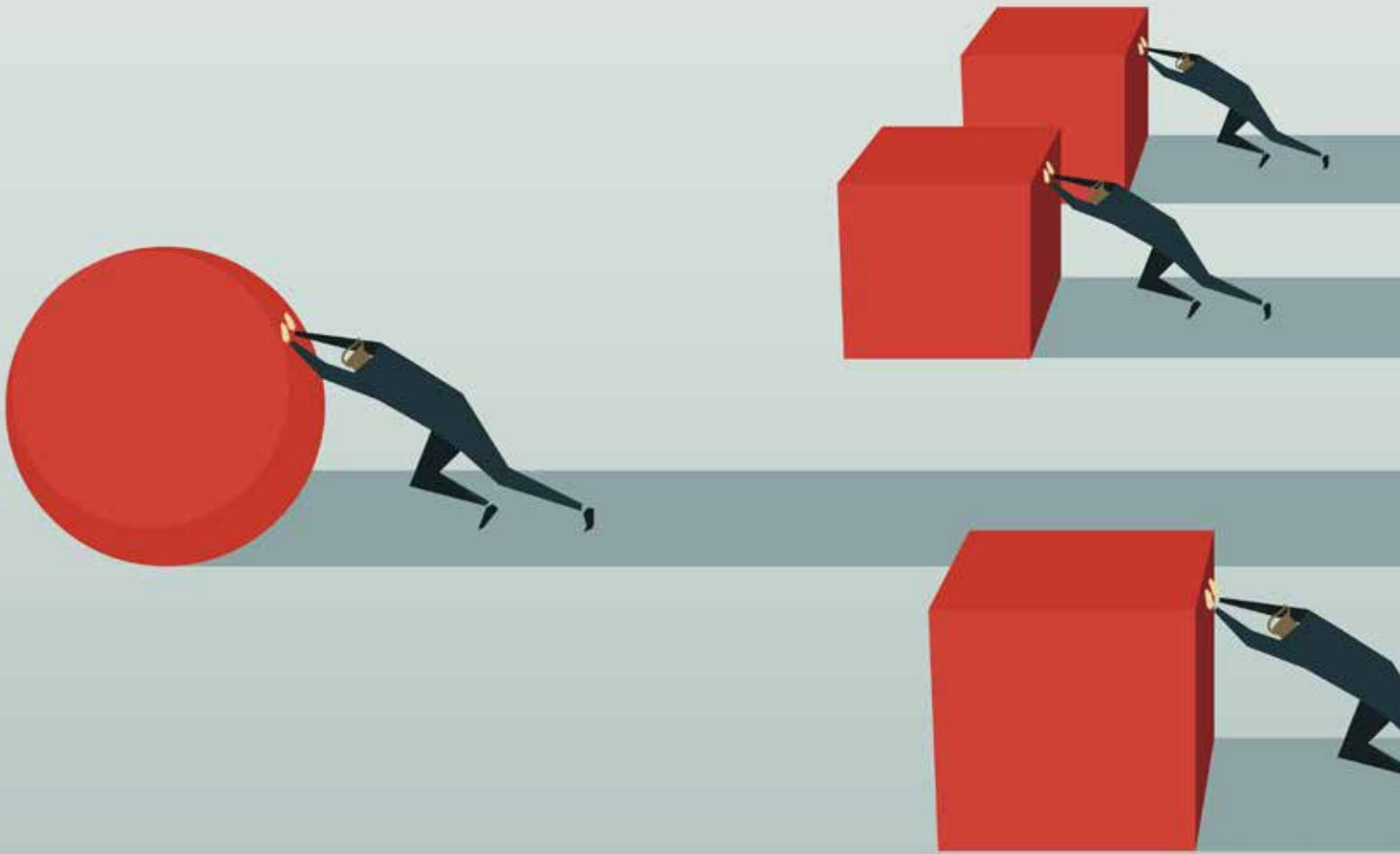


The Ipsos Global Reputation Monitor



Reputation, Resiliency, and Results:
Using Trust to Unlock the Value of Reputation

GAME CHANGERS







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The Ipsos Global Reputation Monitor

Reputation, Resiliency, and Results: **Using Trust to Unlock the Value of Reputation**

If you are building trust, you are building reputation

Why trust? In our view, if you are building trust you are building reputation. Trust is intuitively the ideal for which companies aim and is the foundation of our approach to reputation. Companies seek to build trust with their consumers, suppliers, employees and other stakeholders, just as individuals seek to build trust in their daily relationships with family, friends, and colleagues. Why? It's simple – when you trust someone you are more likely to believe what they say, you will seek out their advice, you will value their experience and judgment, and ultimately, you will give them your confidence and your business¹.

The Ipsos Global Reputation Centre recently undertook a massive online study² of the reputation of more than 100 of the world's largest companies; to examine the factors that contribute to reputational success and resiliency in the face of crisis.

Companies included in the study span wide levels of familiarity (how well people claim to know a company) and trust (see graph). Generally, you must be known to be liked. While there are outliers, familiarity is actually the greatest single indicator of trust. That is not to say that familiarity is sufficient though, there are plenty of companies that people know well but do not trust. Familiarity is the initial hurdle that companies must pass in order to appear on consumer radar screens.

How did Ipsos select the companies included in this study?

Our choices were based on several published lists of the world's largest companies.

The research team then made the final choices based on country of origin, industry, and consumer facing presence in order to achieve a good mix of companies.



¹ For more on this topic, see our POV: Building Trust Builds Company Performance.

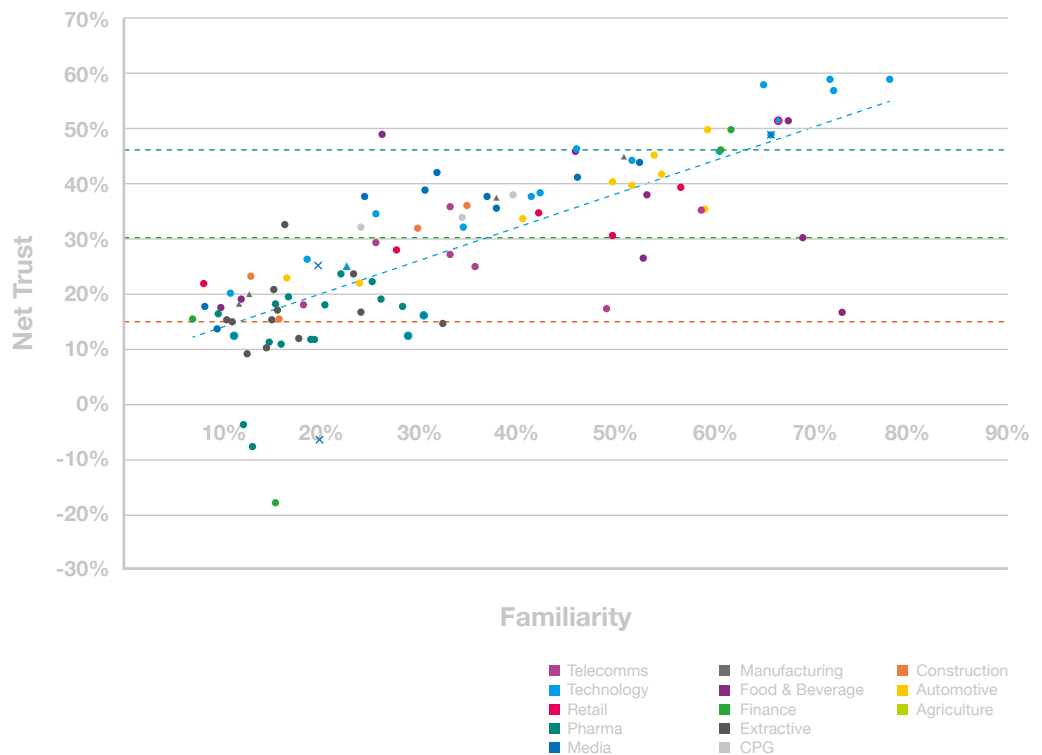
² The study was conducted using the Global @dvisor platform, which runs online in 27 countries. Using results based on nearly 20,000 respondents, we generated reputation ratings for more than 100 of the world's largest companies, spanning a range of industries and countries of origin.

How We Ranked the Top Trusted Companies

We analysed the results of the survey by dividing companies into four basic trust tiers, ranked by their deviation from the average net trust score. Net trust scores for each company were calculated by subtracting the total distrust score from the total trust score.

Companies in the top trust tier scored a net trust score of 46 or greater (two standard deviations from the mean). While this tier is weighted toward technology companies (seven out of the 16), the remainder are a mix of retail, media, food and beverage, finance, and automotive. Companies in the top trust tier are headquartered in a variety of countries: eight in the USA, three in Japan, and one each in France, Switzerland, China, Sweden, and Korea.

Familiarity by Trust



A Few Interesting Facts About Companies in the Top Trust Tier

The top trust tier companies are nearly all global household names, with the exception of Yili which is a food and beverage company with a strong presence in China.

Other food and beverage sector companies in the top trust tier include Danone and Nestlé, which have broad portfolios including items that are perceived as healthier choices. This may help them avoid some of the pitfalls of other food and beverage companies in the study which are primarily focused on alcoholic beverages or soft drinks.

In the financial services sector, top trust tier companies include Visa and MasterCard. Earlier research we've conducted in this sector indicates that Visa and MasterCard are treated much more like consumer brands/ services than the banks which promote their cards.

Both of the automotive brands in the top trust tier (Honda and Toyota) are globally strong companies that have been touched by crisis recently (Toyota directly through unintended acceleration issues and Honda through the ongoing issues with Takata airbags), but appear to have weathered the storm quite well.

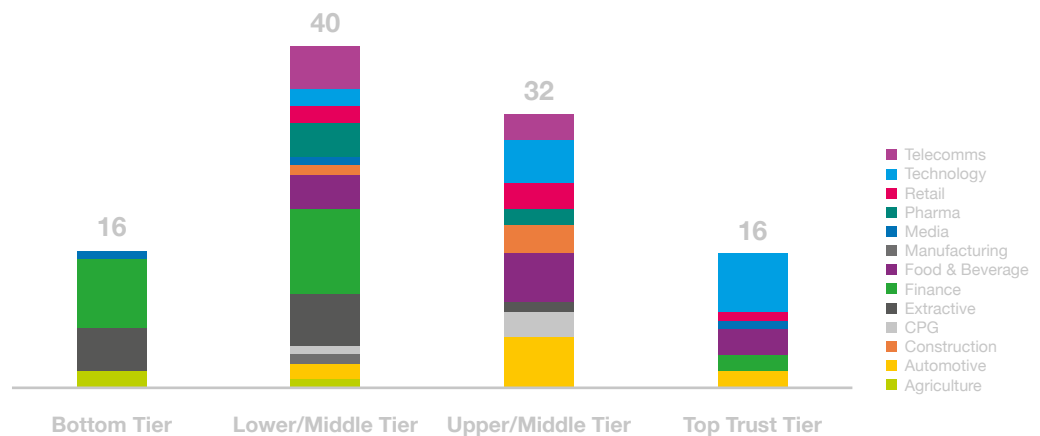
Retailer IKEA, and media company Walt Disney in the top trust tier are both companies with a strong home market identity that have been able to transfer the best aspects of their country brand into the global marketplace.

Technology companies in the top trust tier are a mix of dynamic recent entrants (Amazon, Google) and established high-performance brands (Apple, Intel, Microsoft, Samsung, and Sony). Samsung in particular should be watched closely given recent developments around product reliability and corporate governance.

Companies in the top trust tier have been able to transfer the best aspects of their country brand into the global marketplace



Ipsos Global Trust Cohorts



At the opposite end of the spectrum are the bottom tier least trusted companies. This tier is dominated by the financial sector and extractive companies. Also in the bottom tier are a controversial media company, and two agricultural science companies (likely being impacted by controversy around GMOs).

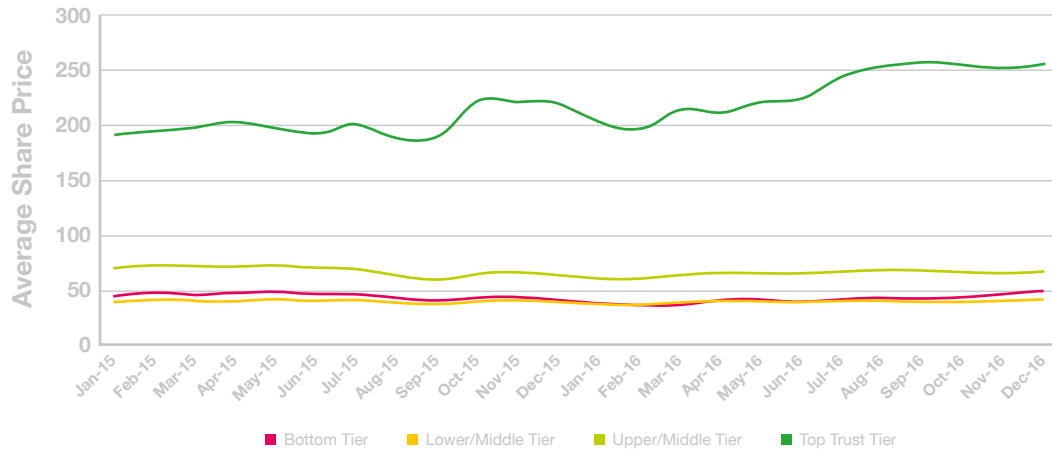
The two middle trust tiers (lower and upper-middle) each have a high degree of industrial sector diversity. While finance companies tend to fall into the bottom and lower-middle tiers, automotive companies tend to fall into the upper-middle tier.

The strong mix of industries in the top trust tier is a good indication that all types of companies (except perhaps extractive companies) have the potential to become a top trust tier company, as long as they're willing to actively manage their reputation.

Financial Performance of the Top Trust Tier Companies

Companies who are most trusted also perform better financially. A simple stock index of companies (utilizing DJIA price quotes) by trust tier tells the story.

Top Trust Tier Companies Have a Financial Advantage



While the two middle and bottom tiers have remained essentially static from the beginning of 2015, the index price for the most trusted companies increased by 68-points, thus proving that being trusted benefits the bottom line! The relationship is not unidirectional though, as the strong performance of these companies also contributes to their strong reputation. The relationship can more correctly be seen as a positive feedback loop.

Underpinning the stock price-trust relationship are other financial statistics according to analysis of trust tiers by year-over-year changes in sales, assets, and market value. In each case, only the top trust tier companies saw positive year-over-year changes (sales +\$1,196M, assets +\$8.025M, and market value +\$5,499M on average). All of the other trust tiers saw declines across the board for each measure.



Trust Improves Resiliency

In addition to greater financial performance, top trust tier companies are also more resilient in the face of crisis. Respondents were asked to rate 11 crises, and asked whether the company involved was actively making the impact of the crisis better or worse. Companies with stronger reputations (at the time of the study) were perceived to be recovering much more quickly than those with lower levels of trust.



Companies who are most trusted are more resilient in the face of crisis



What Makes Top Trust Tier Companies Different?

Each of the companies in the survey was tested across a broad range of image attributes which were then grouped into reputation pillars (see below). Top trust tier companies are stronger than their rivals across the full range of attributes. Determining what makes a company in the top trust tier strong is not just about overall performance, but also about how their strengths are connected to one another and used together.

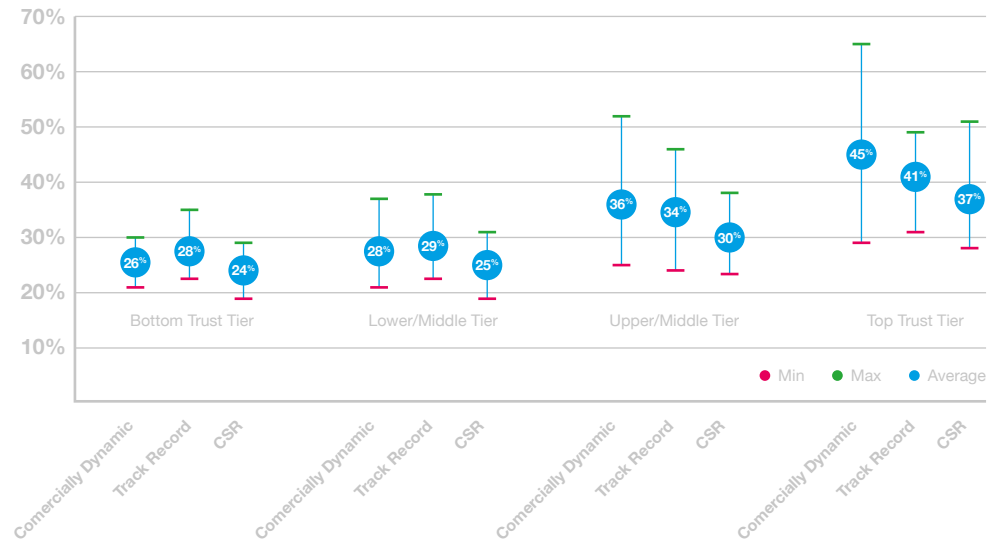
The top trust tier companies are stronger in each pillar. In fact, the increase in pillar scores becomes more evident as you move up from the bottom tier companies, through the middle and into the top tier. However, even among the top trust tier companies there is a wide range of performance – especially when it comes to metrics associated with being commercially dynamic.

Image Attributes

We work with our clients to determine a customized set of image attributes because we do not believe in a one-size-fits-all approach. However, for this study we needed to determine a set of image attributes that could apply to a wide variety of companies with various industrial and cultural backgrounds. These attributes were placed into pillars based on a driver analytics model. They are:

Image Attributes	Reputation Pillars		
	Commercially Dynamic	Track Record	CSR
Provides high quality products or services	Has a strong corporate heritage	Genuinely tries to live up to the principles they communicate	
Is a growing and successful company	My experience of their past behavior means I expect them to do the right thing in the future	Has a positive impact on society through their everyday business	
Is innovating to be successful in the future		Cares about the planet and our environment	
Is able to attract top talent		Has a positive impact on the economy in the country	
		Has a purpose that goes beyond the normal ambitions of a company	

Image Pillar Range and Average by Trust Cohort

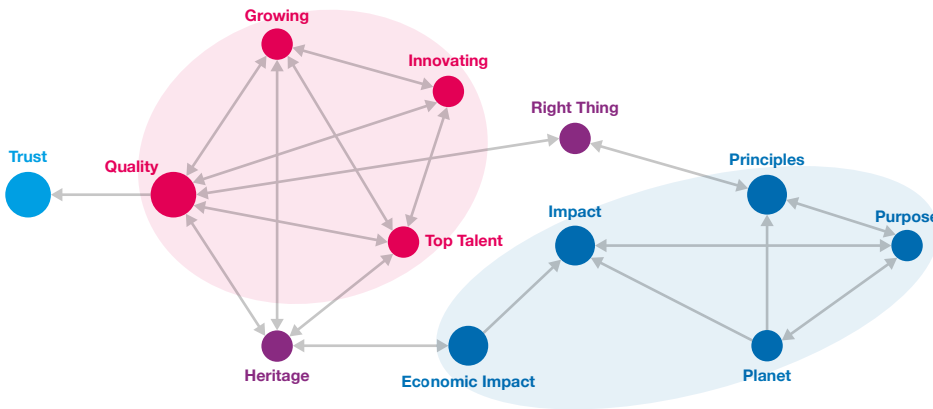


Providing high quality products is one of the strongest direct drivers of trust for all companies as well as the top trust tier companies

The attributes associated with being *commercially dynamic* (especially “high quality products”), are the strongest direct drivers of trust for all companies as well as the top trust tier companies. As Ford Motor Company used to say, “Quality is Job 1”, so unsurprisingly among consumers, being good at your core business is the most direct driver of trust. Our experience shows that the importance of image metrics shift when you survey higher level audiences like government and media. Among those audiences, metrics around business management and sustainability tend to play a greater primary role.

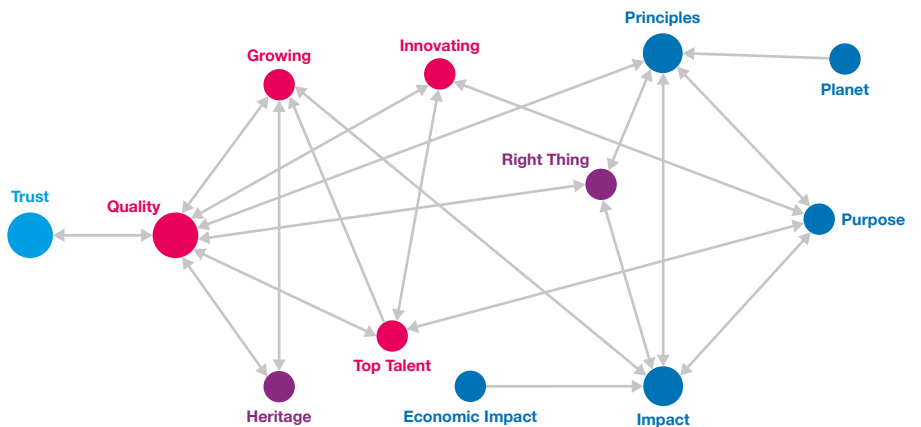
It's how the image attributes connect to one another (an analysis we conduct using Ipsos Bayes Net which is an analytical model for understanding drivers as well as interrelationships between image metrics), that show key differences for top trust tier companies versus everyone else. For companies in general, trust is primarily driven by quality and the other *commercially dynamic* metrics. The relationship between 'commercially dynamic' and CSR is moderated by the track record measure. In other words, for attitudes around corporate social responsibility measures like standing by their principles, economic impact, and caring about the planet to have an impact, companies must demonstrate a track record either through their history and heritage, or the perception that they can be counted on to do the right thing.

Drivers for all Companies



By contrast, this intervening relationship does not exist for companies in the top trust tier. Among the top trust tier companies, softer measures have a direct impact on *commercially dynamic* measures. This immediate pathway confers an advantage to the top trust tier companies. Coupled with stronger raw scores on the CSR pillar, top trust tier companies are able to make this advantage work harder because it is connected more solidly to their core business.

Drivers for Top Trust Tier Companies



All types of companies have the potential to become a top trust tier company, as long as they're willing to put in a strong effort to manage their reputation

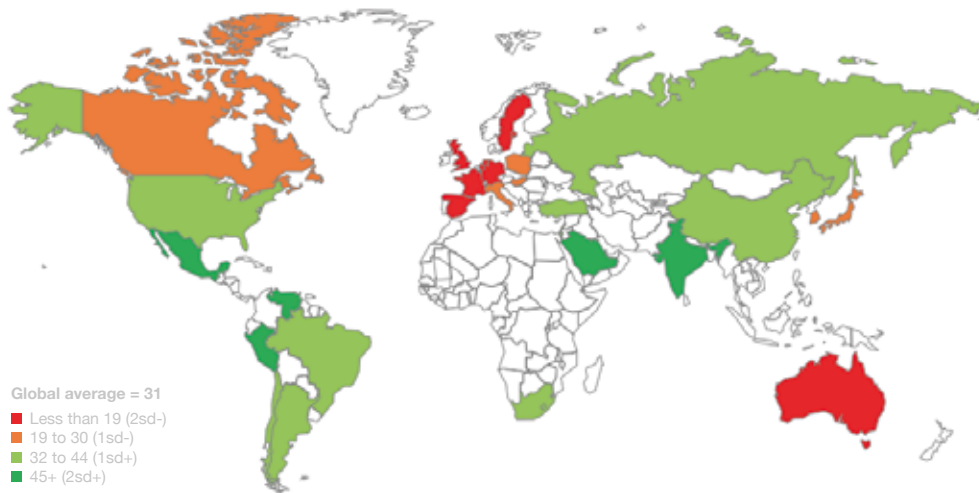


Trust Differences Around the World

Trust in companies in general varies greatly around the world, but some clear patterns are evident. Respondents in Western Europe and Australia are the least trusting of companies, followed by the rest of Europe, Canada, Korea and Japan. Developing countries, plus the United States are the most trusting of companies. Understanding the underlying levels of trust in each country can help companies to manage expectations as they seek to improve their reputation on a market-by-market basis. Engaging in programs that go beyond meeting core business objectives will be necessary in the more skeptical countries in order to differentiate oneself from the crowd.

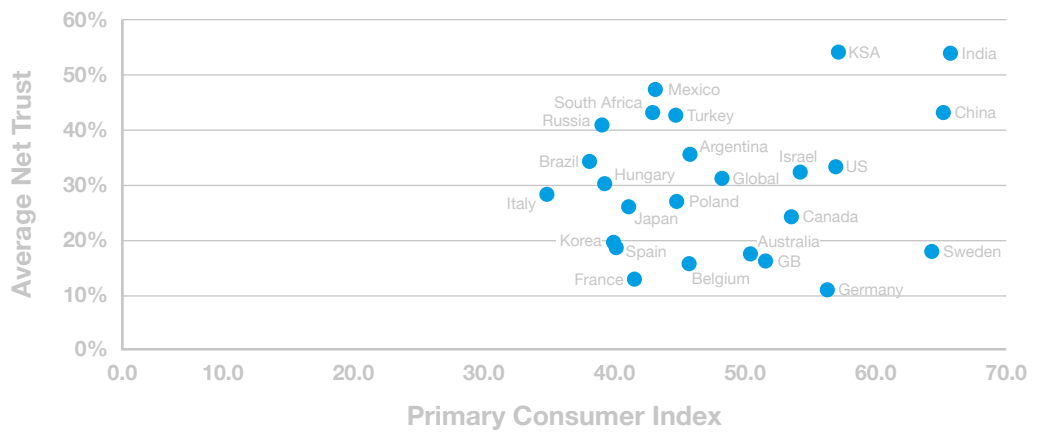
The United States stands out as the developed market that is most trusting of companies. Americans, according to this study, are much less skeptical of companies and their actions.

Average NET Trust in Companies



Perhaps surprisingly, trust in companies does not have a strong relationship with overall economic confidence. The graph below shows the relationship between average net trust in companies and our Primary Consumer Sentiment Index.

Average Trust Ratings by Economic Confidence

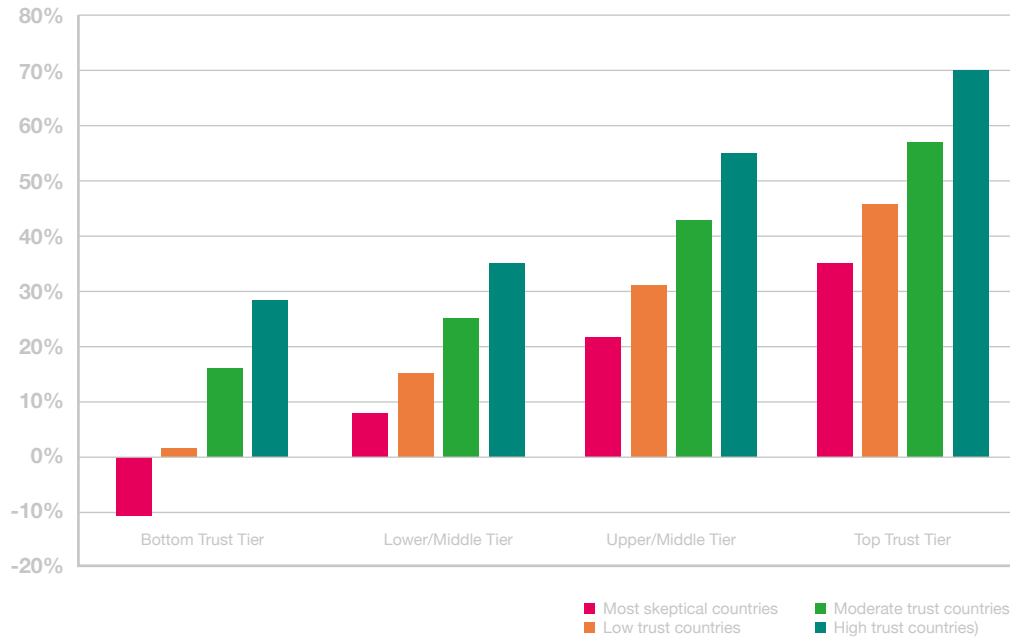


Companies can transcend poor trust scores even in skeptical markets



Saudi Arabia, India, and China all have very high average trust in companies and high economic confidence. However, economic confidence in Germany and Sweden is equally high but respondents in those countries give among the lowest trust scores to companies. By the same token, economic confidence in South Africa and France are very similar; but while South Africans tend to give companies the benefit of the doubt, the French are highly skeptical.

Average Net Trust Scores Among Companies in Each Tier



So is it possible for companies to transcend poor trust scores inherent in skeptical markets? Fortunately, the answer is yes. Top trust tier companies achieve higher scores on average in the most challenging markets, than the bottom tier can accomplish in even the most welcoming ones. And, the average difference in score between the top trust tier companies and the bottom tier is actually the greatest in the most challenging markets. Top trust tier companies are using their good reputation to unlock markets where others struggle.

The Final Word

Top trust tier companies are successfully able to unlock the value of their reputation, irrespective of economic conditions or consumer skepticism. Unlocking value allows the most trusted companies to develop and maintain a positive feedback loop to financial success. Trust enables companies to operate more efficiently and with fewer headwinds – thus increasing their likelihood of financial success. In addition, highly trusted companies are also more resilient in the face of crisis, which allows them to more quickly overcome crises and get back to running their business successfully.

The advantage of the top trust tier companies comes from their overall stronger performance across the board, as well as their ability to connect corporate social responsibility performance directly to the key driver of being *commercially dynamic*. Companies outside of the top trust tier can begin to unlock their reputational value by coupling strong business performance with a social conscience.





About the Global Corporate Reputation Centre

For business leaders who aspire to better decision-making in reputation, corporate communications and corporate policy development, the Global Reputation Centre is the insight industry's most trusted source of specialist research and guidance, leveraging learnings we've realized from being the largest corporate reputation practice in the world.

We tailor our research approaches to the specific needs of our client and the issues they face, and consult closely with them to apply our insights to unlock reputation value.

Our clients gain complete confidence from our specialist expertise, the industry-leading quality of our research and the unrivalled breadth and depth of insights the Ipsos Group can provide. That is why many of the world's leading organizations have trusted us to help them to build reputation value that really counts.

For more information:

<https://www.ipsos.com/en/solution/public-affairs/ipsos-global-reputation-centre>

