CYBERCRIME AND CORPORATE REPUTATION:
BUSINESS, GOVERNMENT, AND PUBLIC PERSPECTIVES

Marloes Klop
Possibly the biggest cybercrime hack in history affects over 500m Yahoo users.

Los Angeles hospital returns to faxes and paper charts after cyberattack

Cybercriminals hold German hospitals to ransom.

TalkTalk profits halve after cyber-attack

Hackers can control Nissan Leaf’s heating and access driving history

HSBC suffers online banking cyber-attack

Bank of England governor subject of $6.5m text scam
A company’s **reputation** is at the heart of the threat.

Objectives of cybercrime often go beyond financial gains – **reputation** is a direct target: the aim is often to embarrass the victim.
Over the next 10 mins I’ll show you...

Key insights from new, exclusive Ipsos MORI research on views of cybercrime as a threat to a company’s reputation among:

1. Senior corporate communicators
2. MPs and Business & Finance journalists
3. The public
HOW DO CORPORATE COMMUNICATORS PERCEIVE CYBERCRIME?

Members of Ipsos MORI’s Reputation Council
They identify it as a major **reputational threat**

- **Cyber security breach**: 42%
- **Poor quality products/services**: 42%
- **Malpractice by staff**: 27%
- **Poor customer service**: 26%
- **Mistreatment of the environment**: 17%
- **False claims in marketing/communications**: 17%
- **Mistreatment of local communities**: 13%
- **Mistreatment of staff**: 10%

Q. From the following list, please tell me which two you feel are the greatest threat to your organisation's reputation?

Base: All Reputation Council members that answered question (96)

Source: Ipsos MORI
"It keeps me up at night. Whichever industry you are in, you are absolutely not untouched by cyber criminals."

"When the IT guy calls me there is a good chance he will tell me something that I don’t really understand."
WHAT ARE THE VIEWS OF MPs AND BUSINESS & FINANCE JOURNALISTS?
As among corporates, cybercrime ranked as a top reputational threat

<table>
<thead>
<tr>
<th>MPs</th>
<th>% Top mentions</th>
</tr>
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<tbody>
<tr>
<td>Poor quality products/services</td>
<td>48</td>
</tr>
<tr>
<td><strong>Cyber security breach</strong></td>
<td>40</td>
</tr>
<tr>
<td>Poor customer service</td>
<td>38</td>
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<tr>
<td>False claims in marcomms</td>
<td>25</td>
</tr>
<tr>
<td>Malpractice by staff</td>
<td>14</td>
</tr>
<tr>
<td>Mistreatment of local communities</td>
<td>11</td>
</tr>
<tr>
<td>Mistreatment of staff</td>
<td>6</td>
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<tr>
<td>Mistreatment of the environment</td>
<td>3</td>
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<tr>
<td>Don't know / no opinion</td>
<td>5</td>
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<td>Malpractice by staff</td>
<td>20</td>
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<tr>
<td>False claims in marcomms</td>
<td>16</td>
</tr>
<tr>
<td>Mistreatment of the environment</td>
<td>7</td>
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<tr>
<td>Mistreatment of local communities</td>
<td>5</td>
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<tr>
<td>Don't know / no opinion</td>
<td>0</td>
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Base: All MPs (102), All Business Journalists (81) asked, Summer 2016

Source: Ipsos MORI
If they can't secure your data *why would you trust them with anything else?*

It is something that *can affect a company overnight*. Poor service, poor products or false claims can have an effect over a period of time. If you have a cyber security breach, *your reputation can be in tatters the next day*.

Plainly *they don’t know how vulnerable they are* and that’s why it’s the worst of those threats.
Perception that businesses take the issue seriously, BUT...don’t understand it

MPs  Business & Finance journalists

Priority of cyber security

High: 66%

- % Very high: 9
- % Fairly high: 20
- % Fairly low: 25
- % Very low: 46

High: 76%

- % Very high: 2
- % Fairly high: 22
- % Fairly low: 25
- % Very low: 51

Senior management’s understanding of the risks posed by cybercrime

Not good: 53%

- % Very well: 11
- % Fairly well: 5
- % Fairly low: 38
- % Not at all well: 42

Not good: 55%

- % Very well: 6
- % Fairly well: 10
- % Fairly low: 33
- % Not at all well: 49

Base: All MPs (102), All Business Journalists (81) asked, Summer 2016
How should companies **respond to the threat?**

- **Invest in/improve security/prevention**: 56%
- **Be communicative/inform the public of the situation/action taken**: 28%
- **Cyber security needs to be taken seriously/pushed up the agenda**: 17%
- **Collaborate with others/specialists/regulators/police/Gov**: 16%
- **Improve understanding of the internet/cyber crime/threats**: 20%
- **Recruit staff to deal with cyber security**: 21%

**Base:** All MPs (102), All Business Journalists (81) asked, Summer 2016 – ranked by MPs.
People have to gear up, it is becoming a greater threat and companies have got to get more expertise in place to tackle it.

They need to invest and carry on investing because it morphs all the time.
And the government?

Do you think the government needs to do more on this issue?

MPs

Business & Finance journalists

Base: All MPs (102), All Business Journalists (81) asked, Summer 2016

Ipsos MORI
What steps should the government take?

- Guidelines/education/support for companies: 43 MPs, 42 Business & Finance journalists
- Collaborate with consumers/the public/companies: 29 MPs, 19 Business & Finance journalists
- Increase budgets/investment in cyber security: 21 MPs, 5 Business & Finance journalists
- Regulation/legislation: 20 MPs, 17 Business & Finance journalists
- Raise awareness of the issue of cyber security: 18 MPs, 20 Business & Finance journalists
- The government needs to lead/take responsibility: 18 MPs, 0 Business & Finance journalists

All MPs (75) and all Business Journalists (59) who think that the government needs to do more on cybercrime issues, Summer 2016 – ranked by MPs

Ipsos MORI
WHAT ARE THE VIEWS OF THE PUBLIC ABOUT HOW COMPANIES DEAL WITH CYBERCRIME?
Trust is an issue...

I trust most large companies to keep their customers' data secure

Q. To what extent do you agree or disagree with the following statements?
Base: 2,000 GB adults 18-65, September 2016

Source: Ipsos MORI
... and concerns might materialise in a boycott after a hack

I am **concerned** that cybercrime could affect my bank account and other financial holdings

There are more important things than cybercrime for financial services companies to address

If a financial services company was a victim of cybercrime, it would make me unlikely to use that company in the future

Q. To what extent do you agree or disagree with the following statements about cybercrime in the financial services sector?

Base: 1,007 GB adults 18-65, March/April 2016

Source: Ipsos MORI
### Have you ever stopped using a company for any of the following reasons?

<table>
<thead>
<tr>
<th>Reason</th>
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<tbody>
<tr>
<td>Providing a poor service</td>
<td>46%</td>
</tr>
<tr>
<td>Unfair fees / hidden charges</td>
<td>28%</td>
</tr>
<tr>
<td>Avoiding paying tax / misreporting financial performance</td>
<td>21%</td>
</tr>
<tr>
<td>Treating workers unfairly, e.g. paying below min wage / insecure contracts</td>
<td>17%</td>
</tr>
<tr>
<td>Exploiting overseas workers</td>
<td>13%</td>
</tr>
<tr>
<td>Damaging the environment</td>
<td>13%</td>
</tr>
<tr>
<td>Knowingly selling customers products they don’t want / need</td>
<td>13%</td>
</tr>
<tr>
<td>Failing to keep safe/ passing on/ losing your personal data</td>
<td>12%</td>
</tr>
<tr>
<td>Giving large bonuses to CEO / senior managers</td>
<td>11%</td>
</tr>
</tbody>
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Base: 2,000 GB adults 18-65, September 2016
What can companies do to handle this threat?
Top 5 recommendations for dealing with cybercrime

1. Preparedness
2. Proactivity
3. Coordination
4. Education
5. Transparency
THANK YOU