brand Persona Driver of Reputation by Country – Impact and % Association

What traits?	Exciting		Genuine	Charming	Confident
In what markets?					
Impact on reputation?	4.9	6.2	4.9	6.3	5.8
Percent of association	12%	19%	24%	14%	29%

5

Be Prepared to Take a Segmented
Approach to Communication

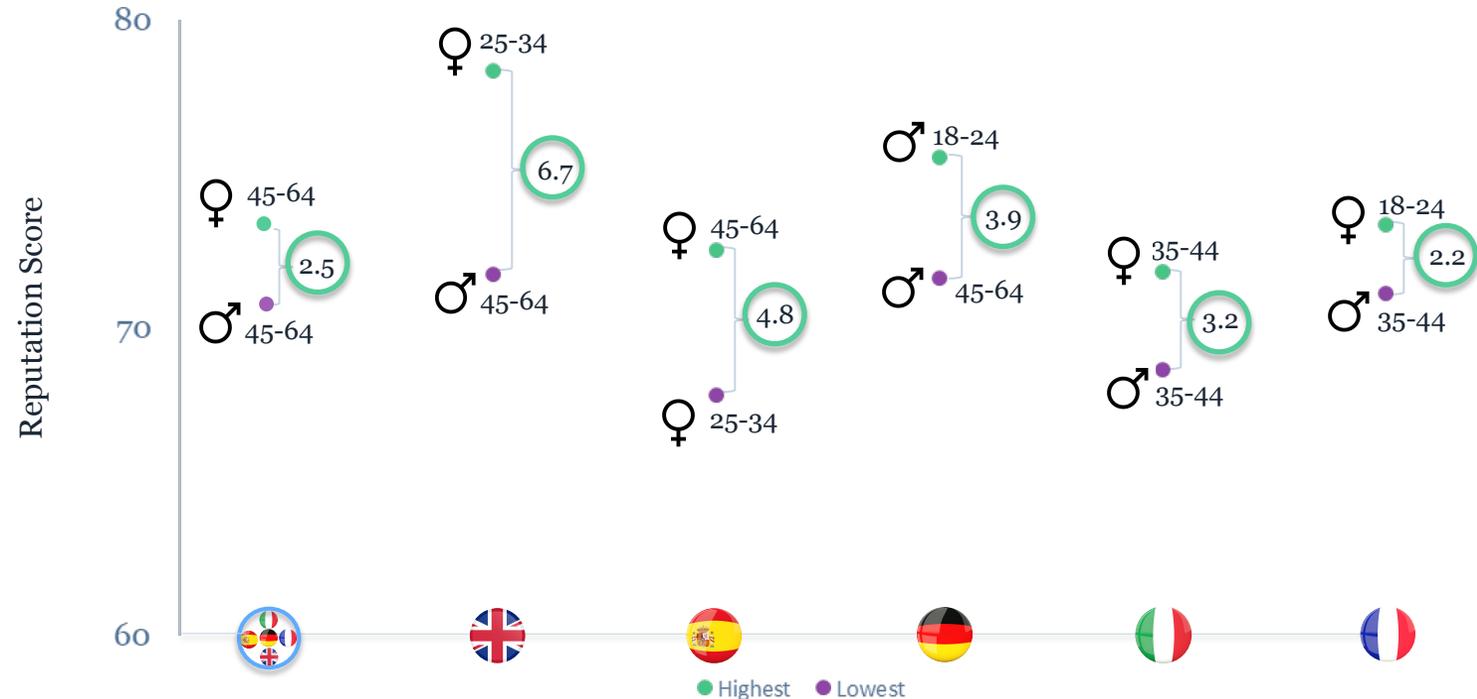
Understand Who your Detractors and Advocates Are

Breakdown



- While those rating companies the highest tend to skew younger and female and those assigning the lowest reputation scores are more likely to be older and male, there is no consistency across EU5 countries
- In the country with the highest polarization in reputation ratings – the UK – young females view companies most favorably, while middle-aged men are more skeptical

Difference in Reputation Scores Between Lowest and Highest Rating Demographic Group by Country 2018



UK Spotlight: Demographic-Specific Drivers of Reputation

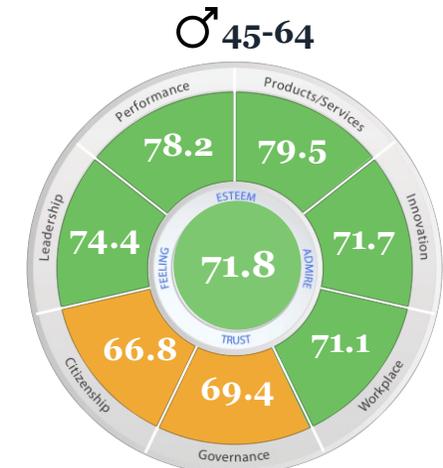
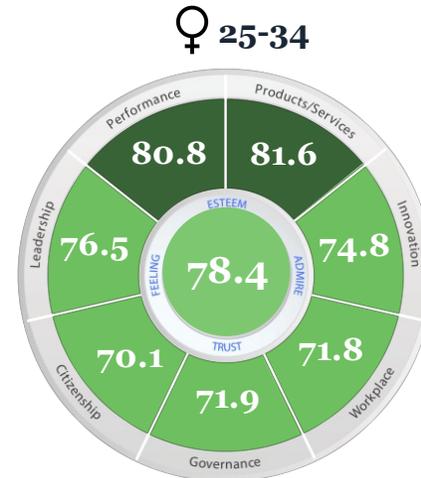
Breakdown



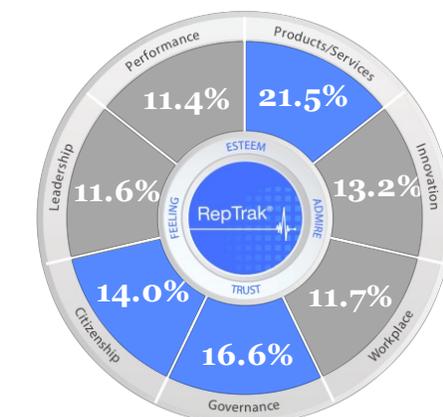
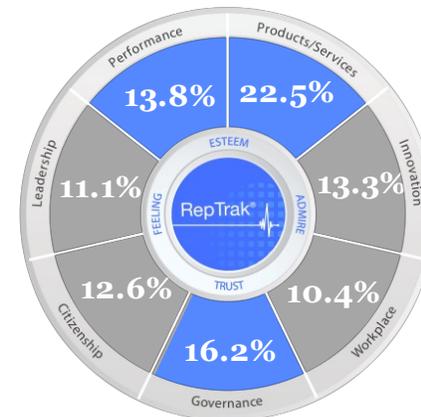
- Young females in the UK care more about *Financial Performance* and *Products/Services* – areas in which they rate companies the highest
- Middle-aged men value *Citizenship* and *Governance* more – but rate businesses the lowest in both areas
- You need to understand the specific drivers for each segment to most effectively build reputation
- Unless companies create targeted content/communication they risk creating reputation gaps

Reputation Dimension Scores/Weights (Females 25-34 vs. Males 45-64)

Reputation Dimension Scores



Reputation Dimension Weights



● POOR ● VULNERABLE ● AVERAGE ● STRONG ● EXCELLENT

6

Leverage CEO to Build Corporate Reputation

Headwinds are Changing CEO Expectations

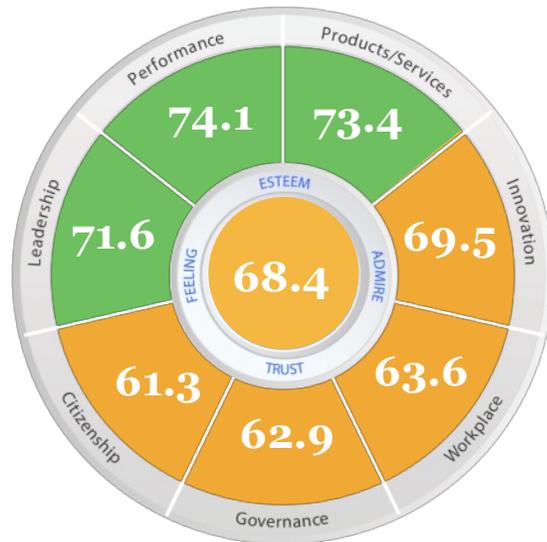


There is a new era emerging in which the **intangibles of reputation** are driving political, social, and economic change and **giving CEOs reason to reconsider their role.**

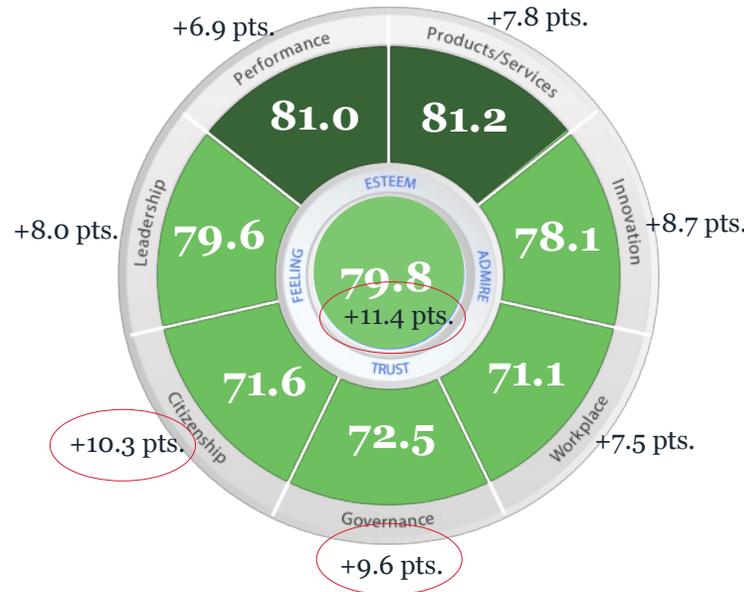
Familiarity With Has Widespread Reputation Benefits

Impact of CEO Familiarity on Corporate Reputation

Not Familiar with CEO



Familiar with CEO
(vs. not familiar)



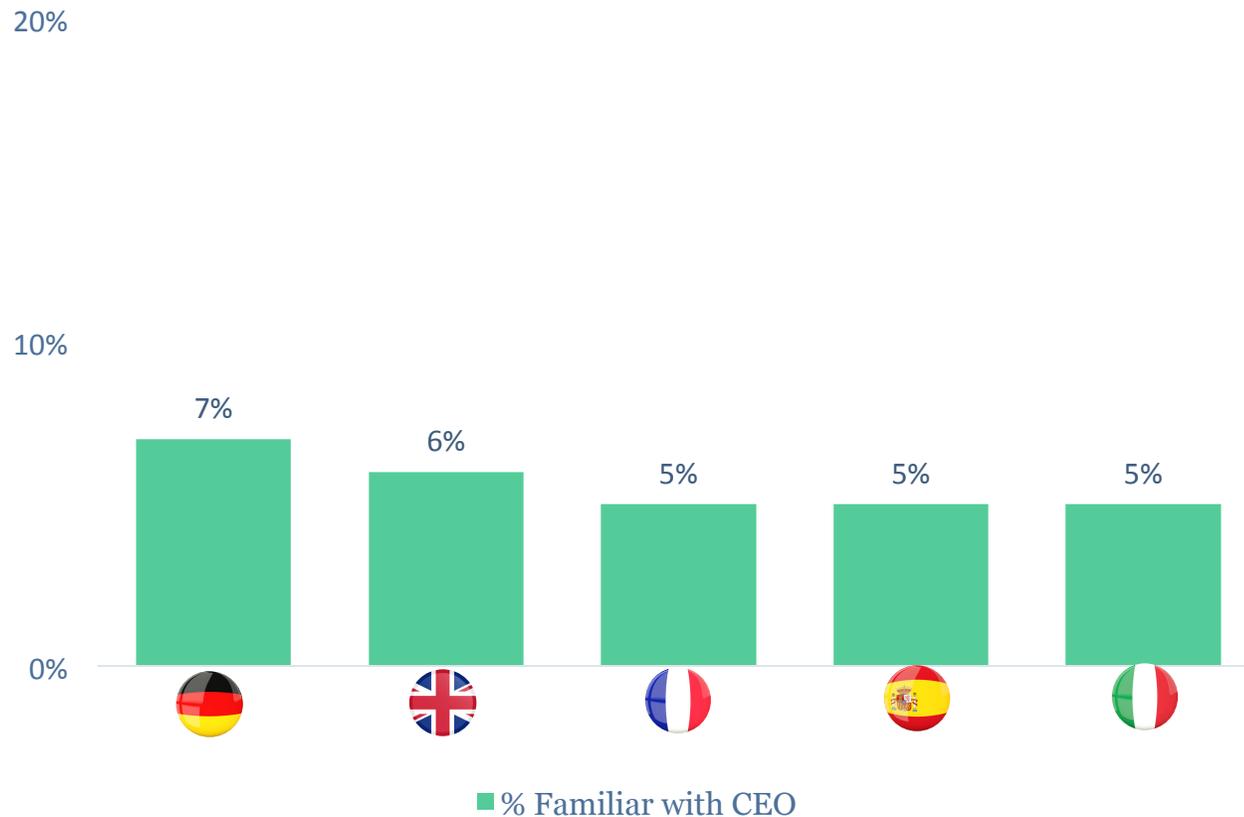
Breakdown



- Respondents familiar with the CEO assign companies an average reputation score bordering on “excellent”
- Important Dimensions of Citizenship and Governance – where businesses historically underperform – see the biggest gains in perceived performance

Familiarity With CEO is Big Challenge

Average CEO Awareness by EU5 Country



Breakdown

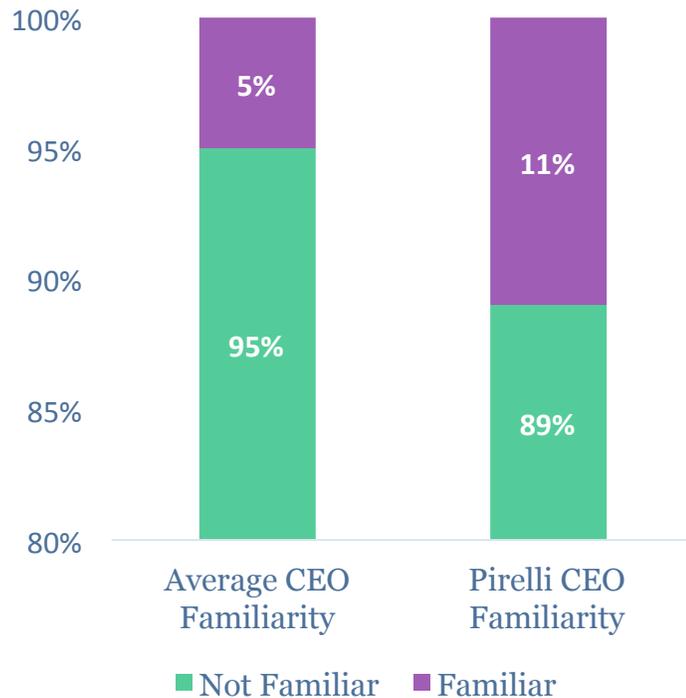


- CEO familiarity with global companies is severely lacking in all EU5 countries at tops put at 7% in Germany

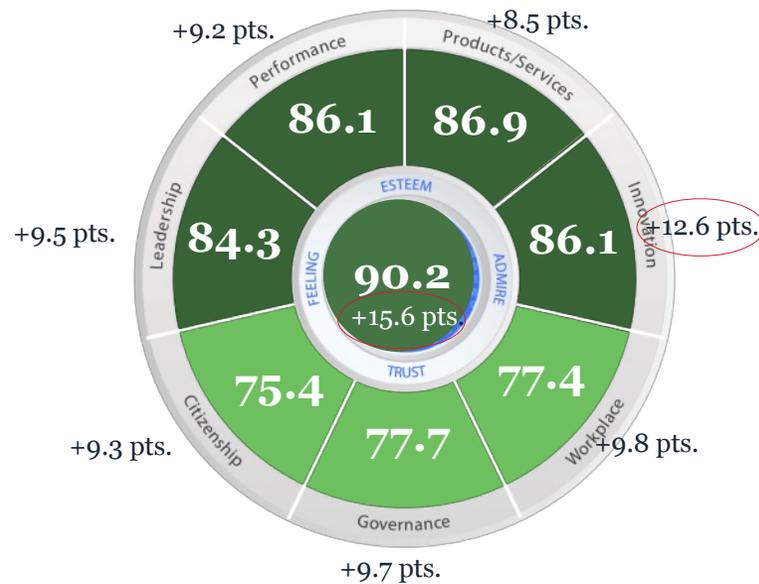
Pirelli Spotlight: Above Average Familiarity and Impact

Pirelli CEO Familiarity and Impact on Corporate Reputation

% Familiar with CEO – EU5 Average vs. Pirelli



Reputation and Dimension Scores for Those Familiar with Pirelli CEO (vs. not familiar)



Breakdown



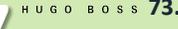
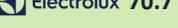
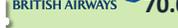
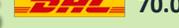
“The Road Safety fund promoted by the United Nations is an important initiative which Pirelli is pleased to support (...) We invest significantly in the technological innovation of our products, an example of which are the intelligent tires (...)”



Pirelli CEO
Marco Tronchetti Provera

RepTrak® 100:
How Companies Compare in 2018

2018 EU5 RepTrak® 100

1	 82.1	2	 81.0	3	 80.6	4	 80.6	5	 79.8	6	 79.1	7	 79.1	8	 79.0	9	 78.1	10	 77.5
11	 77.1	12	 76.9	13	 76.7	14	 76.5	15	 76.4	16	 76.0	17	 75.9	18	 75.8	19	 75.6	20	 75.4
21	 75.4	22	 75.3	23	 75.1	24	 75.0	25	 74.8	26	 74.8	27	 74.7	28	 74.5	29	 74.2	30	 74.1
31	 74.1	32	 73.9	33	 73.9	34	 73.9	35	 73.6	36	 73.6	37	 73.4	38	 73.4	39	 73.4	40	 73.2
41	 73.1	42	 72.8	43	 72.6	44	 72.5	45	 72.5	46	 72.5	47	 72.4	48	 72.4	49	 72.3	50	 72.1
51	 72.0	52	 72.0	53	 72.0	54	 71.8	55	 71.8	56	 71.6	57	 71.6	58	 71.5	59	 71.4	60	 71.3
61	 71.3	62	 71.3	63	 71.3	64	 71.2	65	 70.9	66	 70.8	67	 70.8	68	 70.8	69	 70.7	70	 70.7
71	 70.6	72	 70.3	73	 70.0	74	 70.0	75	 70.0	76	 69.9	77	 69.8	78	 69.7	79	 69.6	80	 69.6
81	 69.4	82	 69.3	83	 69.3	84	 69.1	85	 69.0	86	 68.8	87	 68.7	88	 68.7	89	 68.5	90	 68.2
91	 67.9	92	 67.9	93	 67.7	94	 67.6	95	 67.5	96	 67.3	97	 67.2	98	 67.2	99	 67.2	100	 67.1

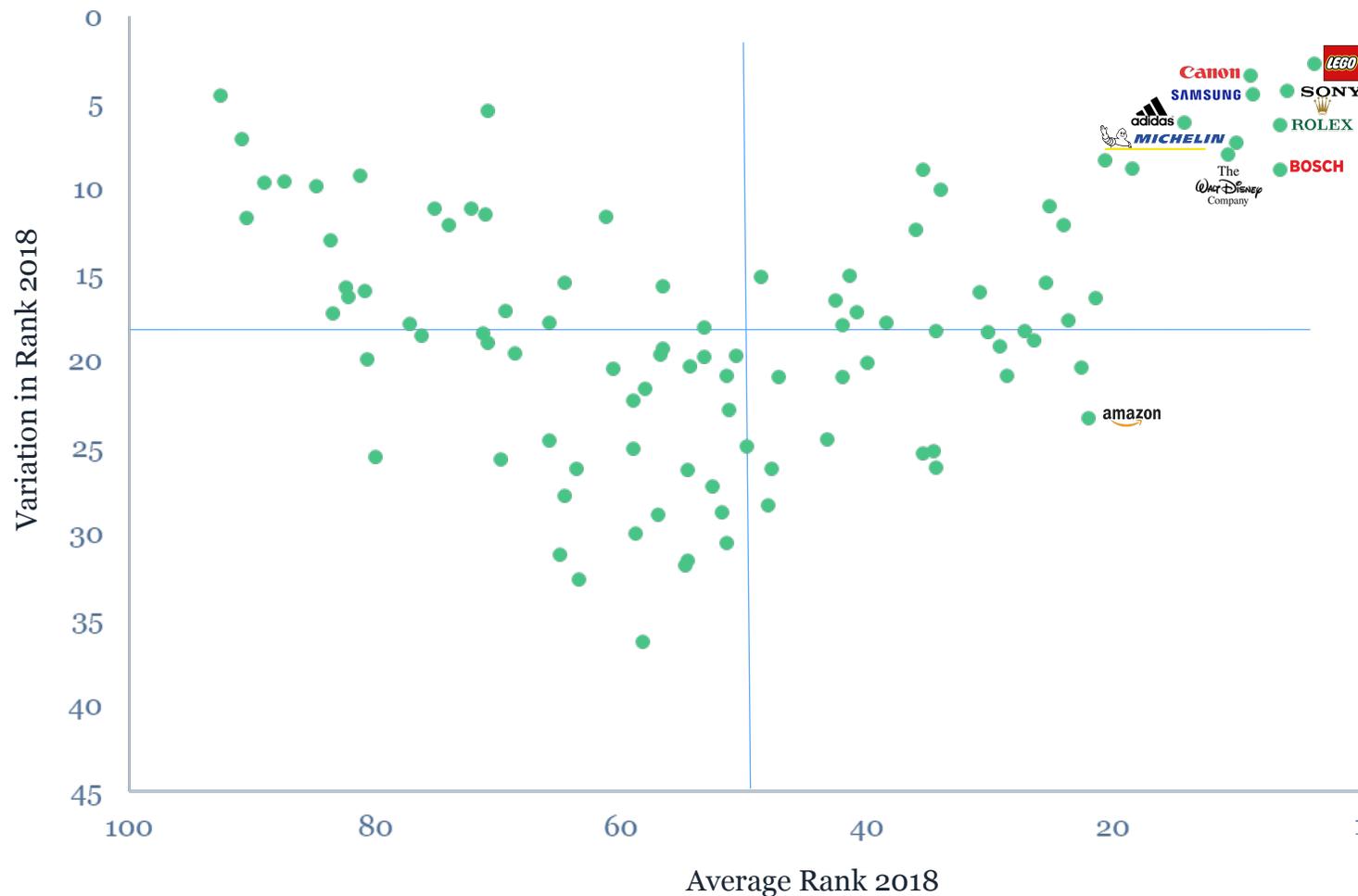
2018 EU5 RepTrak® Top 10 Companies vs. Global

EMEA Rank	Global Rank	Home	2018
1 	2	Denmark	
2 	8	Germany	
3 	1	Switzerland	
4 	6	Japan	
5 	26	South Korea	
6 	4	Japan	
7 	11	France	
8 	5	United States	
9 	7	Germany	
10 	23	United States	

Top 10

- Six out of ten companies overperform in EU5 countries vs. Global – especially Samsung (+21) and Amazon (+13)
- Companies ranked lower within EU5 as compared to Global only perform slightly worse, with an average rank decline of 2-3 positions

Its Difficult to Go Global with your Reputation



Breakdown



- To break into the EU top ten, it is critical to achieve cross-country consistency
- Only Lego is consistently in top 10 in all 5 EU countries
- Among top ten EU5 companies, Amazon has the greatest variation in rank

EU5 RepTrak® 100: *Key Takeaways and Implications*

EU5 RepTrak[®] 100: Key Implications

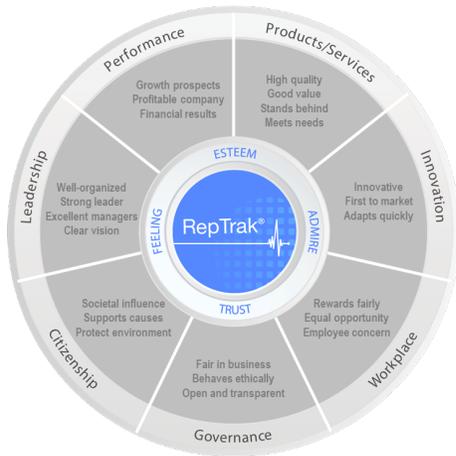


1. Reputation of companies within EU5 is challenged – focusing on the right reputation drivers is critical, and these are different in Northern and Southern Europe. This is a key part of any EU based reputation management strategy
2. CSR is a key element for reputation building and management in 2018, Governance, Citizenship and Workplace are fundamental drivers to regain trust and support – especially in Italy
3. The corporate brand is highly linked with your corporate reputation, it acts as a multiplier - need to integrate them
4. Brand personas are especially important, to boost reputation you need to be Authentic and Dynamic - yet Charming
5. Different segments have different expectations – need to use differentiated communication (content/media mix) to build trust and support – especially in the UK
6. Build your company's reputation by leveraging the power of your CEO – he is the most important multiplier of equity, put him/her front and center of corporate positioning/communication efforts

Overall, execute the most effective country specific reputational strategies to achieve across-the-board reputational excellence – a prerequisite to be at the very top

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 perception audits** or **media coverage**
- You 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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