



*It's Reputation Judgment Day – Can You
Provide Sufficient Assurances?*

2019 US RepTrak® 100

3 April, 2019

Focus For Today



- RepTrak Methodology
- Setting the Scene
- Year-Over-Year Trends in the US
- Macro-trends and Key Data Insights
- Reveal of the 2019 US RepTrak® 100
- Reputation Spotlights: Learning From Key Companies

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



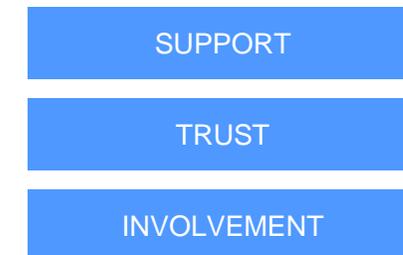
FEEL

REPTRAK® PULSE Emotional Connection



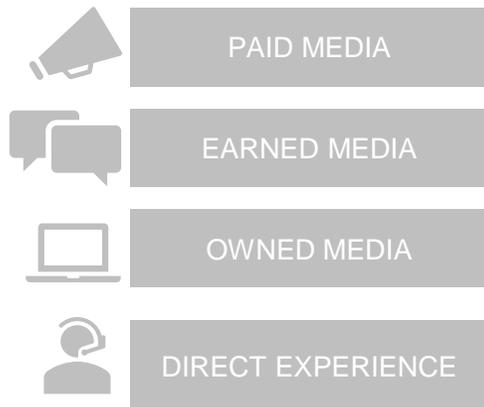
DO

BEHAVIORIAL INTENTIONS Reputation Outcome

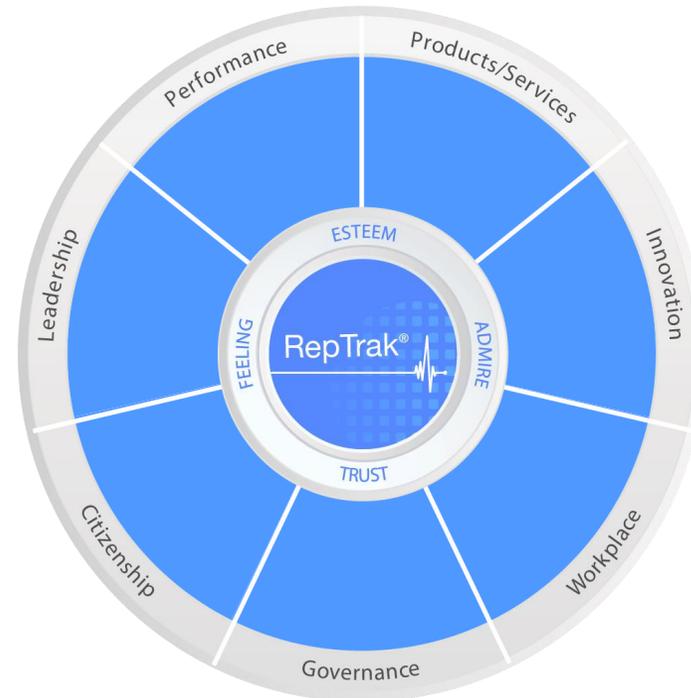


How Media Impressions Impact Reputation

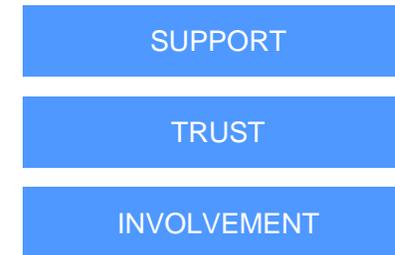
IMPRESSIONS



PERCEPTIONS



INTENT



KPIs



2019 US RepTrak® 100

167,000+

Individual ratings

680+

Nominated Companies

Informed
General Public

Somewhat or very familiar

Familiarity

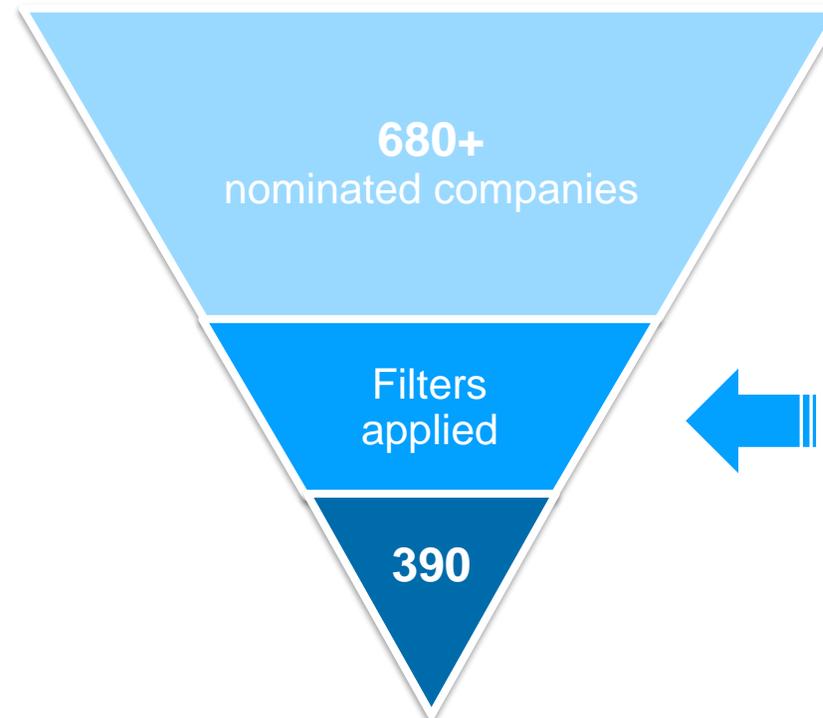
>30% among the general public

2 months

January-February 2019

“ The biggest ever reputation study in the United States. ”

Measuring over 2,200 companies in 2019 in the US, the following were eligible for the US RepTrak® 100 selection process...



Nomination criteria:

- Largest and most visible companies in the US
 - All other companies included in the Global RepTrak® 100

Filters applied:

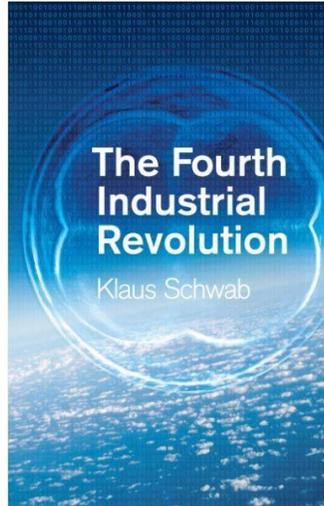
- Filter out companies with a familiarity <30% among the General Public in the US
- Filter out product brands
- Filter out companies with <\$1 Billion of revenue

Companies selected:

- 390 eligible companies for the US RepTrak® 100

Setting the Scene:
Welcome to the Age of 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 tensions, 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 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



The Penalty For Loss of Reputation is Severe

Uber

*“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: US RepTrak® 100



There was an increase in reputation versus the previous year:

+0.8 pts

(Compared to the 3.0 pts decline in 2018)

Significant difference > 1.0

Support Lags & Trust Has Yet to Be Regained

Support: 1.0% pts.

57.1% (top 100 average)

Trust: (3.3% pts.)

48.3% (top 100 average)

Involvement: 0.1% pts.

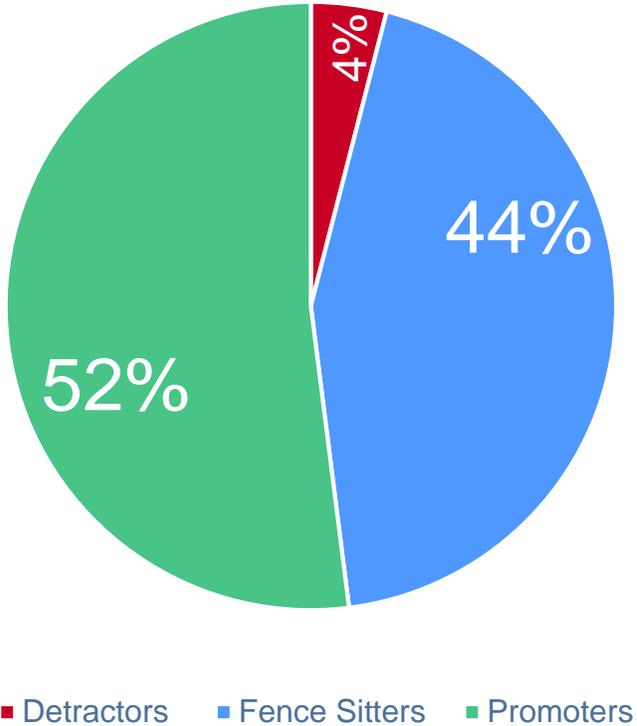
45.0% (top 100 average)



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

A Big Proportion of the Public Has Yet to Cast its Judgment

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



44% are “fence sitters” – they need additional assurance before they are willing to give their full support.

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

Building Assurance Among Fence Sitters Pays Dividends

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

+20.7 pts

Pulse Impact from Converting Fence Sitters to Promoters



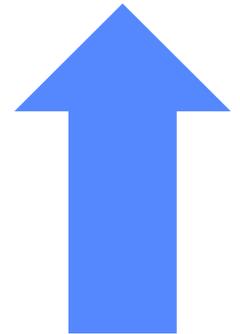
Note: Fence Sitters are those who are unsure and/or neutral in their support Significant difference > 1.0

*Digging Deeper:
US Macro Trends*

Rising Above Judgment in the US



- Focus on a holistic strategy
- Responsibility and Innovation
- Protect your brand value
- Manage local expectations
- Foster equal appeal
- Multi-channel opportunities



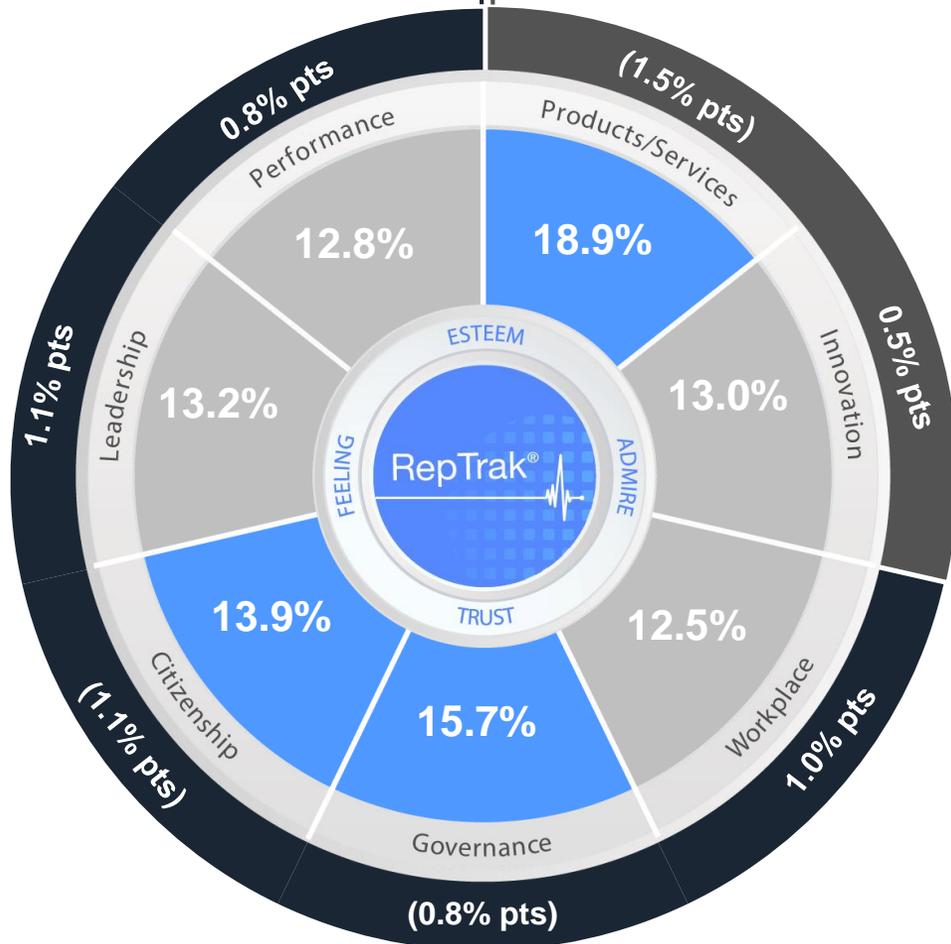
Focus on a Holistic Strategy

Increased responsibility for companies



Building Assurances Needs a More Comprehensive Strategy

68.1% Enterprise • Product 31.9%



The most impactful dimensions historically most impactful dimensions have slightly declined in importance.

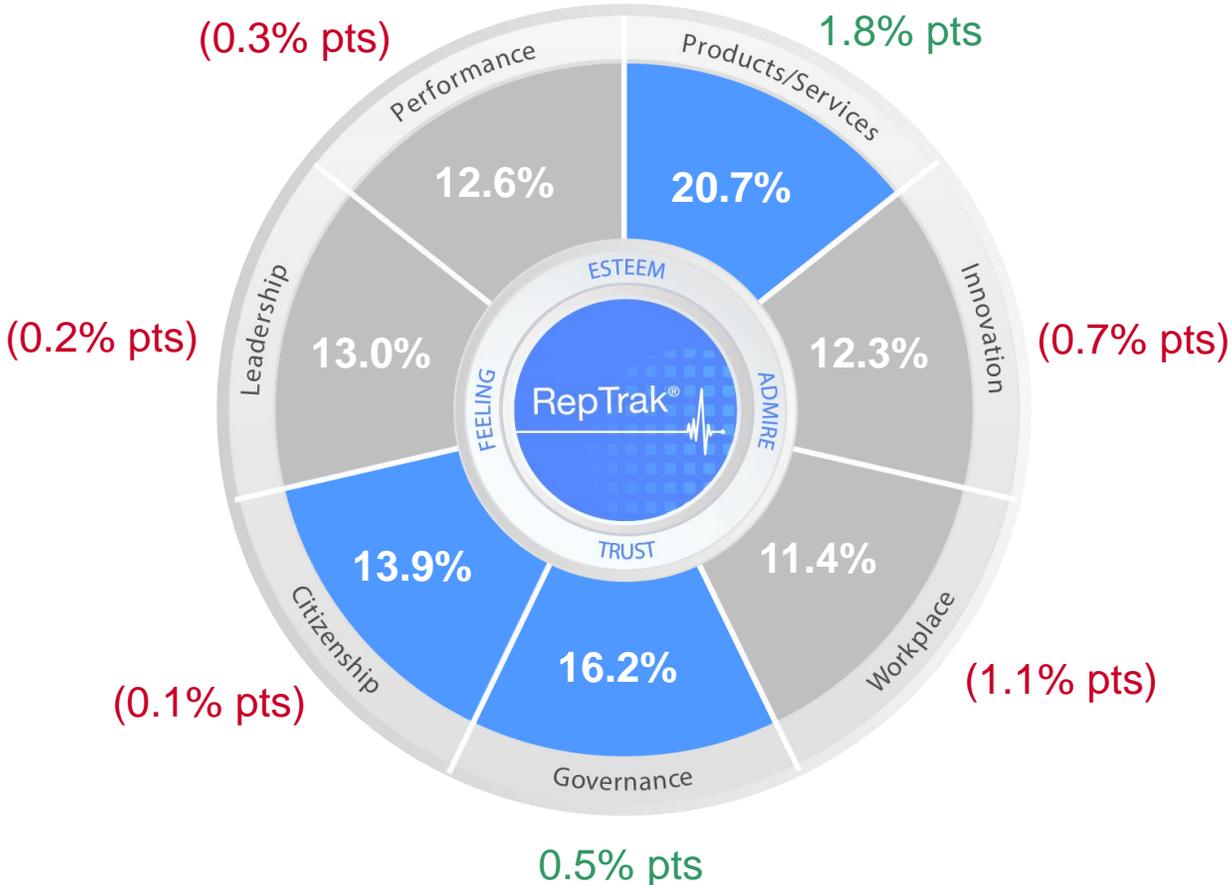
In a time of rebuilding trust, there is an added ask for a more comprehensive reputation building strategy.

This puts increased responsibility on companies to develop a more balanced approach.

Factor Adjusted
Regression
N = 40,691
Adj-R² = 0.66

Governance & Products Are Key Among Fence Sitters

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

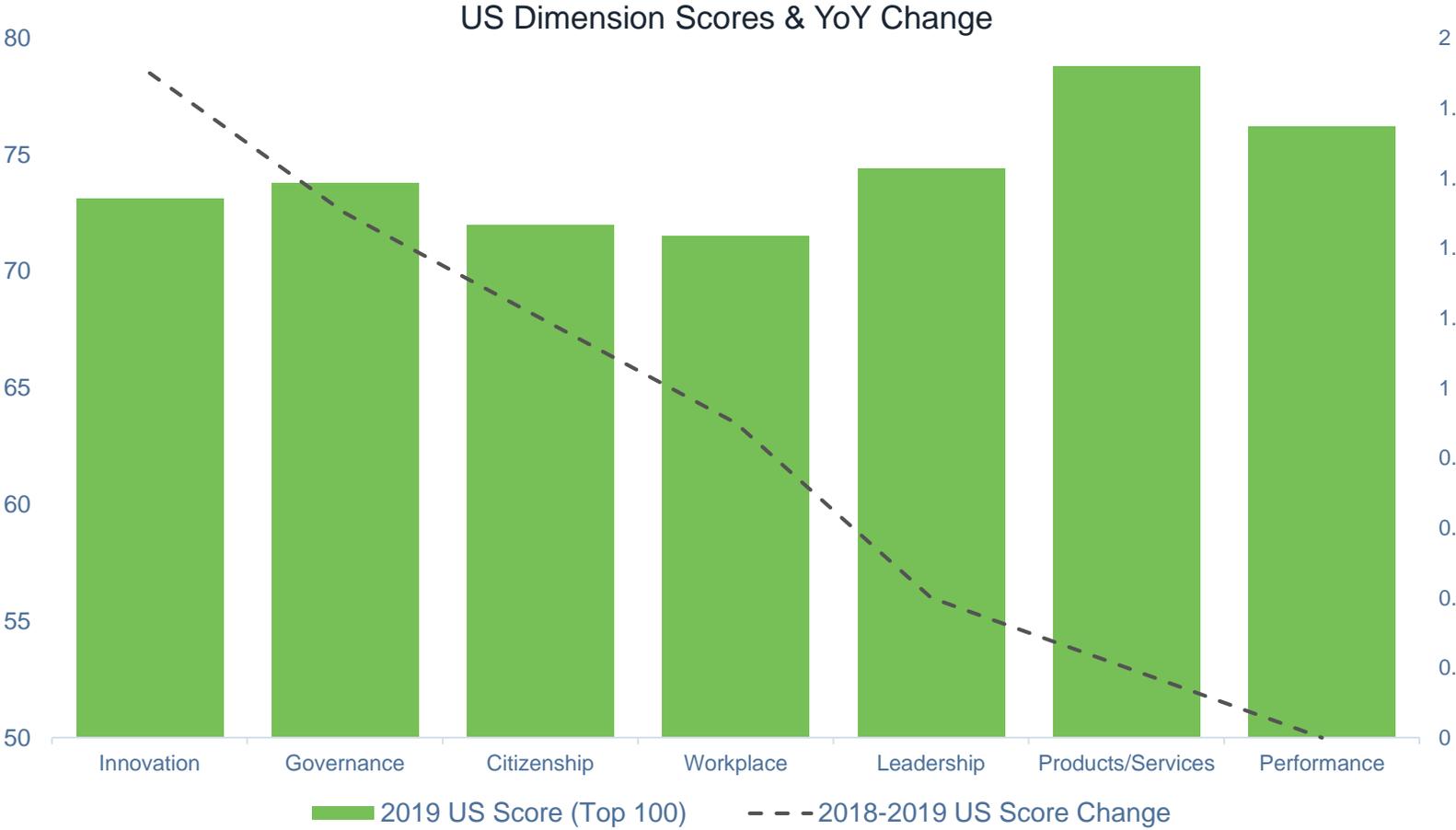


For Fence Sitters:
 Delivering on the dimensions
 of Governance and
 Products/Services is highly
 important.

Responsibility and Innovation

Be responsible, caring and innovative in your work

Increase in Innovation and CR Fueled Recovery



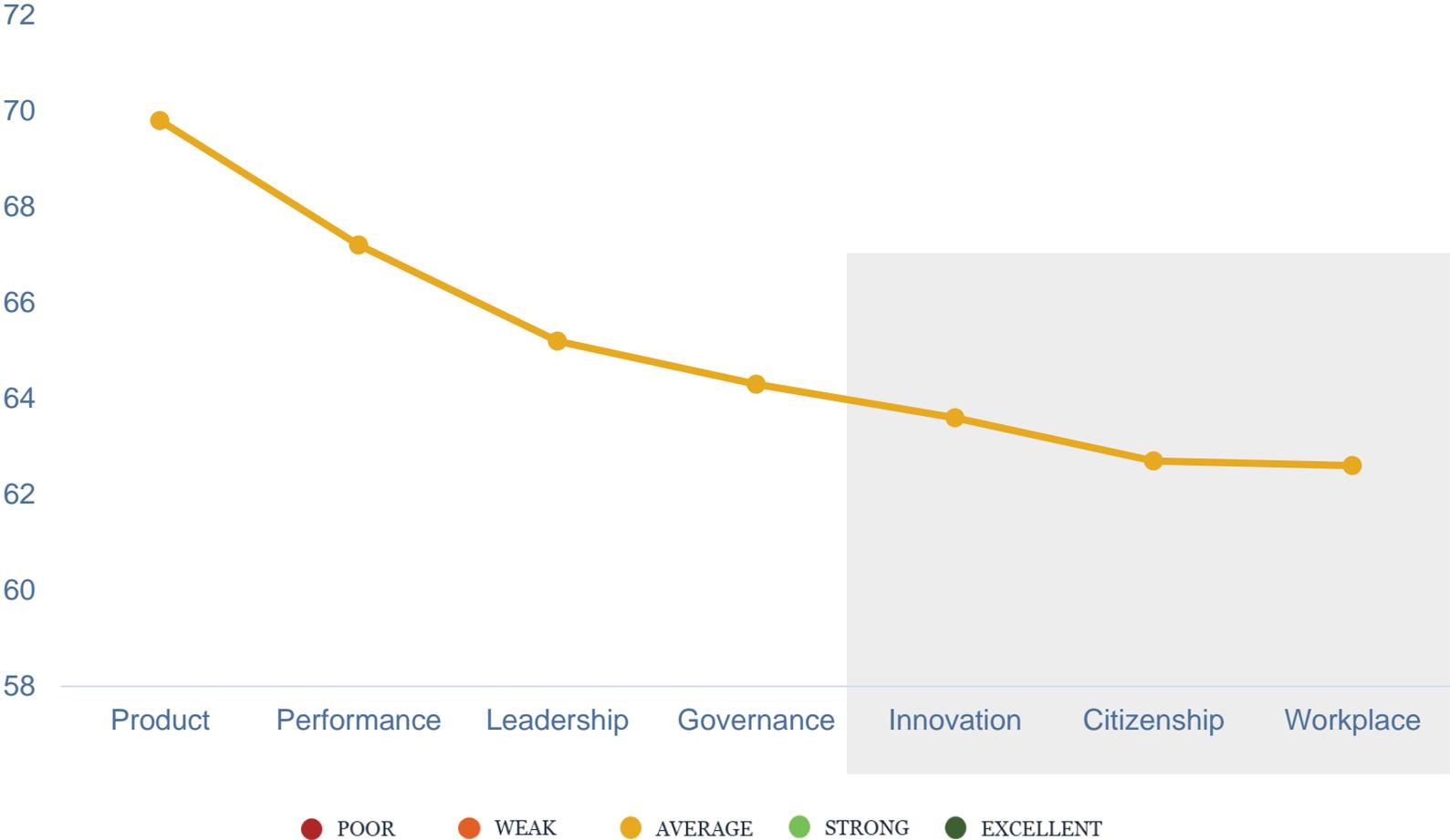
Reputation recovery is most driven by increases in Innovation and Corporate Responsibility – Workplace, Governance and Citizenship; but these are also some of the dimensions in which companies have the lowest scores, indicating a further opportunity

Significant difference > 1.0

- POOR
- WEAK
- AVERAGE
- STRONG
- EXCELLENT

Corporate Responsibility is a Priority for Fence Sitters

2019 US Reputation Dimension Scores for Fence Sitters



For Fence Sitters:
Corporate Responsibility dimensions – Governance and especially Citizenship, are areas in which companies need to deliver to win over fence sitters.

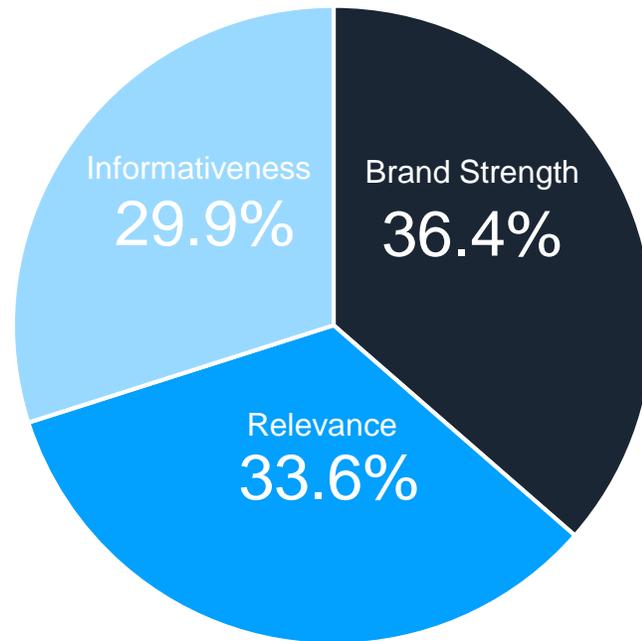
Protect Your Brand Value

Share your corporate narrative in a meaningful and informative way



Tap Into the Power of Brand Strength, Be Relevant

Expressiveness Weights

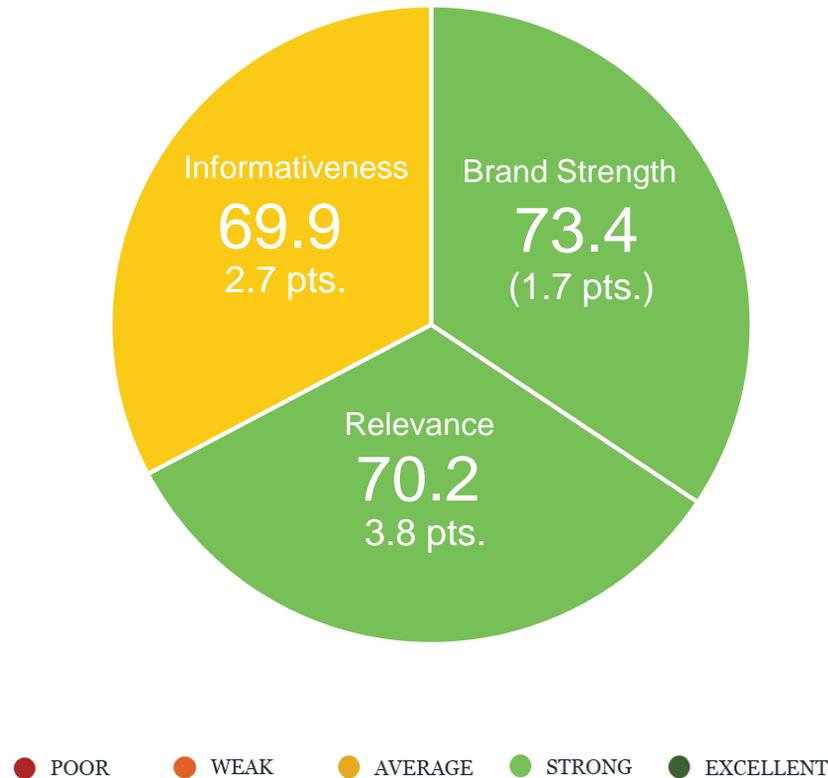


- **Brand Strength:** unique, consistent, genuine
- **Relevance:** relevant communication, open exchange, value alignment
- **Informativeness:** frequent / sufficient communication

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.

Companies' Corporate Narratives are Softening

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.**

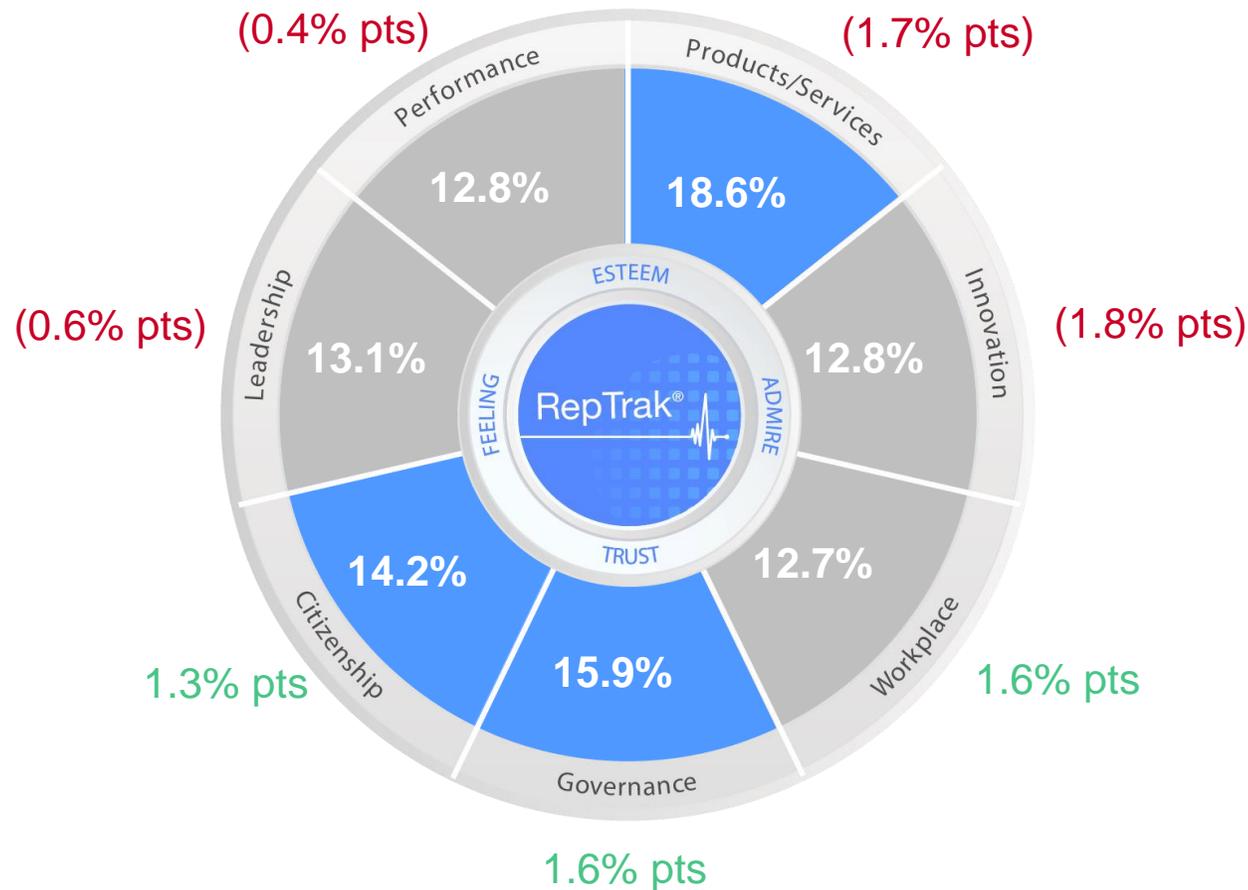
Significant difference > 1.0

Manage Local Expectations

Reputation dynamics for US vs. Non-US companies

Corporate Responsibility vs Product/Innovation

2019 Home Country Drivers (vs. Non-Home Country)

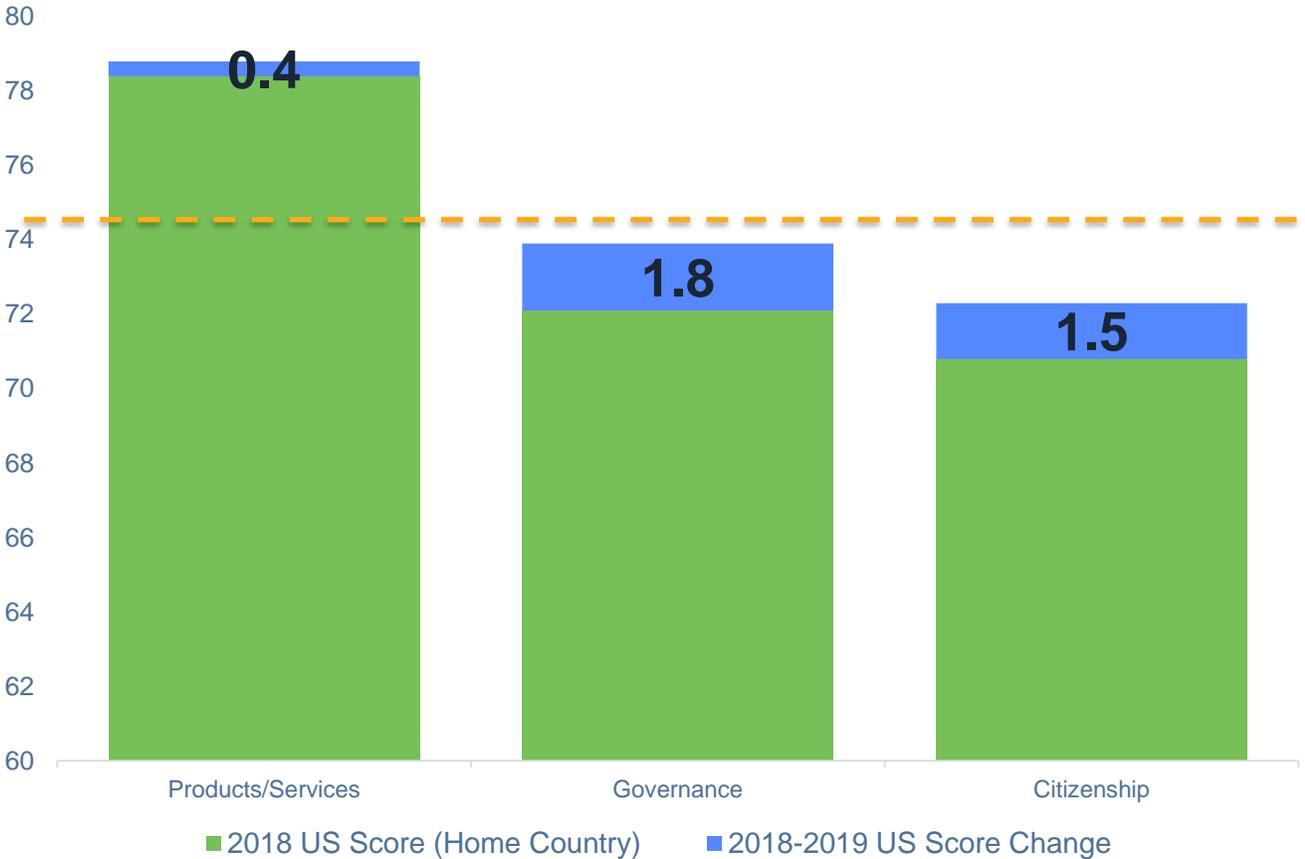


Products and Corporate Responsibility – Governance and Citizenship – are key in driving reputation for American companies.

For international companies – besides Governance, what matters most are companies’ Products and Innovation efforts.

US Companies: Improvements in Areas That Matter

US Dimension Scores & YoY Change for US 100 Companies



While still underperforming in Governance and Citizenship (compared to other dimensions), US companies see improvement in these areas since 2018, while Products remains stable.

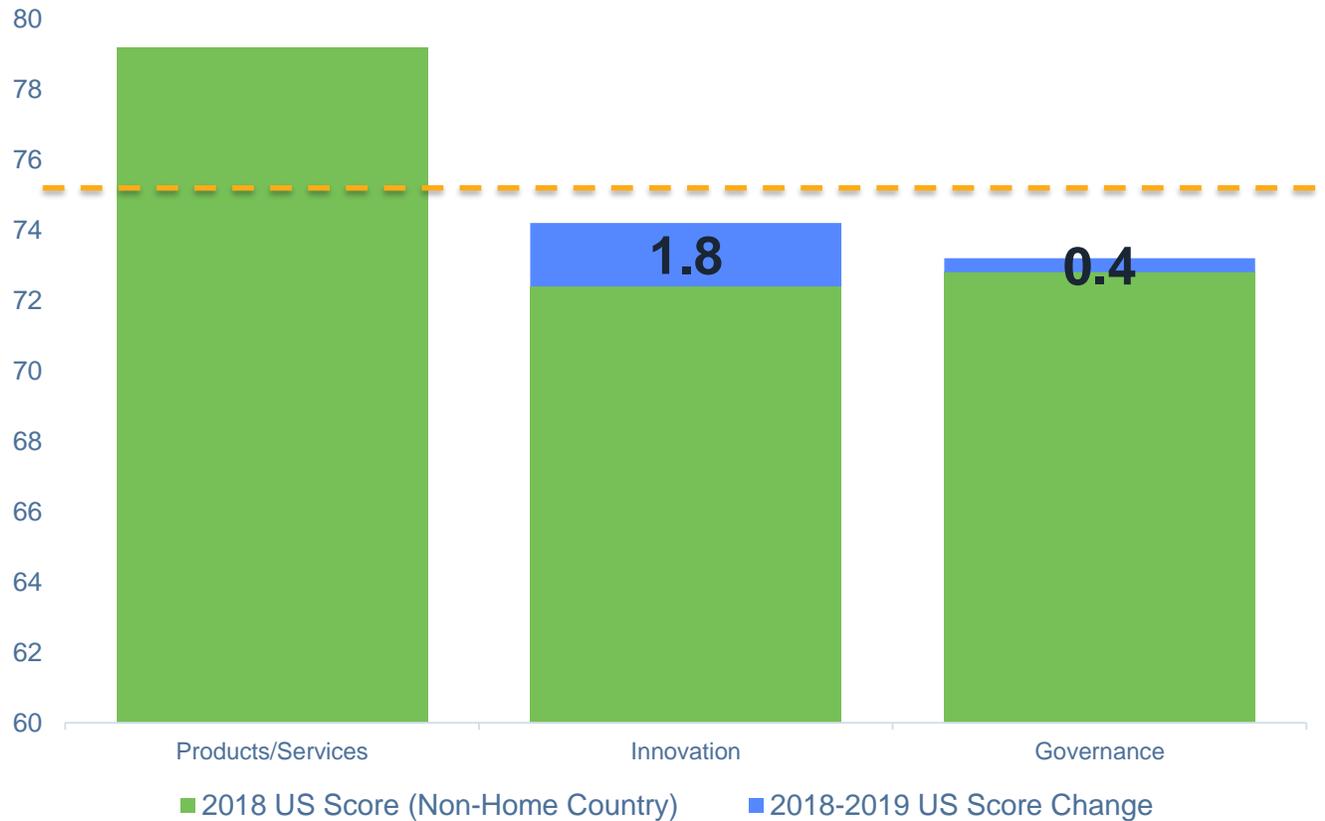
US companies are building assurance by delivering on key aspects of their business.

Significant difference > 1.0

- POOR
- WEAK
- AVERAGE
- STRONG
- EXCELLENT

International Companies: A Challenge in Governance

US Dimension Scores & YoY Change for International Companies
(within top 100)



International companies are doing above average when it comes to their Products and Innovation.

These companies see an improvement in Innovation; however, they lag in terms of delivering on Governance.

Significant difference > 1.0

● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

Foster Equal Appeal

Socially relevant and inclusive corporate value

Importance of a Socially Relevant Conversation

Score Difference Between Men and Women (Top 100)

Metrics	Women vs. Men (in top 100)
Reputation	1.7 pts
Average Dimension Score	1.1 pts
Expressiveness Index*	2.2 pts

In the birthplace of the #MeToo movement has created a heightened awareness around gender dynamics and companies are an important part of that narrative.

While the top 3 reputation dimension drivers (Products/Services, Governance, Citizenship) are the same for males and females in the US among the top 100, companies have been successful at taking action and fostering relevant conversation with women, resulting in higher scores among them as compared to men.

*Expressiveness is an average of the metrics of Brand Strength, Brand Relevance and Brand Informativeness Significant difference > 1.0

Foster Equal Appeal Among Men and Women

Reacting to and acting upon social changes is important; however, focus on one gender cannot be at the cost of the other.

While top performing companies are not more likely to have a balanced emotional attachment with both genders, those companies that have the biggest discrepancies make themselves the most vulnerable to shifting gender specific sentiment.

13.6 pts

difference in reputation between women and men for a company traditionally in the top 10, but now not even in the top 50



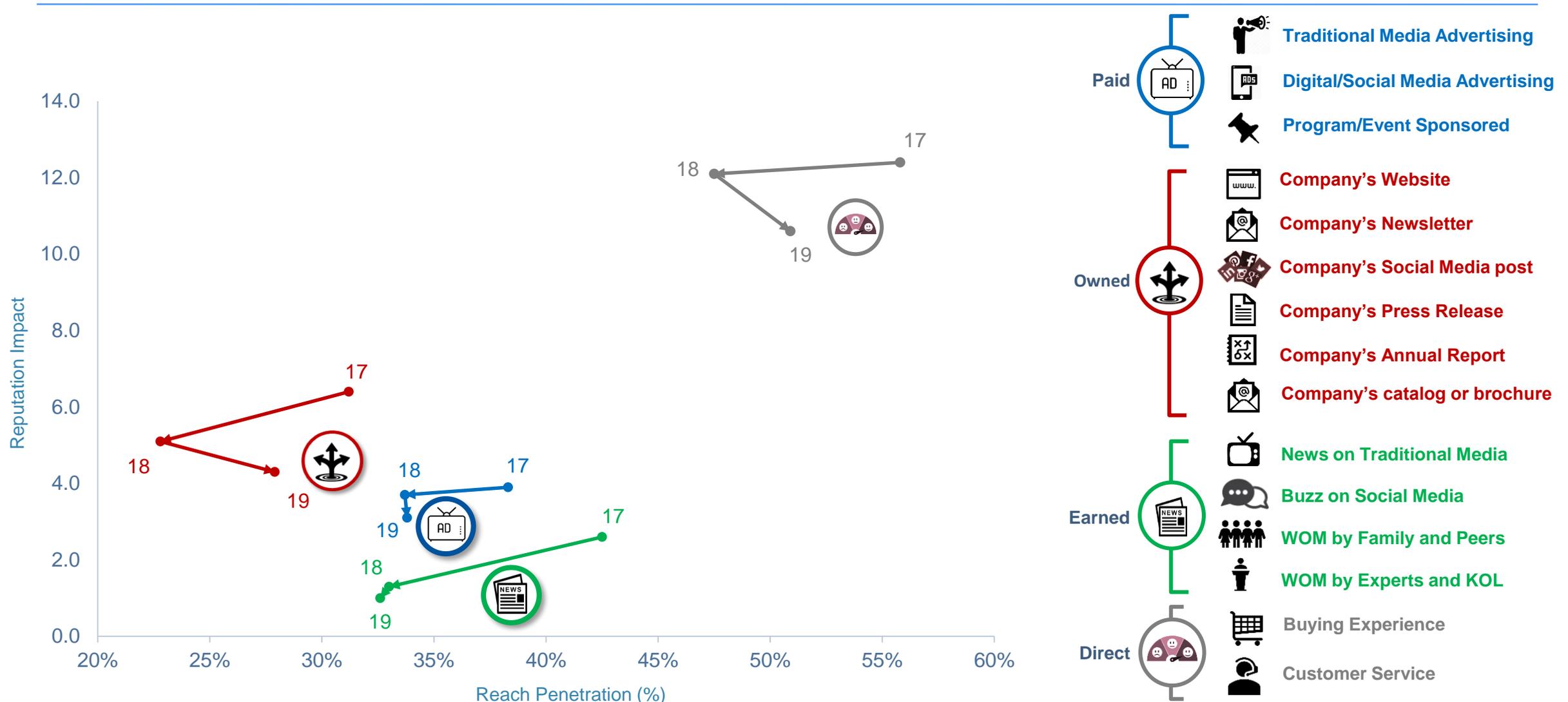
1.0 pts

difference in reputation between women and men for the #1 most reputable company in 2019

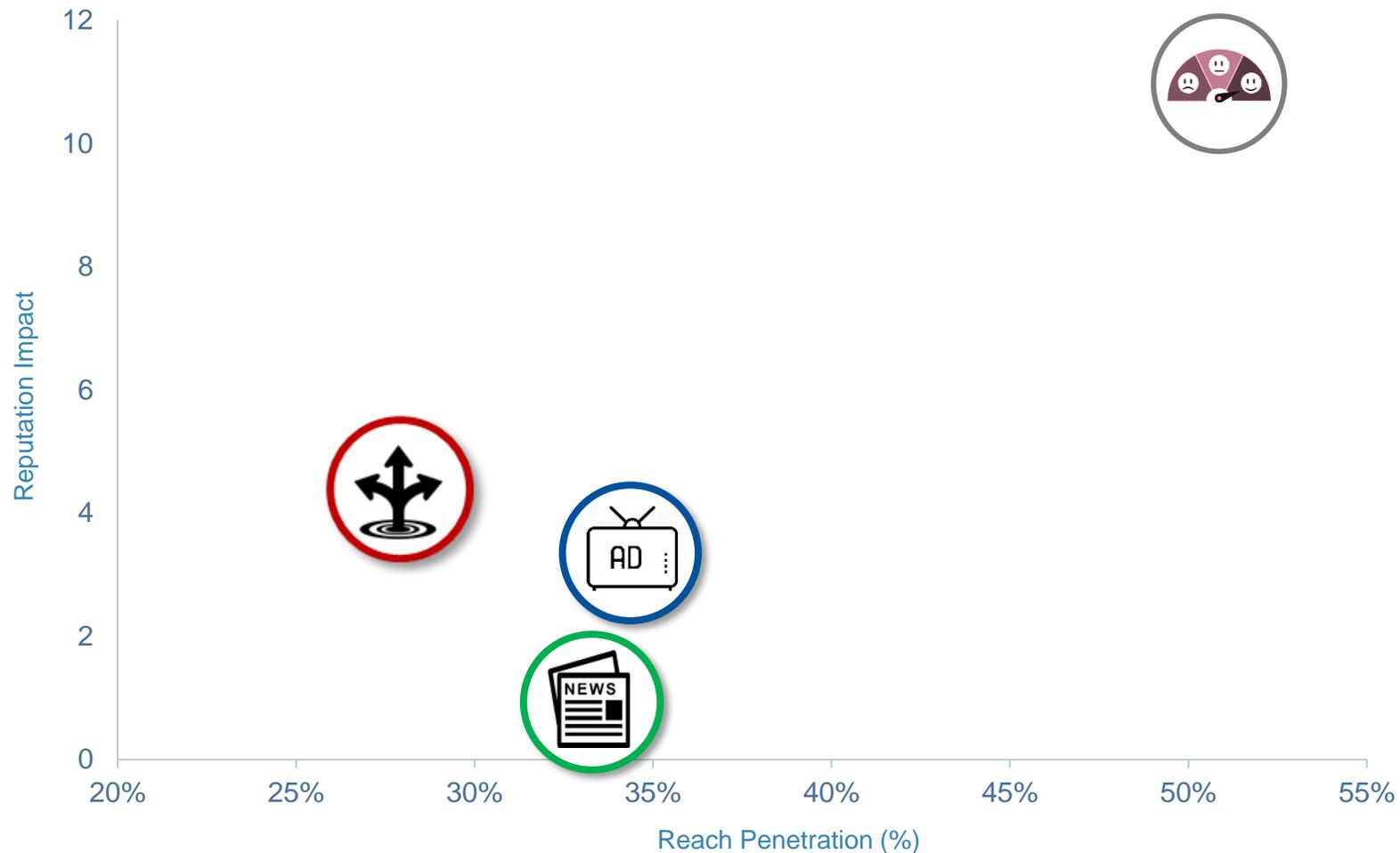
Multi-Channel Opportunities

Opportunity for reputation breakthrough

Recovery in Recall – Continued Breakthrough Challenge



Channel Strategy Needs to be Optimized



More reach – less resonance. As trust is declining, is your message breaking through to your audience?

Especially important to take control of the narrative as the net sentiment is becoming less positive and earned is still a huge concern.

Leverage your increase in direct reach to re-direct towards owned and paid media to have a positive conversation with the public

*RepTrak®:
Reveal of the 2019 US RepTrak® 100*

2019 US RepTrak® Top 10 Companies

Rank	HQ	2019
1	US	NETFLIX
2	US	HERSHEY'S
3	US	Whirlpool CORPORATION
4	CH	ROLEX
5	US	Mc
6	US	BARNES & NOBLE
7	US	Hasbro
8	US	COSTCO WHOLESALE
9	JP	Nintendo®
10	DK	LEGO

- Netflix rises to the number 1 spot for the first time.
- Whirlpool makes a jump from #33 in 2018, to the top 3 in 2019.
- Campbell's – last year's number 1 is no longer in the top 10.
- Amazon – after a multi-year reign is no longer in the top 10.

2019 US RepTrak® 100

1	NETFLIX	2	HERSHEY'S	3	Whirlpool CORPORATION	4	ROLEX	5	M	6	BARNES & NOBLE	7	Hasbro	8	COSTCO WHOLESALE	9	Nintendo	10	LEGO
11	NAVY FEDERAL Credit Union	12	Bass Pro Shops	13	Canon	14	BOSE	15	Disney	16	Borden	17	MATTEL	18	UNDER ARMOUR	19	Snap-on	20	Nikon
21	HANES Brands	22	HARLEY-DAVIDSON CYCLES	23	Kellogg's	24	TEXAS INSTRUMENTS	25	COLGATE-PALMOLIVE	26	Campbell's	27	MENARDS	28	Stanley Black & Decker	29	General Mills	30	UPS
31	Microsoft	32	carter's	33	LG	34	VISA	35	ACE Hardware	36	LOWE'S	37	Columbia Sportswear Company	38	fitbit	39	CROCKER BARREL Old Country Store	40	FOSSIL GROUP
41	ROLLS ROYCE	42	amc	43	USAA	44	AutoZone	45	Kroger	46	Albertsons	47	PUBLIX	48	CATERPILLAR	49	FRUIT OF THE LOOM	50	Cartier
51	Chick-fil-A	52	SAMSUNG	53	Kraft Heinz	54	amazon	55	TRACTOR SUPPLY CO	56	new balance	57	OSHKOSH	58	intel	59	LEVI STRAUSS & CO.	60	NIKE
61	SHERWIN-WILLIAMS	62	Hilton	63	FedEx	64	Dole	65	LONGHORN STEAKHOUSE	66	DELL	67	hp	68	BAYER	69	xerox	70	dunkin' brands
71	Marriott INTERNATIONAL	72	THE CLOROX COMPANY	73	Michaels	74	Adobe	75	The Coca-Cola Company	76	tripadvisor	77	Benjamin Moore Paints	78	LANDS' END	79	Del Monte Quality	80	BOSCH
81	ALDI	82	CVS	83	HYATT	84	GARMIN	85	MICHELIN	86	Red Lobster	87	iHeartMEDIA	88	LA Z BOY	89	Samsonite	90	GOODYEAR
91	CINEMARK CENTURY THEATRES. Cineplex. Imax	92	Panera BREAD	93	RALPH LAUREN	94	CONAIR	95	BED BATH & BEYOND	96	IBM	97	Shutterfly	98	Spotify	99	MetLife	100	L.L.Bean

● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

It's Been a Reputationally Challenging Year For...

You might try *searching*, but you won't find Google in the 2019 US top 100 ranking. A long-time member of the US 100, for the first time ever Google doesn't make the cut. Dropping by a whopping 63 spots, in 2019 Google finds itself at #119.



Amazon has been in the Top 10 US most reputable companies for the past 8 years, and it has claimed the lead four times – and reigned supreme from 2014 to 2017. In 2019, not only are they not in the top 10, they don't even make the top 50. Amazon's new spot: 54.



The darling of the millennial generation has further fallen from grace. Ranked between Phillip Morris and The Trump Organization, Facebook is second to last in rank at #389, with a withering reputation.



After a politically and socially charged year, Nike is no longer the 2nd most reputable company in the US. For Nike it's a love lost story with its reputation dropping 6.3 pts driven by increasingly polarizing corporate values.



Reputation High Performers

Netflix emerges as the most reputable company in the US, for the first time ever. Ranked 23rd in 2018, the pioneering media-services, turned content creator company climbs back up into the top 10 and takes the coveted #1 spot.



The return of the OG tech-giants. While technology companies are still on trial, Microsoft and Dell have embraced the opportunity. In 2019, Microsoft's reputation increases by an outstanding 7.7 pts, and Dell follows suit with a 5.6 pts, both moving to a strong reputation.



It's the battle of the home improvement stores. While Home Depot's reputation declined significantly – 3.1 pts. – Lowe's recovery is 2x that of its competitor's decline. In 2019 Lowe's ranking went up 91 spots and its reputation inched closer to the excellent range.

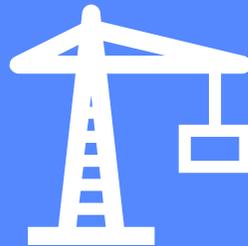


Albertsons' efforts to be tech-forward through its partnership with Microsoft, and its commitment to sustainability, is paying off. Albertsons now has a strong reputation and its innovation & citizenship scores have increased by 10.6 pts and 7.7 pts, respectively.



Reputational Industry Dynamics in 2019

The energy industry – traditionally on the bottom of the reputational ladder is seeing big improvement globally. The same is true for the US, where the sector jumped 3 spots in the industry ranking, and more importantly moved its reputation from weak to average.



A bumpy reputational road for the automotive industry. In 2019, this industry significantly dropped in rank – from #3 to #9. This decline in rank is brought on by the fact that the industry has lost its strong reputation standing.



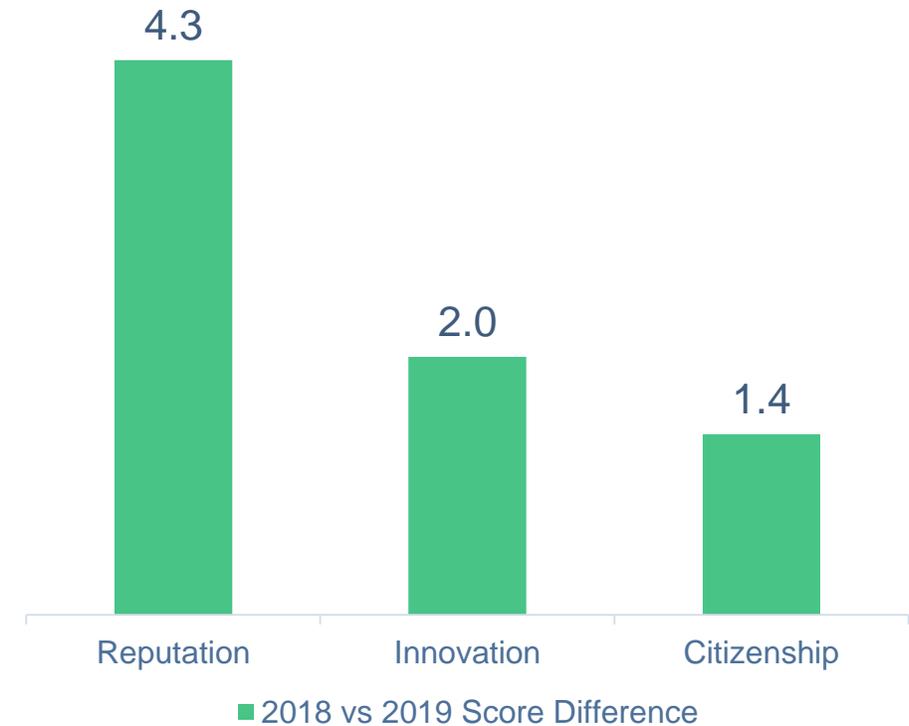
*Reputation Spotlights:
Learning From Key Companies*

Netflix: From Our Mailbox To the Reputational Red Carpet

NETFLIX

- Netflix has grown into a global power brand with almost 139 million subscribers worldwide.
- With its global expansion, Netflix's reputation has significantly increased by +4.3 pts in 2019 and placed it in the #1 spot.
- Along with its reputation improvement, the company saw a positive shift in the perception of its efforts to innovate and to be a good corporate citizen.

Netflix's Reputation and Dimension Changes (2018-2019)



Significant difference > 3.0

Transforming But Always Doing What's Right

“We’re really mostly a content company powered by tech.”

Reed Hastings, Netflix CEO

(CNBC)



- Netflix placed heavy emphasis on shifting roles from content aggregator to that of a content creator.
- The company invested heavily in producing its own original content, to much critical and public acclaim.



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 and the financial costs that followed.

Whirlpool - Living by Its Higher Purpose

- In 2018, Whirlpool introduced more “smart appliances” with partnerships with Google and Apple.
- Whirlpool creates these products with the customer in mind, with the explicit goal of making their everyday lives easier.



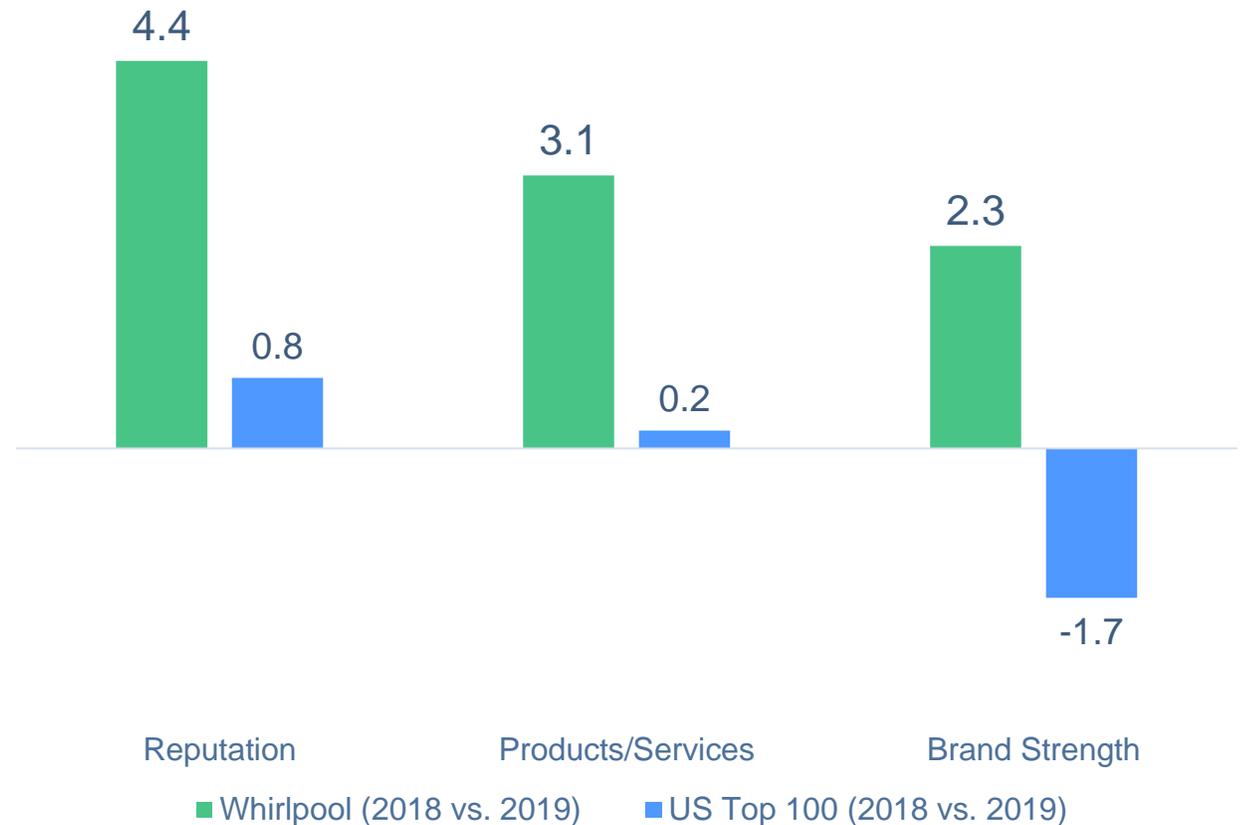
“We create purposeful technology that helps free up your schedule for what really matters. We feel that our products should positively impact your life right now, otherwise it’s just technology for the sake of technology. Our brands and products help you appreciate today with an eye towards tomorrow.”



Whirlpool is Front Loading on Reputational Equity

- Whirlpool's genuine and consistent customer-centric corporate purpose has resulted in a unique competitive advantage and helped improve the general public's perception of the company.
- In a time when the public increasingly struggles with identifying what companies stand for, Whirlpool has bucked the trend with high brand strength improvement.

Whirlpool and US 100 Reputation, Products & Brand Changes (2018-2019)



Significant difference > 3.0 for Whirlpool; >1.0 for the US Top 100

Barnes & Noble: Back to the Future

- In a digital era, Barnes & Noble is a relentless proponent of the human element.
- Whether it is story time for children, the midnight Harry Potter book releases, or an employee helping a customer pick out a good read, Barnes & Noble has always had the human connection.



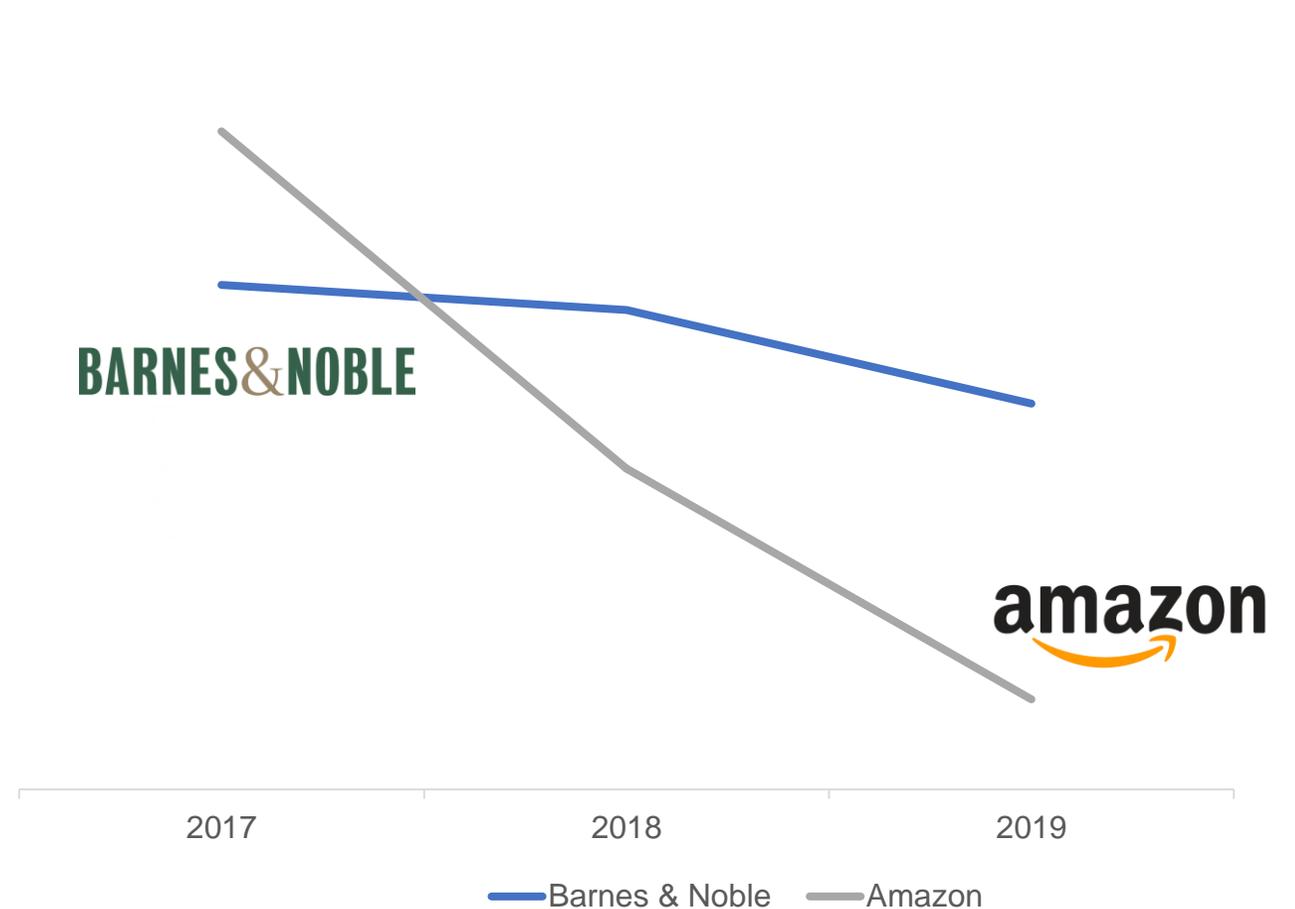
“The plan will center on how to better serve our customers, re-imagine our bookstores in the form of a smaller footprint and a return to our bookselling roots, with a greater emphasis on books.”

[Leonard Riggio, Founder and Chairman of Barnes & Noble, on the company's future plans](#)

Barnes & Noble is Leading With the Heart

- Barnes & Noble has established an emotional connection with its customers that has helped maintain its excellent reputation since 2017.
- Barnes & Noble keeps the human connection in its business, unlike its competitor Amazon.com who no longer has an excellent reputation.

Reputation Trend for Barnes & Noble and Amazon (2017-2019)



Judgment Passed on Technology Companies in the US

“Today’s **big tech companies have too much power** — too much power over our economy, our society, and our democracy,” Warren wrote. “They’ve bulldozed competition, used our private information for profit, and tilted the playing field against everyone else. And in the process, they have hurt small businesses and stifled innovation.” ...” “big, structural changes to the tech sector to promote more competition.” Those overhauls would include **“breaking up” Amazon, Facebook and Google — companies that have come under scrutiny for user data security** and consolidation of services such as e-commerce and digital advertising.”



Source: CNBC, Elizabeth Warren Pushes to Break up Companies Like Amazon and Facebook

Amazon: Doing All Of the Right Things

- From a current business perspective Amazon is doing all of the right things – expanding in all industries – and making its CEO the richest man in the world
- Amazon is delivering on its promise – to focus on consumerism and ease of purchase – and that is reflected in their scores

“Our vision is to be earth's most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online”

Amazon vision & mission statement

3.8 pts.

average change in reputation dimension scores

Highest increases in innovation and financial performance (>5.0 pts)

2.3 pts.

change in brand strength

Significant difference > 3.0

The Mind Says One Thing, But the Heart Says Another...

- While Amazon gets credit based on its performance merits, it falls short on translating the latter into a stronger reputation.
- Amazon is struggling to make headway in establishing a strong connection between its corporate values and those of the general public which go above and beyond product availability and purchase convenience.
- The weakening of Amazon's reputational buffer exposes the company to a multitude of risks in times of crisis.

(3.1 pts.)
change in reputation

(0.2 pts.)
change in brand relevance
Compared to a 3.8 pts increase for the US 100

Significant difference > 3.0

The Company That Could Do No Wrong, Doing Wrong

- 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’s Governance practices and transparency
 - The EU fined Google for the 3rd time in March 2019

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TECH

Google Agreed to Pay \$135 Million to Two Executives Accused of Sexual Harassment

The disclosure of payments to Andy Rubin and Amit Singhal came in a civil shareholder lawsuit

Europe hits Google with a third, \$1.7 billion antitrust fine

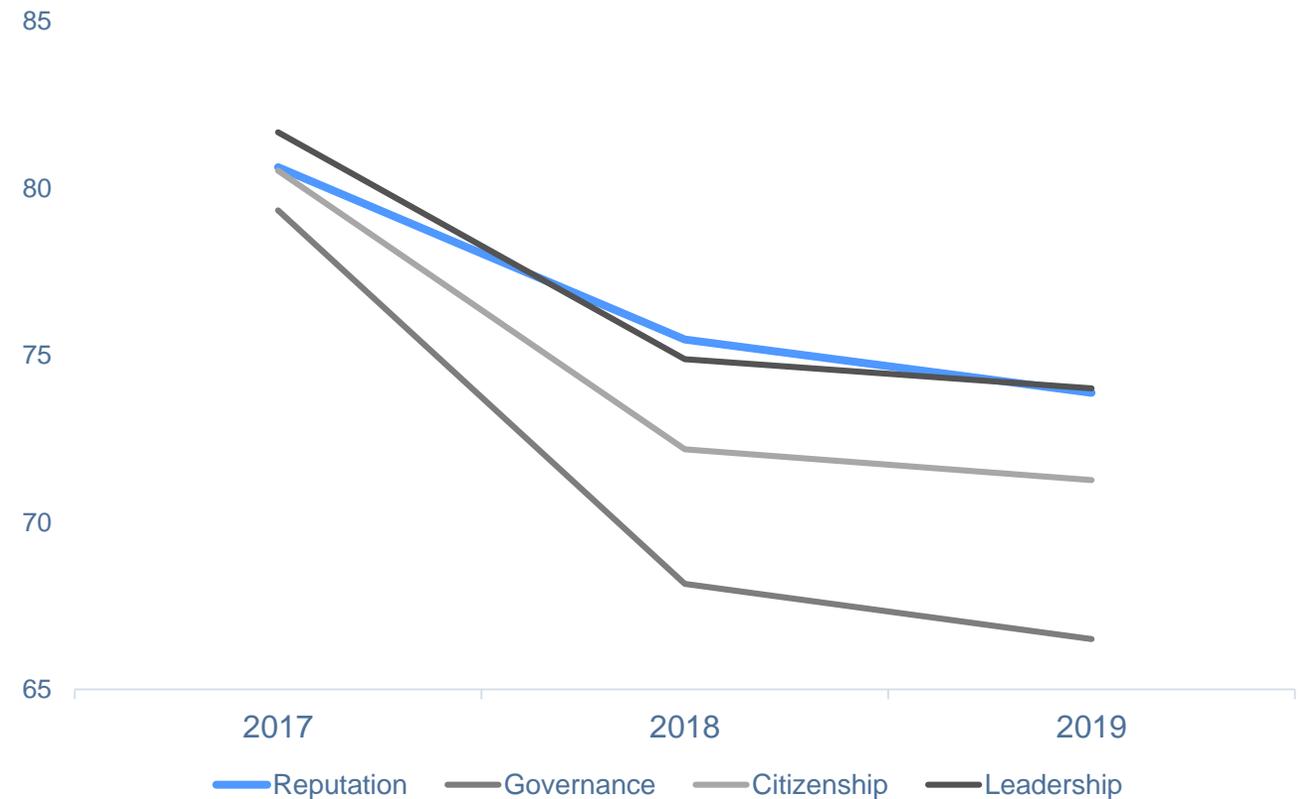
U.S. MILITARY

Top US general says Google 'is indirectly benefiting the Chinese military'

From Search Engine To Global Corporate Citizen

- Google has dropped out of the US 100 most reputable companies.
- As Google has claimed its spot as one of the world's top companies (Alphabet and Google's market cap stands at \$722.77 billion), the public is now judging the company on its position as a global corporate citizen.
- Over the past 2 years, there has been a downward trend when it comes to Google's reputation, leadership and CR metrics.

Google's Reputation and Key Dimension Scores in the US (2017-2019)



Significant difference > 3.0

From Fake News to All Around Bad News



Facebook: Our AI failed to catch the New Zealand shooter video

CNN.com

5 hours ago



Zuckerberg's testimony to Congress, April 2018



Facebook says it left 'hundreds of millions' of user passwords unencrypted

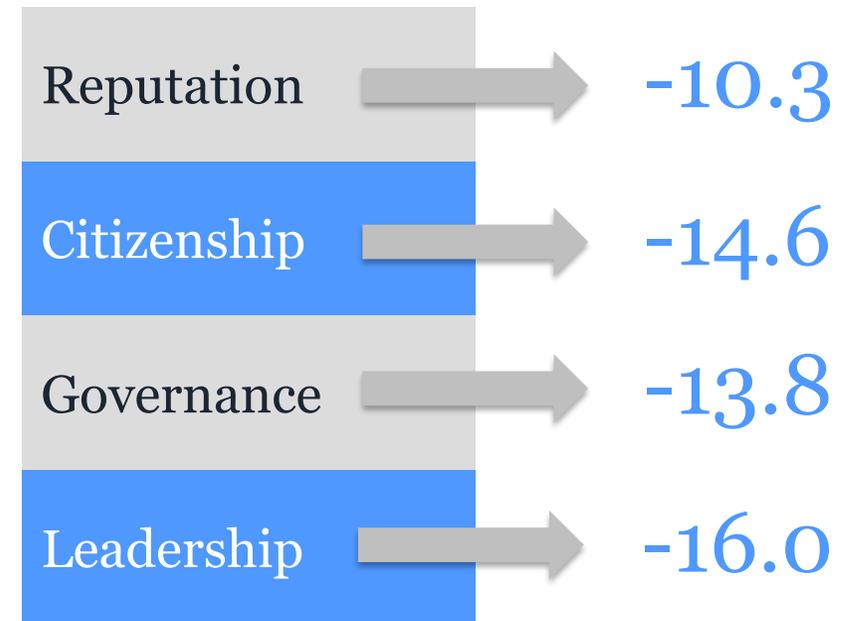
NBC News

4 hours ago

Facebook Reputational Freefall Has No End in Sight

- Facebook did not make it into the top 100 companies in the U.S. Reptrak – it made the bottom of the list.
- Data breaches, failure to prevent illicit data harvesting, and weak leadership in 2018 resulted in large declines for Facebook.
- These issues caused double digit decreases in Facebook's overall reputation, citizenship, governance, leadership, and data privacy pulse scores in 2019.

Facebook Reputation and Dimension Scores YoY Change

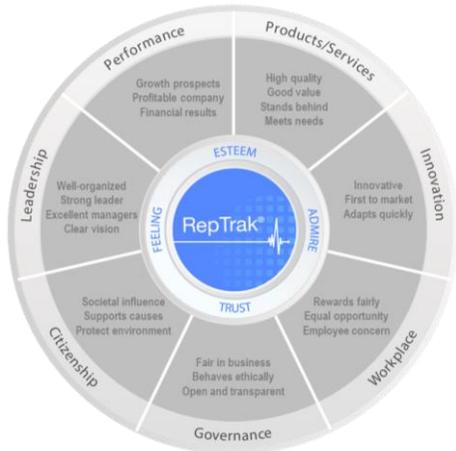


Significant difference > 3.0 for reputation and dimensions

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**
- You will get an **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

www.reputationinstitute.com

#GlobalRepTrak100

@shahngriff

@Reputation_Inst

Appendices:
Other support slides

Shifting US Industry Dynamics

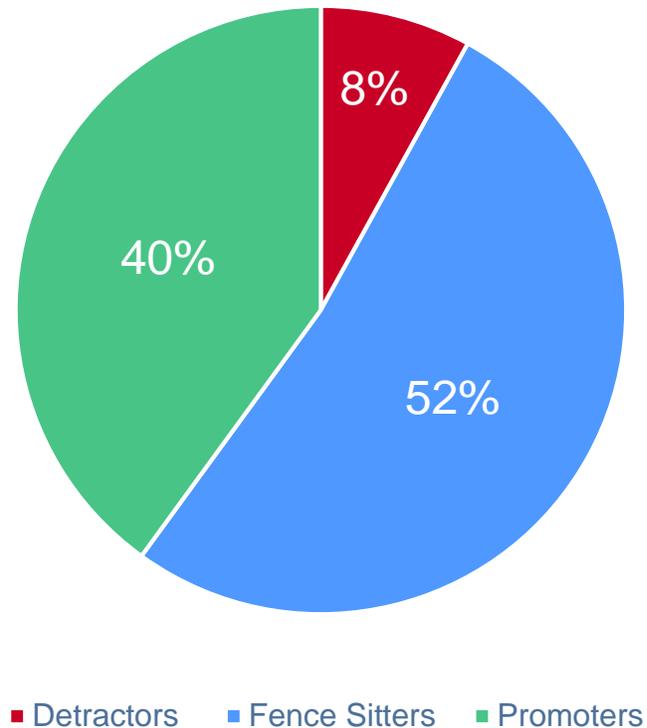
- Consumer comes in 1st place, while the Telcom industry is in last.
- The biggest rank improvements are for Transport and Information – moving from average to strong.
- Energy has improved its reputation from weak to average.
- Automotive has the single biggest rank decline among industries (-6 rank points) – going from a strong to an average reputation.

Rank		2019
1		Consumer
2		Food & Beverage
3	↑+4	Transport
4		Retail
5	↑+1	Hospitality
6	↓-1	Technology
7	↑+4	Information
8		Services
9	↓-6	Automotive
10		Financial
11	↓-2	Healthcare
12	↑+3	Energy
13	↓-1	Pharmaceuticals
14	↓-1	Airlines
15	↓-1	Telecommunications

● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT

Global: 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.

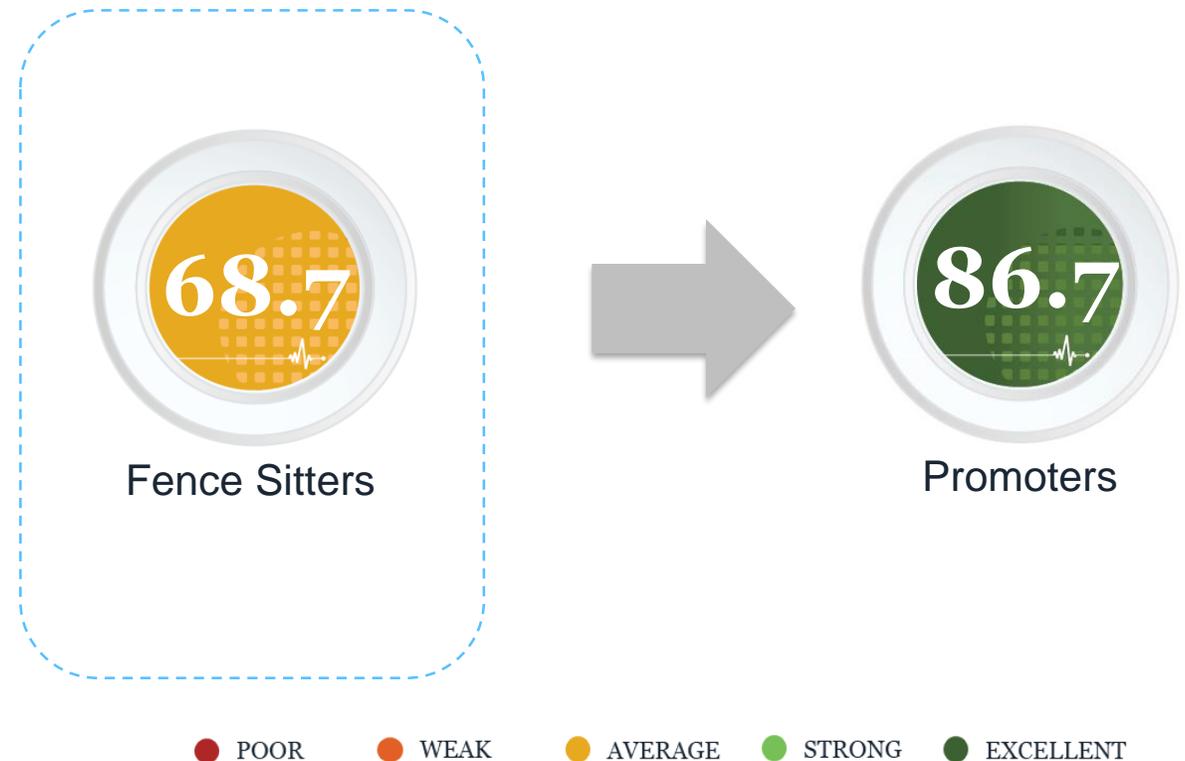
Note: Fence Sitters are those who are unsure and/or neutral in their support

Global: Building Assurance Among Fence Sitters Pays Dividends

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

+18.0 pts

Pulse Overlay- Impact of Benefit of the Doubt



Note: Fence Sitters are those who are unsure and/or neutral in their support Significant difference > 0.9