



# 2016 US RepTrak<sup>®</sup> 100

Reputation Trends in the US

29 March, 2016

## Agenda

- About Reputation Institute
- 2016 US RepTrak® 100 Results
- Winners and Losers
- US Drivers of Reputation
- Return on Reputation Learnings

# About Reputation Institute

## The World's Leading Research and Advisory Firm for Reputation

Founded in 1997 by Dr. Charles Fombrun and Dr. Cees van Riel, we help organizations answer the three key questions:

- What is an organization's reputation?
- What is driving reputation and how does it compare?
- How can reputation be improved?

## Our Proprietary RepTrak® Framework

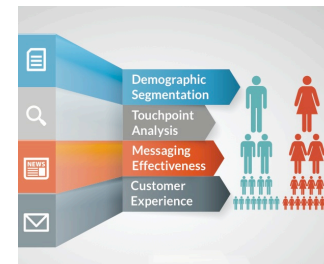
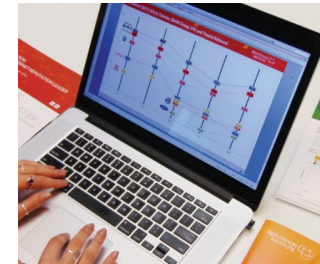
We measure the reputations of thousands of the world's most prestigious companies annually using our RepTrak® framework – the world's largest and highest quality normative reputation database.

## Continuous Reputation Measurement and Consulting Services

We provide continuous reputation measurement, benchmarking and consulting services to hundreds of the best-known companies globally to help them **proactively manage and protect their reputations, provide risk analysis, and to drive competitive advantage.**

## Reputation Management Best Practices

Through our Reputation Leaders Network, we bring executives from 100+ global member companies together to advance the practice of reputation management collectively and for their organizations.



# Why Measure Reputation?

The success of your company depends on getting people to support you

Reputation is an **emotional bond**...



...that ensures

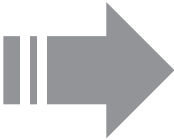
- Customers **buy** your products
- Policymakers and regulators give you a **license to operate**
- The financial community **invest** in you
- The media **report** favorably on your company
- Employees **align** with your corporate strategy

# The RepTrak® Model Summary

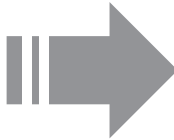
The RepTrak® System measures a company's ability to deliver on stakeholder expectations on the **7 key rational dimensions of Reputation**

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

**REPUTATION DIMENSIONS**



**REPUTATION (PULSE)**



A company that delivers on expectations in the 7 domains will earn **support from its stakeholders**

- PURCHASE
- RECOMMEND
- CRISIS PROOF
- VERBAL SUPPORT
- INVEST
- WORK

**SUPPORTIVE BEHAVIORS**

# The US RepTrak® 100

- Reputation Institute conducts the US RepTrak® 100 annually to measure the reputation of the most highly regarded companies in the US
- It is the largest reputation database among the US General Public, with over 83,300 ratings collected in Q1 2016 -- as well as historic data
- Respondents are qualified to participate at 2 tiers:
  - **Familiarity:** Respondent must be “somewhat” or “very” familiar
  - **RepTrak® Pulse:** 75% completion of pulse rating to be included



Study components include:

- **RepTrak® Pulse**
- **Dimensions of Reputation**
- **Supportive behaviors**
- **Brand expressiveness**
- **Demographic cuts**

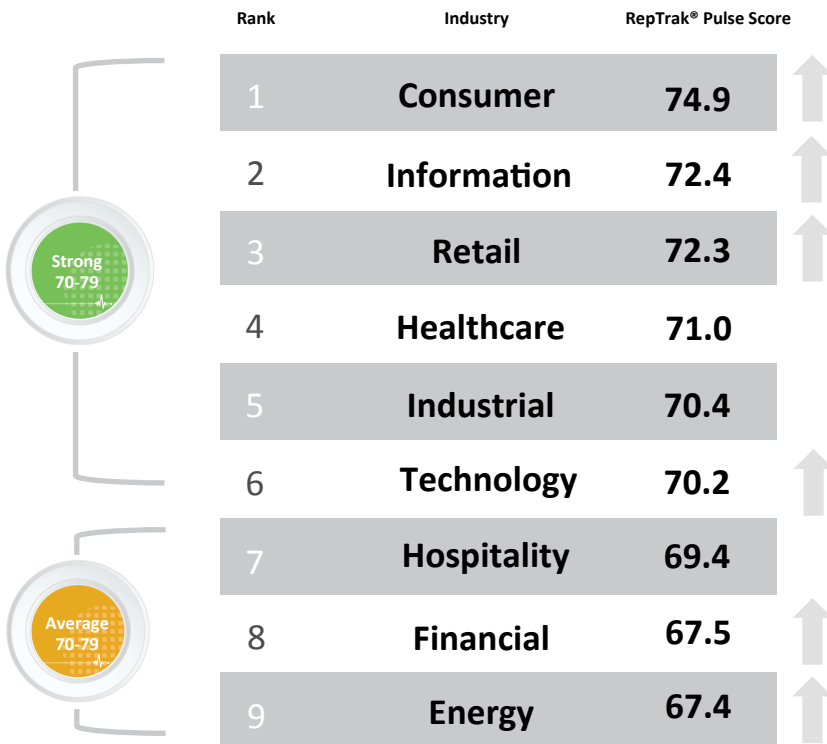
Multi-dimensional measure of reputation



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# 2016 US RepTrak<sup>®</sup> 100 Results











## Reputation Overall Has Increased Across All Industries



- Reputation matters more than ever before across all industries
- As the economy has improved so has the reputation of the major industry sectors
- Consumer, Retail, Information, and Tech industries have increased in reputation
- Even the lower ranked industries – Financial and Energy – are on an upward trend



All Companies In The Top 10 Have An Excellent Score

Rank	Company	RepTrak® Pulse Score
1		85.4
2		85.1
3		84.4
4		83.7
5		82.6
6		81.8
7		81.4
8		81.3
9		81.1
10	The  Company	81.0



- For a third consecutive year, Amazon ranks at the top of the US RepTrak® 100
- Even though Amazon ranks first, it is statistically on par with Hallmark, Samsung, Kellogg's, Sony, and J & J
- All companies in the Top 10 have an excellent score, compared to only 9 in 2015
- 7 of the top 10 companies are US based – tech companies Samsung and Sony are Asia based, and Rolex is European based

All RepTrak® Pulse scores that differ by more than +/- 3.7 are significantly different at the 95% confidence level

# WHY ARE THEY IN THE TOP 10?

## The Top Companies In The US Have An Even Better Reputation Among Millennials



**THE TOP 10 COMPANIES HAVE A BETTER SCORE AMONG MILLENNIALS IN ALL OF THE ENTERPRISE DIMENSIONS (WORKPLACE, GOVERNANCE, CITIZENSHIP, LEADERSHIP AND PERFORMANCE. )**

## The Most Reputable Companies Have Stronger Brands Driven By A Deeper Sense of Purpose



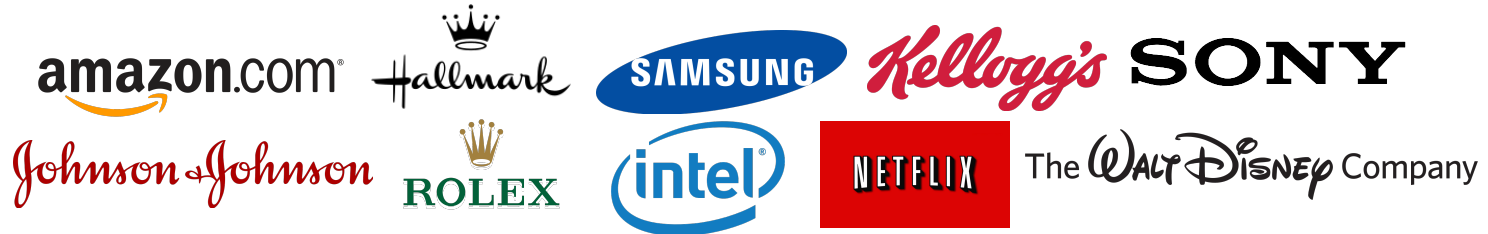
TOP 10  
BRAND STRENGTH

80.6

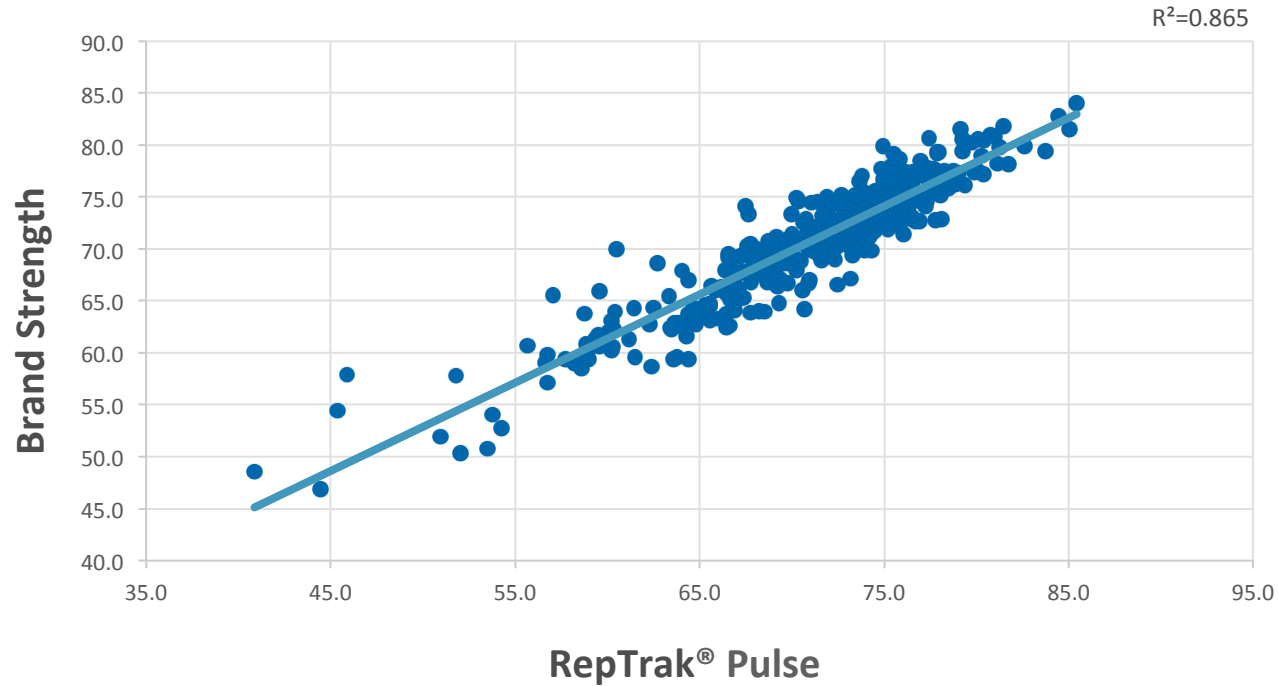


REST OF TOP 100  
BRAND STRENGTH

75.7



## Companies With Strong Corporate Brands Have A Better Reputation



## The Top Companies In The US Deliver On CSR And Alignment With Social Values



RANK	COMPANY	CSR INDEX
1	<b>SAMSUNG</b>	80.5
2	<b>KELLOGG COMPANY</b>	78.7
3	<b>SONY</b>	78.3
4	<b>ROLEX</b>	78.3
5	<b>INTEL</b>	77.8
6	<b>WALT DISNEY COMPANY</b>	77.8
7	<b>AMERICAN EXPRESS</b>	77.6
8	<b>LEGO</b>	77.2
9	<b>TEXAS INSTRUMENTS</b>	76.8
10	<b>FERRERO</b>	76.7

- The 6 of the 10 top companies also perform well on the dimensions of CSR – based on the Corporate Social Responsibility Index
- These companies have managed to create alignment between their corporate and social values



*“The most important impact we have on the world is providing children with fun and exciting LEGO experiences that develop their essential skills and competences that they need to create a better future for themselves, and our planet.”*

*~Jorgen Vig Knudstorp, President and CEO,  
LEGO Group*

## More Than A Third Of Companies Appearing In The Top 50 Are New To The List

Rank	Company	2016 RepTrak® Pulse
1	Amazon.com	85.4
2	Hallmark	85.1
3	Samsung	84.4
4	Kellogg Company	83.7
5	Sony	82.6
6	Johnson & Johnson	81.8
7	Rolex	81.4
8	Intel	81.3
9	Netflix	81.1
10	The Walt Disney Company	81.0
11	Campbell Soup Company	80.4
12	Fruit of the Loom	80.4
13	Michelin	80.3
14	LEGO Group	80.1
15	Nintendo <span style="color: blue;">★</span>	80.1
16	UPS	79.7
17	Clorox	79.4
18	Tiffany & Co.	79.2
19	Whirlpool	79.0
20	adidas <span style="color: blue;">★</span>	78.9
21	Toshiba <span style="color: blue;">★</span>	78.8
22	Costco Wholesale	78.7
23	Michaels <span style="color: blue;">★</span>	78.7
24	Canon <span style="color: blue;">★</span>	78.6
25	General Mills	78.5

Rank	Company	2016 RepTrak® Pulse
26	Hyatt Hotels <span style="color: blue;">★</span>	78.4
27	Columbia Sportswear Co. <span style="color: blue;">★</span>	78.3
28	Hanesbrands <span style="color: blue;">★</span>	78.1
29	Nestlé	78.0
30	Barnes & Noble <span style="color: blue;">★</span>	78.0
31	Kraft Heinz	78.0
32	Procter & Gamble	78.0
33	Hershey Company	78.0
34	Krispy Kreme	77.9
35	Ferrero	77.9
36	Nike, Inc.	77.9
37	Caterpillar	77.9
38	Bayer	77.8
39	Office Depot <span style="color: blue;">★</span>	77.8
40	Bed Bath & Beyond <span style="color: blue;">★</span>	77.7
41	Coach <span style="color: blue;">★</span>	77.6
42	The Estée Lauder Companies <span style="color: blue;">★</span>	77.5
43	HP Inc.	77.4
44	Cheesecake Factory, Inc. <span style="color: blue;">★</span>	77.4
45	Colgate-Palmolive <span style="color: blue;">★</span>	77.4
46	Daimler (Mercedes-Benz) <span style="color: blue;">★</span>	77.4
47	FedEx	77.3
48	Levi Strauss & Co.	77.3
49	Goodyear <span style="color: blue;">★</span>	77.3
50	American Express <span style="color: blue;">★</span>	77.1

## Of The Companies Ranked 51-100, Around Half Are New To the RepTrak® 100

Rank	Company	2016 RepTrak® Pulse
51	Hasbro	77.0
52	Panasonic ★	76.7
53	Nordstrom ★	76.5
54	Mattel, Inc.	76.5
55	Microsoft	76.5
56	Nikon	76.5
57	USAA	76.4
58	Mutual of Omaha Insurance ★	76.3
59	Scotts Miracle-Gro	76.3
60	IBM ★	76.2
61	Fresh Del Monte Produce	76.2
62	Vanguard ★	76.2
63	Tupperware	76.2
64	Cracker Barrel Old Country Store ★	76.1
65	J.M. Smucker Company	76.1
66	Burlington Coat Factory ★	76.1
67	LG Electronics ★	76.0
68	L'Oréal ★	76.0
69	3M	76.0
70	Google	76.0
71	Dunkin' Donuts	76.0
72	Fujifilm ★	75.9
73	Panera Bread	75.9
74	BMW Group	75.8
75	Under Armour	75.7

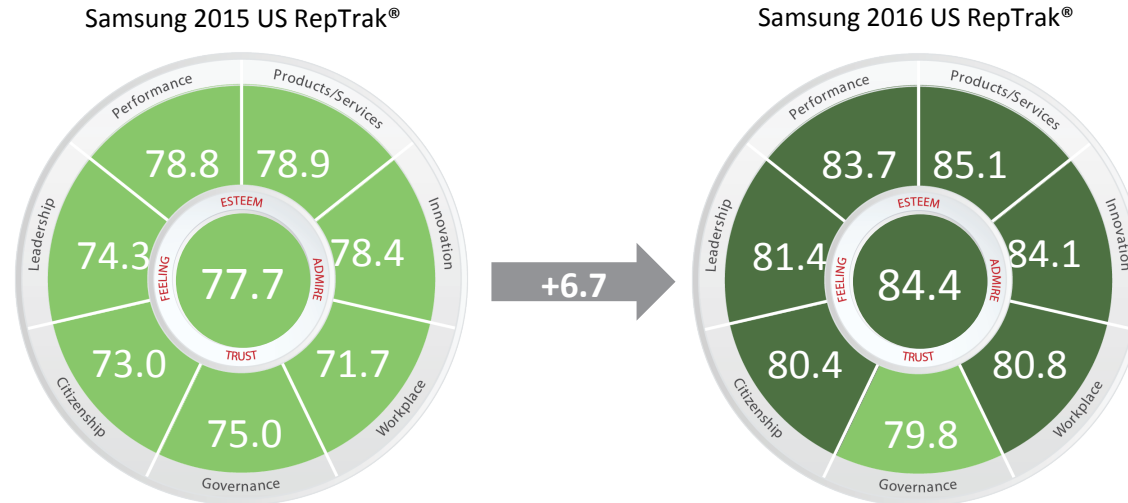
Rank	Company	2016 RepTrak® Pulse
76	Bridgestone	75.7
77	Whole Foods Market	75.6
78	Ralph Lauren Corporation ★	75.5
79	Texas Instruments ★	75.5
80	Ace Hardware	75.4
81	Prada ★	75.4
82	PepsiCo	75.4
83	Adobe Systems ★	75.3
84	Philips ★	75.2
85	Stanley Black & Decker	75.2
86	Kimberly-Clark Corporation ★	75.2
87	Target ★	75.1
88	AutoZone ★	75.0
89	Barilla	75.0
90	The Coca-Cola Company	75.0
91	Harley-Davidson	75.0
92	CVS Caremark ★	74.9
93	Ferrari	74.8
94	New Balance ★	74.8
95	Texas Roadhouse	74.5
96	Kohl's ★	74.5
97	Dole	74.5
98	La-Z-Boy Inc.	74.4
99	Cabela's	74.3
100	Mrs. Fields ★	74.3

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# Winners and Losers



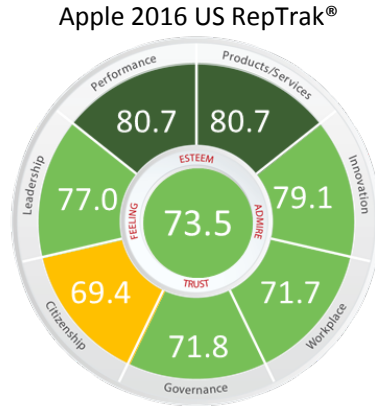
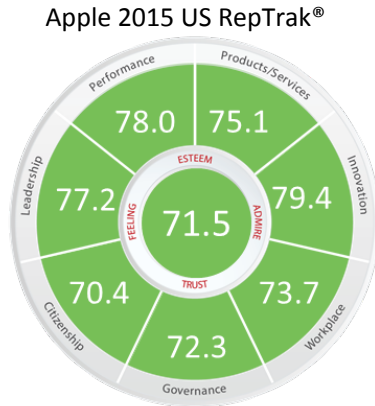
## The Meteoric Rise Of Samsung






	COMMUNICATES OFTEN	SUFFICIENT INFORMATION	WELCOME OPEN DISCUSSION	MEET NEEDS OF CUSTOMERS	DELIVERS ON PROMISE
<b>SAMSUNG</b>	<b>59%</b>	<b>61%</b>	<b>54%</b>	<b>77%</b>	<b>71%</b>



- Samsung's Galaxy products has rendered it as one of the top technology companies
- Relentless innovation-focused culture with an engineering edge
- Samsung's wins at CSR with a focus on the Environment, Supply Chain, Social Values, Philanthropy, People, and Openness
- Samsung's brand expressiveness is strong, especially when it comes to meeting customers' needs and delivering on its brand purpose

## Apple: Not On The Top 100 List, Yet Again



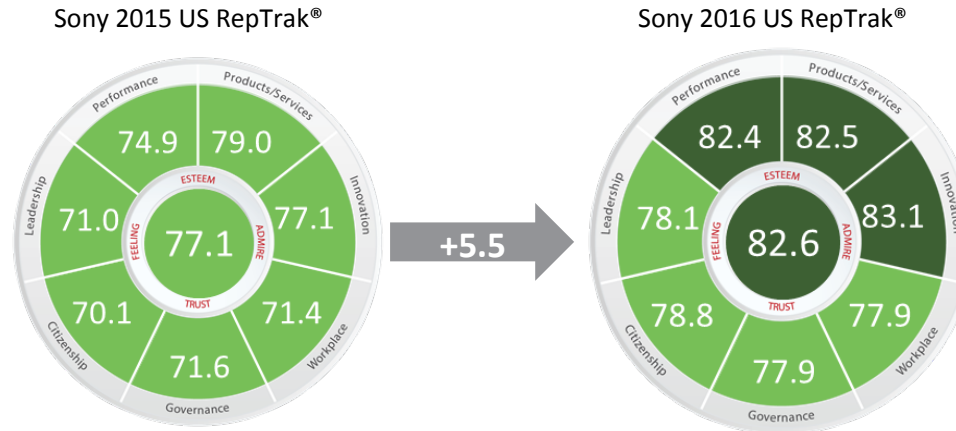
APPLE	% of NOT SURE
WORKPLACE 	41%
GOVERNANCE 	24%
CITIZENSHIP 	33%

VS.

APPLE	% of NOT SURE
PRODUCTS 	2%
INNOVATION 	3%

- **It's Only About Products** – While Apple has strong, and even excellent scores when it comes to products & services, financial performance and innovation, it fails to deliver on workplace, governance and especially citizenship
- **Lack of Corporate Narrative** - The general public does not know Apple beyond its products; 41% not sure about its workplace, 24% not sure about governance and 33% not sure about citizenship
- **Not as Open Or Expressive** - Compared to its arch competitor Samsung, Apple's Corporate Brand communication is not as pronounced:
  - Communicates often: 59% for Samsung and 44% for Apple
  - Sufficient information: 61% for Samsung and 42% for Apple
  - Welcomes open discussion: 54% for Samsung and 36% for Apple

## Sony: Comes Out Of Data Privacy Crisis With Integrity

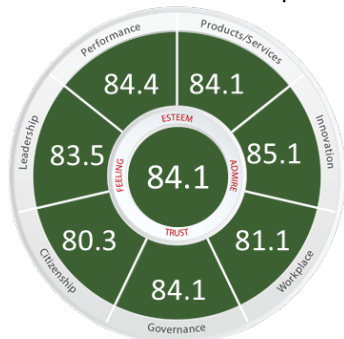


- A strong reputation acts as an emotional buffer during data privacy crisis
- In 2016, Sony reputation actually improves through citizenship, leadership and performance
- During the data breach and crisis surrounding “The Interview” Sony responded and acted decisively
- Sony benefited from an improvement in its brand expressiveness

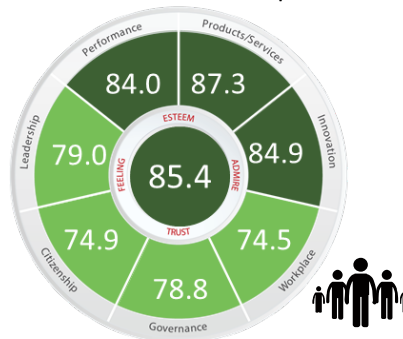
	COMMUNICATES OFTEN	SUFFICIENT INFORMATION	WELCOME OPEN DISCUSSION	MEET NEEDS OF CUSTOMERS	DELIVERS ON PROMISE
<b>2016</b>	<b>59%</b>	<b>59%</b>	<b>55%</b>	<b>74%</b>	<b>70%</b>
<b>2015</b>	<b>36%</b>	<b>41%</b>	<b>35%</b>	<b>58%</b>	<b>48%</b>

## Amazon.com: Rides The Storm Of Workplace Crisis – But Will It Last?

Amazon.com 2015 US RepTrak®



Amazon.com 2016 US RepTrak®



+1.3

### WORKPLACE



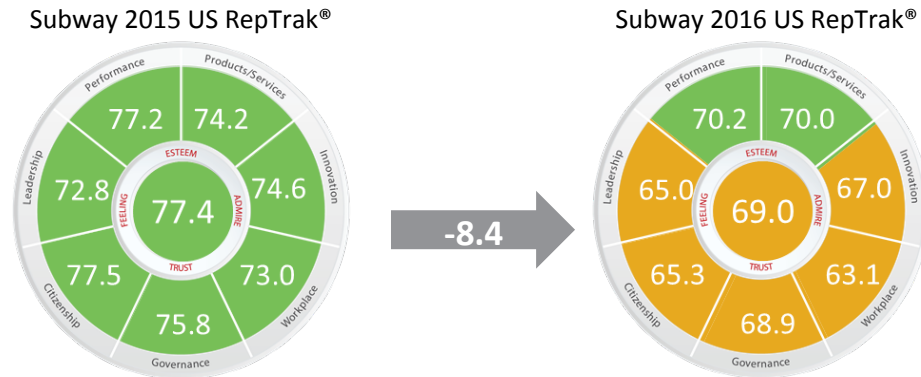
### PROVIDES SUFFICIENT INFORMATION ABOUT ITS ACTIVITIES



■ DISAGREE ■ STRONGLY AGREE ■ NEUTRAL ■ NOT SURE

- Amazon.com’s reputation slightly improved, despite NY Times’ workplace article
- Even though its Product and Innovation increased, Amazon experienced a set-back on its CSR and Leadership dimensions
- **Stronger Emotional Halo** - In 2015, Amazon’s rational dimension average was closer to the overall pulse, but in 2016 the emotional pulse is 5 points higher than the rational dimensions
- **But More Doubt** - The % of people who are not sure about Amazon’s workplace, or whether the company provides sufficient information on its activities has increased from 20% to 47%, and 15% to 23%, respectively

## Subway: Reputation Risk Of Celebrity Spokesperson Negatively Impacts The Brand



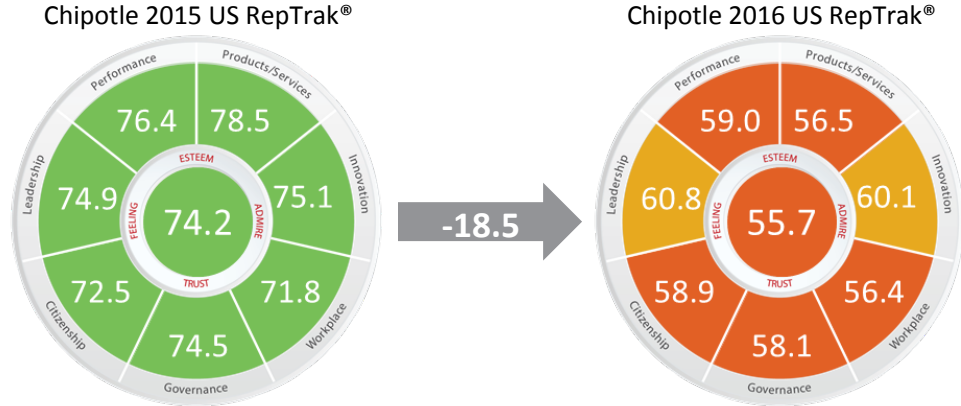
### BRAND STRENGTH

	BRAND STRENGTH SCORE
2015	<b>76.1</b>
2016	<b>69.6</b>



- Subway was hit by a reputation crisis due to sexual offender and Subway spokesperson Jared Fogle
- Subway had a significant drop in reputation since 2015 – impacted by a decline in CSR and Leadership credentials
- In 2015, Subway ranked 34<sup>th</sup> on the US100 list, and 3<sup>rd</sup> in the QSR sector
- Lack of transparency hurt Subway – not being forthcoming about Fogle’s misconduct backfired
- Subway experienced a drop in providing sufficient information in activities from 52% to 37%
- Subway’s brand strength was markedly diminished with a 7 point drop – the brand was too strongly defined by a spokesperson

# A Health Scare Turns Into A Reputation Crisis: Chipotle's Reputation Drops Precipitously



### NEGATIVE IMPACT ON SUPPORTIVE BEHAVIORS

	RECOMMEND COMPANY	RECOMMEND PRODUCTS	BUY PRODUCTS	WELCOME TO NEIGHBOURHOOD	GIVE BENEFIT OF DOUBT
2016	36%	37%	40%	46%	33%
2015	64%	68%	66%	66%	44%

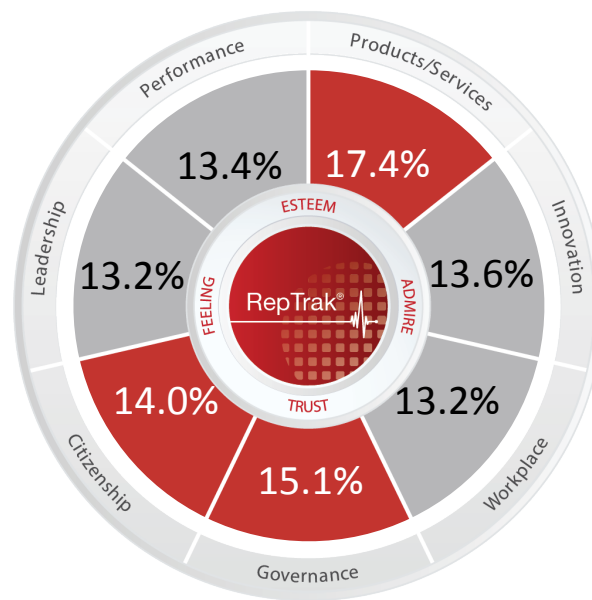
- Chipotle was hit by a food safety crisis due to e coli and norovirus outbreaks
- The company's reputation experienced a significant drop vs. 2015 – it declined on all dimensions
- Willingness to recommend Chipotle's products is in freefall – it has dropped from 68% to 37%
- Chipotle closed all of its restaurants on February 8<sup>th</sup> for a thorough check up ; but the public has not heard much on upcoming actions, or where how the supply chain problems happened
- **A loss of Brand Emotion** - In 2015, Chipotle's Pulse score was aligned with the rational dimensions, but in 2016 the emotional connection is significantly lower

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# US Drivers of Reputation

## Product/Services, Governance, Citizenship Are Key Drivers – It Has Been This Way Since 2008

2016 US RepTrak® Drivers

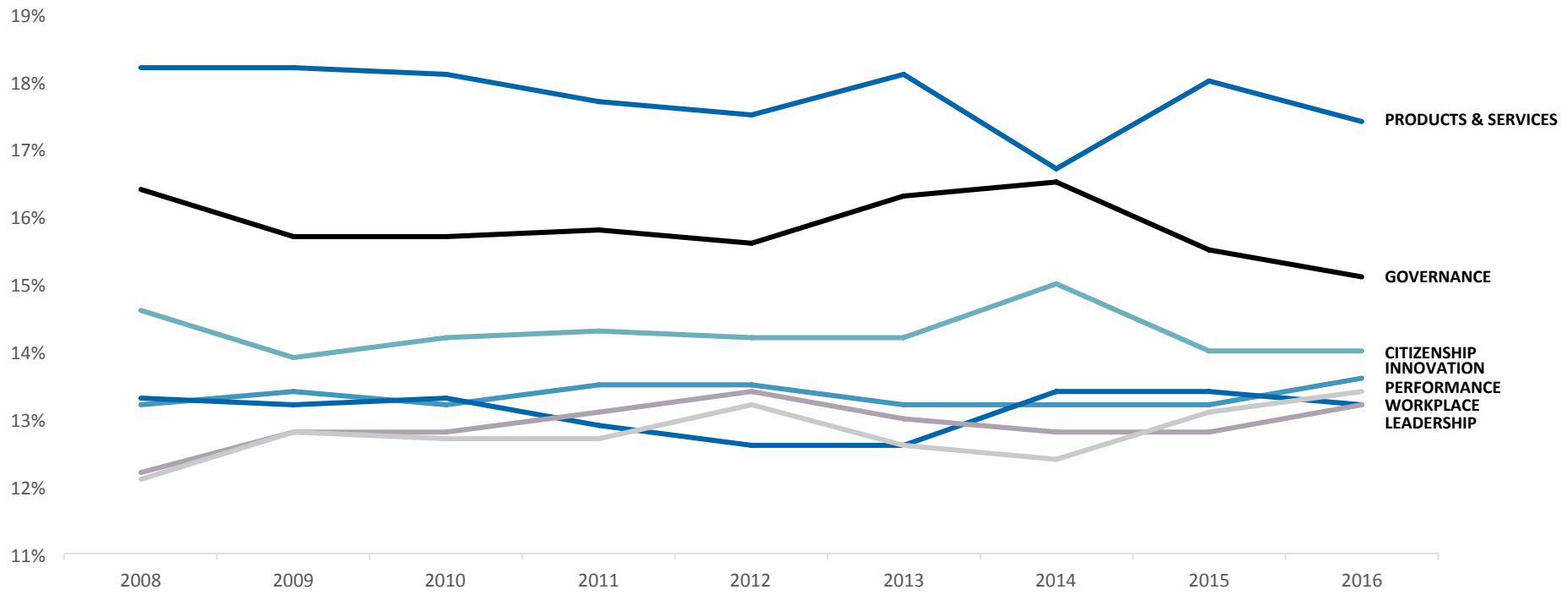


Factor Adjusted Regression  
 N = 40,471  
 Adj-R<sup>2</sup> = 0.701

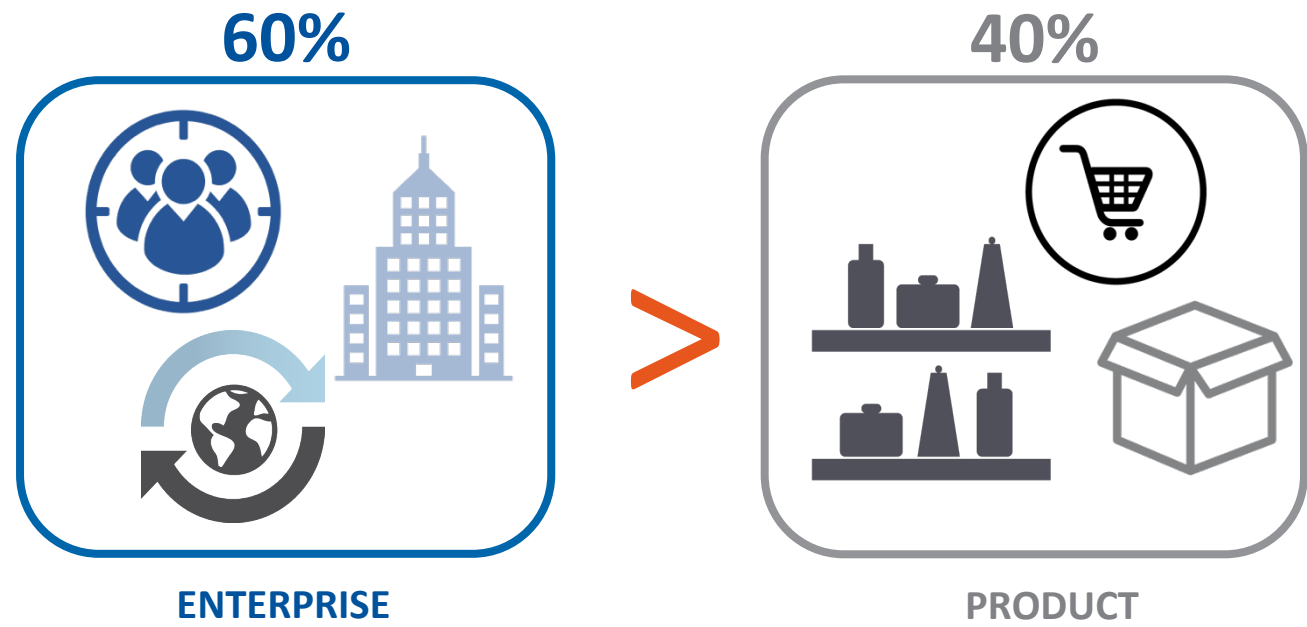
- **Product/Services:** Offers high quality products and services – it offers excellent products and reliable services
- **Innovation:** Is an innovative company -- it makes or sells innovative products or innovates in the way it does business
- **Workplace:** Is an appealing place to work -- it treats its employees well
- **Governance:** Is a responsibly-run company -- it behaves ethically and is open & transparent in its business dealings
- **Citizenship:** Is a good corporate citizen -- it supports good causes & protects the environment
- **Leadership:** Is a company with strong leadership -- it has visible leaders & is managed effectively
- **Performance:** Is a high-performance company -- it delivers good financial results



## While The Drivers Of Reputation Have Stayed Consistent Since 2008, They Are Getting Closer



## The Company Behind The Products Matters More: Enterprise Drives 60% Of Support



### SUPPORTIVE BEHAVIORS

- RECOMMEND COMPANY
- SAY SOMETHING POSITIVE
- GIVE THE BENEFIT OF DOUBT
- TRUST TO DO THE RIGHT THING
- BUY PRODUCTS
- INVEST
- WORK FOR COMPANY
- WELCOME TO THE NEIGHBOURHOOD
- RECOMMEND PRODUCTS
- RECOMMEND AS AN INVESTMENT

## Who You Are Carries More Importance Than What You Sell, Across All Supportive Behaviors



ENTERPRISE



PRODUCT

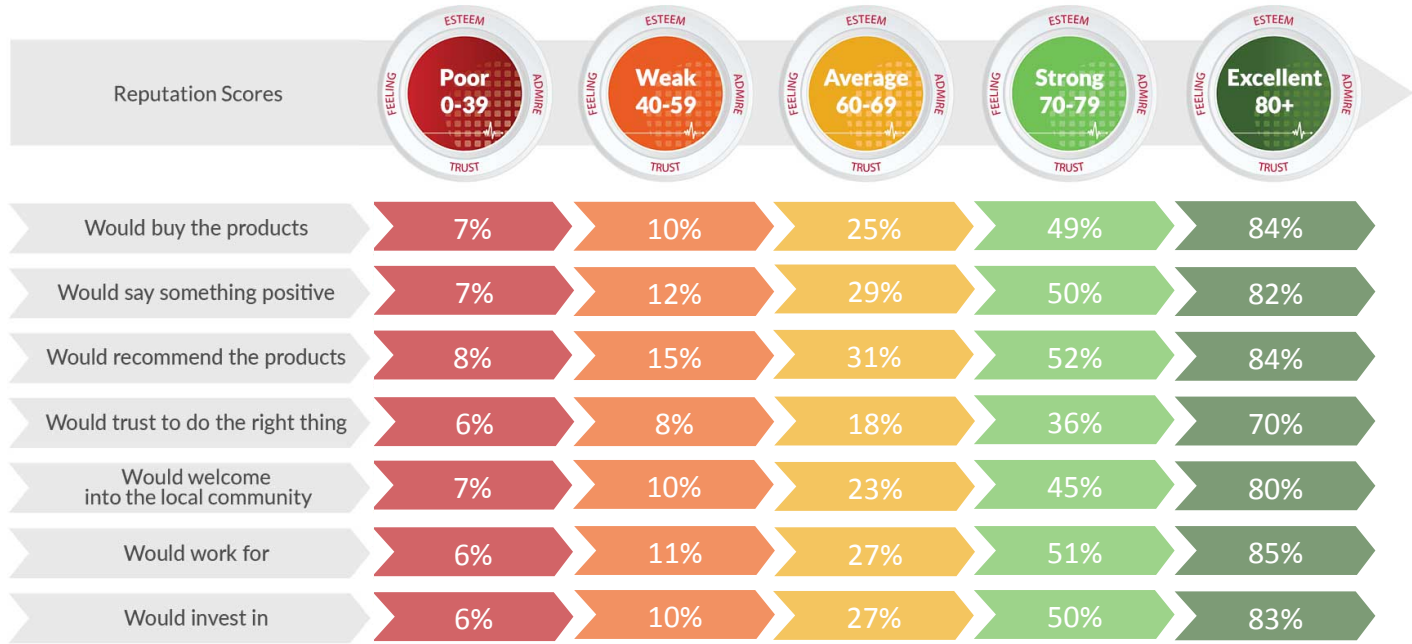
RECOMMEND COMPANY	<b>58.9%</b>	<b>41.1%</b>
SAY SOMETHING POSITIVE	<b>58.6%</b>	<b>41.4%</b>
GIVE THE BENEFIT OF DOUBT	<b>62.7%</b>	<b>37.3%</b>
TRUST TO DO THE RIGHT THING	<b>61.7%</b>	<b>38.3%</b>
BUY PRODUCTS	<b>56.9%</b>	<b>43.1%</b>
INVEST IN COMPANY	<b>62.8%</b>	<b>37.2%</b>
WORK FOR COMPANY	<b>63.3%</b>	<b>36.7%</b>
WELCOME TO THE NEIGHBOURHOOD	<b>59.6%</b>	<b>40.4%</b>
RECOMMEND PRODUCTS	<b>57.9%</b>	<b>42.1%</b>
RECOMMEND AS AN INVESTMENT	<b>62.5%</b>	<b>37.5%</b>

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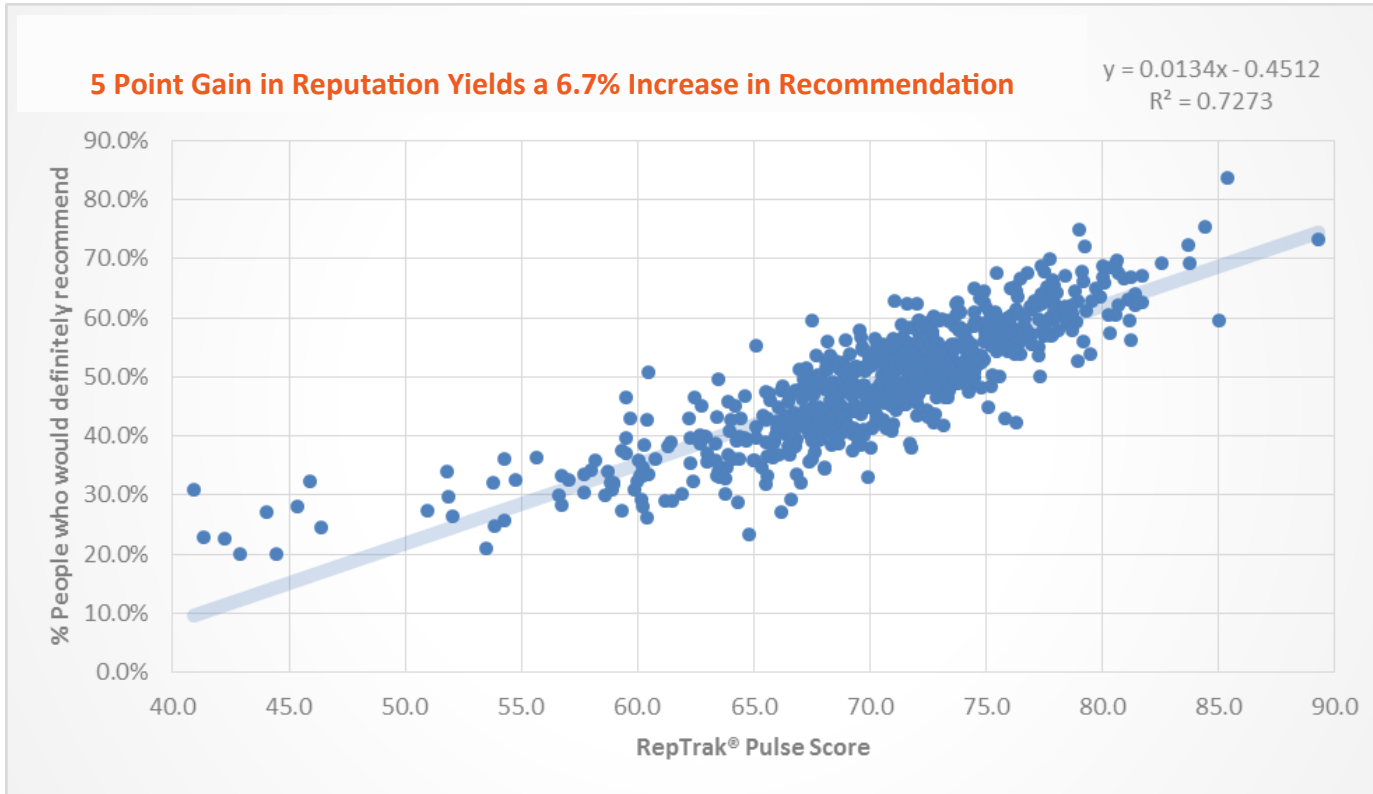
# Return on Reputation Learnings

# DISTRIBUTION OF SUPPORTIVE BEHAVIORS BY REPUTATION PULSE SCORES

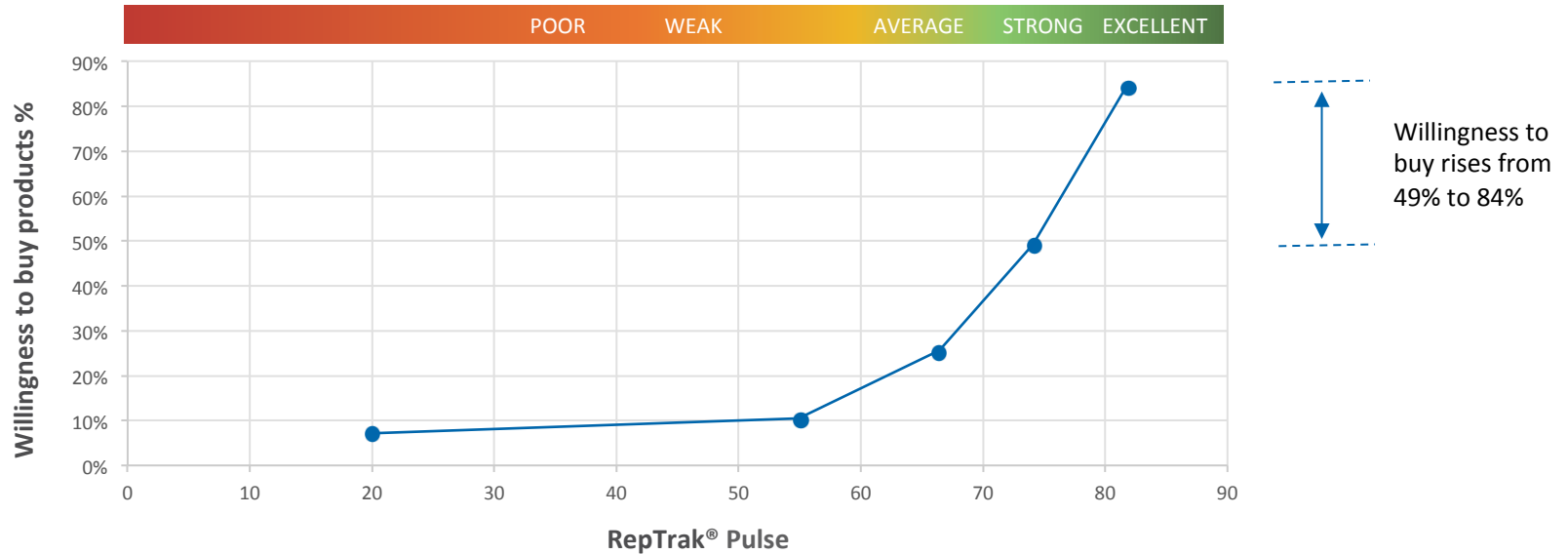
## Companies With An Excellent Reputation Have Much Stronger Levels Of Support



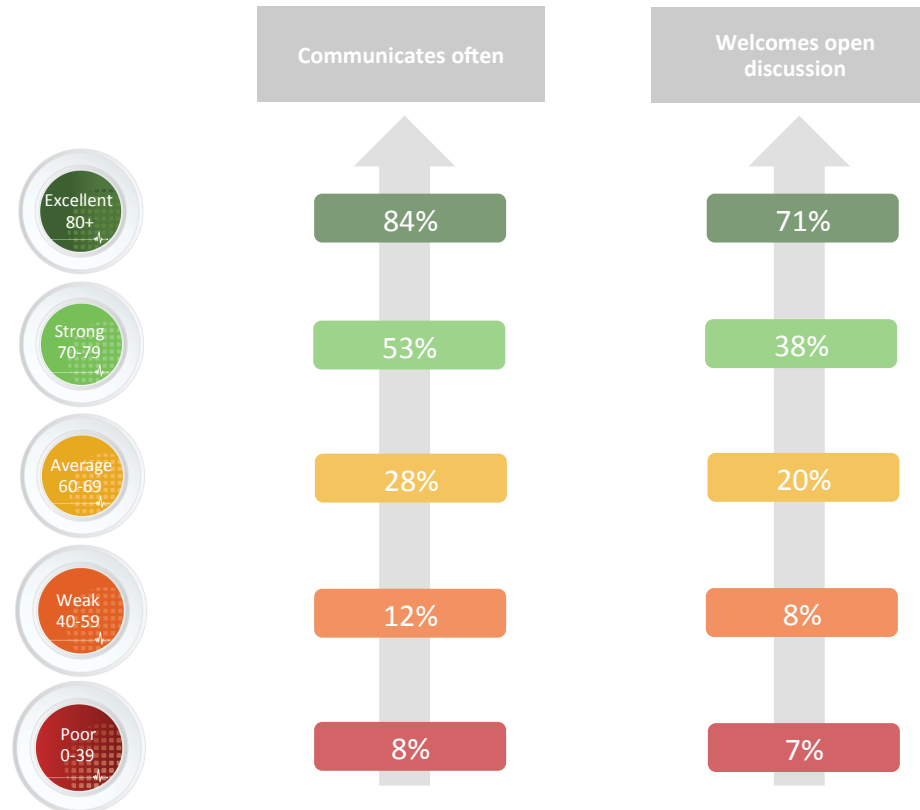
## As Reputation Increases So Does Potential To Increase Recommendation



## Willingness To Buy Accelerates When A Company Goes From Strong To Excellent Reputation



## Expressive Companies That Welcome Open Discussion, Have A Better Reputation







Questions?

## 2016 Release Schedule

- China RepTrak® 100 – March 17 2015
- Global RepTrak® 100 – March 22, 2015
- US RepTrak® 100 – March 29, 2015
- UK RepTrak® 150 – April 14, 2015
- Italy RepTrak® 50 – April 20, 2015
- Switzerland RepTrak® 50 – April 26, 2015
- Mexico RepTrak® 50 – May 3, 2015
- Canada RepTrak® 50 – May 10, 2015
- France RepTrak® 170 – May 12, 2015
- Spain RepTrak® 50 – May 17, 2015





## Get Your Company's Data

Ask us to be among the first to know your company's 2016 score and ranking.

See how likely your stakeholders are to buy from you, work with you, and invest in your company.

Understand how you can improve your scores and grow your stakeholder support.

Ask us at [info@reputationinstitute.com](mailto:info@reputationinstitute.com)



Thank You