Corporate Reputation and the Coronavirus

An Ipsos Point of View

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In early 2020, the world was introduced to the novel coronavirus. At first limited to a single part of the world, it has since rapidly expanded to become a global crisis. In the midst of all this, corporations, businesses and brands have an important role to play in mitigating the spread of the virus, as well as communicating effectively with the public about health measures and how products and services might be impacted as a result of the outbreak.

The coronavirus's global impact remains unclear. Yet its destabilizing impact has been all too apparent, particularly in the areas of public health and on global markets.

Major events like this have the potential to reshape public perception about many areas of society, from government and health organizations, to corporations and businesses. To a large extent, there is no way to control events or outcomes that may flow from a major health crisis like the coronavirus. That said, there are a few steps that brands and corporations can take to mitigate potential impact on their reputation, all while prioritizing public health and safety.

Given all the current unknowns, brands and corporations must be considering multiple scenarios as they plan for the weeks and months ahead. A few key questions to consider going forward: "What are we doing that could be seen as not 'doing enough' to mitigate or prevent the spread of the virus?" Another question: "Are we doing something that might be actively detrimental to public health and safety?"

Corona Beer: A Case Study

Sometimes, associations with a public health crisis are purely coincidental. No brand epitomizes this better at the present moment than Corona, a popular brand of beer whose name bears an unfortunate similarity to the coronavirus.

Momentarily, Corona was subjected to bad publicity after a survey finding that 38% of Americans said they wouldn't drink Corona beer because they're afraid of contracting the disease spread far and wide across the internet. For one day in late February, "38% of Americans" was the top national trend on social media.

A brief look at the original polling question revealed that the finding had been manipulated to go viral. Those "38% of Americans" in fact wouldn't drink Corona beer under any circumstances, not necessarily as a result of the coronavirus. The more salacious—but improbable—finding had been circulated to generate publicity for 5WPR, the agency responsible for promoting it. A number of media outlets latched on anyway and reported it as fact.

Instead of slumping sales, Constellation Brands (STZ), Corona's producer, reported that Corona Extra sales grew by 5% in the United States in the month ending in February 15, nearly double the trend of the previous year.
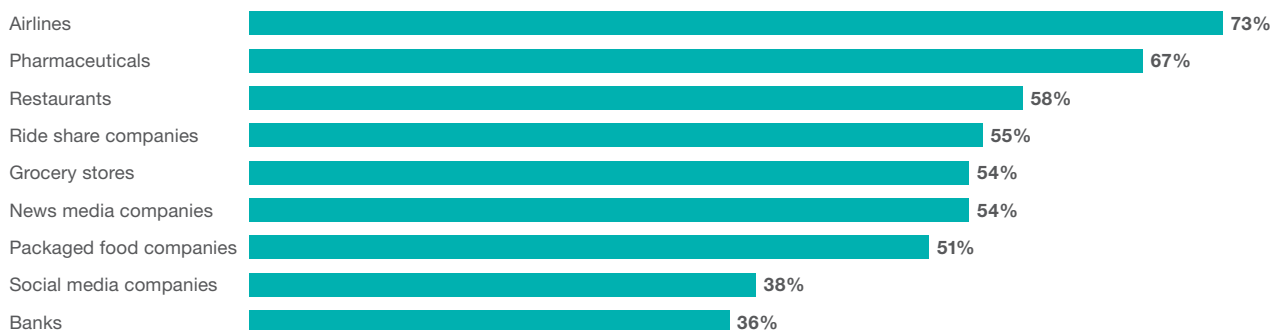
Understanding public perception about the coronavirus

Considering how fast news around the coronavirus is evolving, understanding shifts in public perception about the virus is critically important. Brands and corporations seeking to protect public health, the interests of their employees, and the viability of their businesses would be well advised to stay informed of changes in public perception as the situation continues to unfold.

Industries seen as most responsible for combatting the coronavirus

Respondents were asked: "How much responsibility do each of the following industries have when it comes to combatting the spread of the coronavirus of COVID-19?"

Reponses below reflect the percentage who think the industry in question has a "great deal" of responsibility

Industry	Percentage
Airlines	73%
Pharmaceuticals	67%
Restaurants	58%
Ride share companies	55%
Grocery stores	54%
News media companies	54%
Packaged food companies	51%
Social media companies	38%
Banks	36%

Source: Ipsos survey of 1,004 Americans conducted March 6−9, 2020
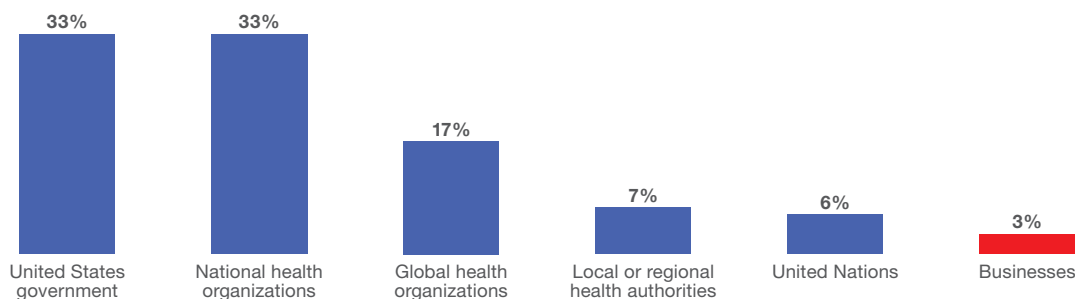
Public Expectations During Global Pandemics

First and foremost, most Americans believe that the coronavirus is a global and national threat but are less likely to view it as a personal threat.

Some good news for businesses amid all the uncertainty: the vast majority of Americans do not see businesses as primarily responsible for protecting the United States. Instead, the majority of Americans place that responsibility on the shoulders of the United States government and national health organizations.

Entity primarily responsible for protecting the United States from the coronavirus

| Entity	Percentage
United States government	33%
National health organizations	33%
Global health organizations	17%
Local or regional health authorities	7%
United Nations	6%
Businesses	3%

Source: Ipsos Global Advisor survey of 10,000 adults (approximately 1,000 Americans) conducted February 28−29, 2020

However, this finding should not lull organizations into complacency. The operative word here is **primarily.** While not holding businesses accountable to resolve the crisis from a public health perspective, the public still expects brands and corporations to take all available measures to prevent the further spread of the virus, even if it impacts profits.

Majority of Americans think businesses should change their activities to reduce the spread of the coronavirus

Respondents were asked: "Do you agree or disagree that businesses should be changing their activities in a significant way to reduce the spread of coronavirus?"
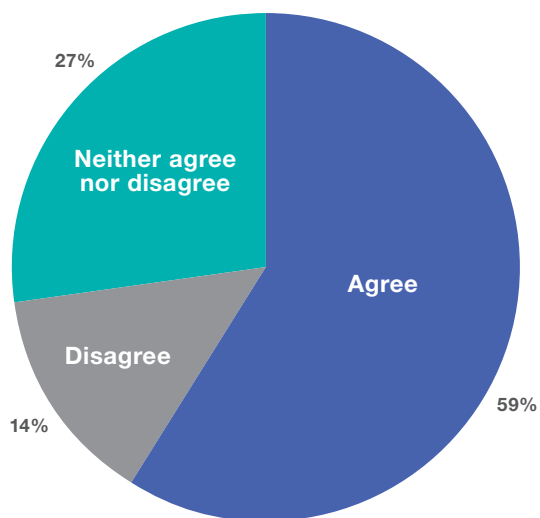
27%

Neither agree nor disagree

Agree

Disagree

14%

59%

Source: Ipsos Global Advisor survey of 10,000 adults (approximately 1,000 Americans) conducted February 28–29, 2020

Since adult Americans tend to spend the majority of their days at work, minimizing the risk of contagion in workplace settings is particularly crucial. The policies that businesses implement could have a significant impact on the ultimate trajectory of the virus globally and within the United States.

Businesses and corporations ought to also consider responsibilities towards gig or hourly workers during this period. Hourly workers are considered to be particularly at risk of contracting or spreading the coronavirus because of the implicit pressure on them to report for work or miss a paycheck.

Even if they do fall ill, the precarity of their pay cycle may inspire them to keep working regardless because they will not be paid if they do not punch the clock. This holds true for service industry workers and those working in the gig industry. For instance, Uber and Lyft heavily rely on gig workers to make up their pool of drivers. The close confines of a car are an ideal place to spread a virus, but will the drivers be able to take the time off work to recover or go through the advised 14-day quarantine period?

Americans highly favor the concept of providing both paid leave and job security to hourly workers in the event of illness during the coronavirus outbreak.
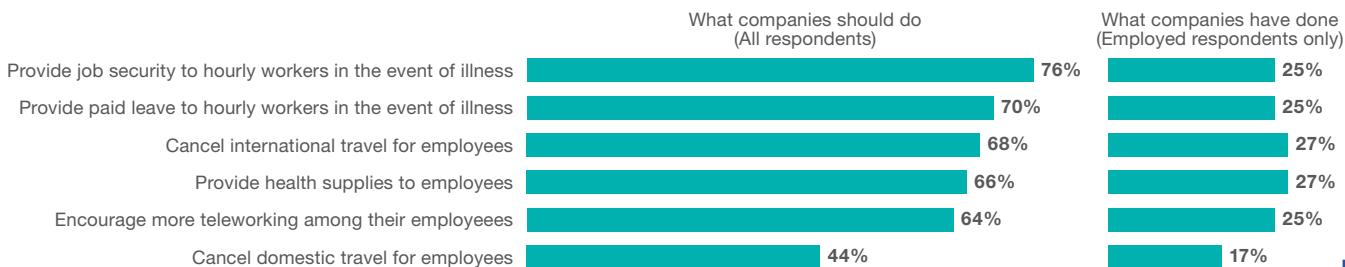
Perceptions of what businesses are doing

While Americans generally agree that companies should take proactive steps to slow the spread of the virus, a smaller proportion say that their employer is following through. Though some high-profile organizations were very vocal about their early decisions to encourage telework or cut down on travel, most Americans say that their employer has not taken the recommended steps to prevent the spread of the coronavirus.

That said, the situation may have evolved since the survey was conducted in early March. Anecdotal reports suggest that more companies across the United States are now taking steps to do the same.

What Americans think companies should do to slow the spread of the coronavirus vs. what they have done

	What companies should do (All respondents)	What companies have done (Employed respondents only)
Provide job security to hourly workers in the event of illness	76%	25%
Provide paid leave to hourly workers in the event of illness	70%	25%
Cancel international travel for employees	68%	27%
Provide health supplies to employees	66%	27%
Encourage more teleworking among their employeees	64%	25%
Cancel domestic travel for employees	44%	17%

Source: Ipsos survey of 1,004 Americans conducted March 6–9, 2020

The number of Americans who say that they personally have taken these suggested actions is even smaller still. Americans are primarily responding to the outbreak by stepping up their personal hygiene, with close to half reporting that they are washing their hands more often.

How Americans are responding to the coronavirus outbreak

Respondents were asked: "In the past month, have you done any of the following?"

Started washing hands more frequently	49%
Worked from home more frequently	9%
Stopped taking public transportation	5%
Canceled a domestic trip	4%
Canceled an international trip	4%

Source: Ipsos survey of 1,004 Americans conducted March 6–9, 2020

If these findings are any indication, there is a mismatch between what people think should be happening and what is actually happening on the ground. Despite this discrepancy, Americans are still largely positive—or at least ambivalent—about businesses in the current environment. Only 27% of respondents said that businesses were doing a "poor job" in their efforts to stem the virus in an Ipsos survey conducted in late February.

What can be done?

Given all the unknowns in the current environment, it can be challenging to prepare for all possible scenarios. That said, there are a few concrete steps that can be taken to minimize negative outcomes, both to public health and to corporate reputation.

Below, we offer a set of recommendations based on our expertise in corporate and crisis management:

1. First and foremost, combat misinformation:

One of the greatest dangers in our digital era is the spread of misinformation. As the manipulated Corona beer survey underscored, it is all too easy for false—but flashy—information to spread like wildfire online if it captures the public's imagination. Any organization with a digital presence must be vigilant to correct or reduce misinformation or conspiracy theories about the coronavirus.

Social media platforms, such as Twitter and Facebook, have taken steps to limit the spread of misinformation. This includes posts intended to sell bogus products that purport to cure or treat the coronavirus, or sensationalized posts intended to drive traffic to websites by preying on the public's fears.

2. Understand your brand's risk profile:

In the current environment, it's crucial to undertake a top to bottom evaluation of potential risks. By understanding how your organization contributes to the broader public health and information sharing platforms, a company can take steps to minimize the crisis.

3. Open and consistent communication:

Transparency is crucial in the current environment. Not only is the spread of misinformation potentially injurious to public health, but it can also be damaging to consumer trust. Smart brands will understand that it is best to proactively communicate with all stakeholders, both internally and externally. A few areas to consider going forward:

(a) Prepare a communications plan

(b) Craft and disseminate timely and relevant statements from company leaders about the crisis to internal and external stakeholders

4. Know what public and employee expectations are:

It is vital to stay informed as the situation continues to evolve, and with it, public perception. Ipsos offers cutting edge research on public opinion, as well as a host of social media tracking tools, to stay connected with what the public is thinking and saying about the virus.

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