

TAKING A STAND IN THE AGE OF COVID-19

A corporate communications perspective

Trent Ross | September 2020



IPSOS VIEWS

GAME CHANGERS











A couple of years ago in our annual Reputation Council (interviews with 100+ corporate communications executives around the world) we asked Council members about taking a stand during turbulent social and political times¹. Little did we know that the turbulence of two years ago would be a fond memory compared to the crisis the world finds itself in today.

Companies will be an integral part of the recovery process. For example, in the US, 70% of the public say they are keen to continue hearing from brands and companies in times of crisis². But, in communicating in this environment, particularly in relation to broader business objectives, companies must be careful to select activities that are authentic, credible and effective (see Figure 1).

Companies that take actions which are authentic, credible, and effective are the most likely to see reputation gains, while at the same time have the greatest impact on the community. These actions can be a true win/win as they leverage business expertise to make real societal change. Speaking out carries risks and can be divisive, but if it genuinely reflects the social purpose and values of the business, and is backed up with evidence of action, the reward can be a powerful and positive impact on reputation and relationships.

Figure 1 Getting responsibility right

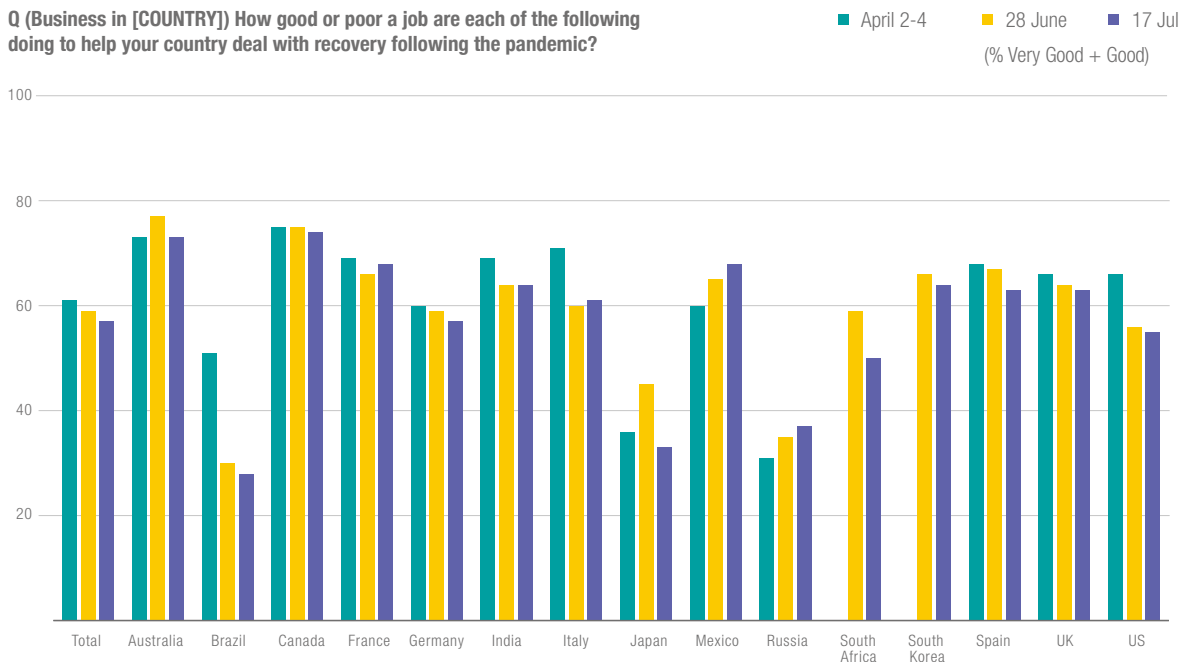
Authenticity	Credibility	Effectiveness
 <p>Utilise business know-how to drive change</p>	 <p>Co-creation with partners and interest groups</p>	 <p>Create social change</p>
 <p>Focus on business value chain</p>	 <p>Alignment with external realities</p>	 <p>Drive business sustainability</p>
 <p>In-line with company mission and brand</p>		 <p>Generate goodwill among consumers, employees and the public</p>

WHERE DO COMPANIES CURRENTLY STAND AND WHAT DO PEOPLE EXPECT?

Globally, companies are getting a mixed review of their actions so far but they are doing far better than the government. Overall, business gets a better than 60% approval rate in terms of dealing with the recovery following the pandemic and this approval rate has changed little since April (see Figure 2). By contrast, the approval rate of governments worldwide has declined substantially since April (see Figure 3).

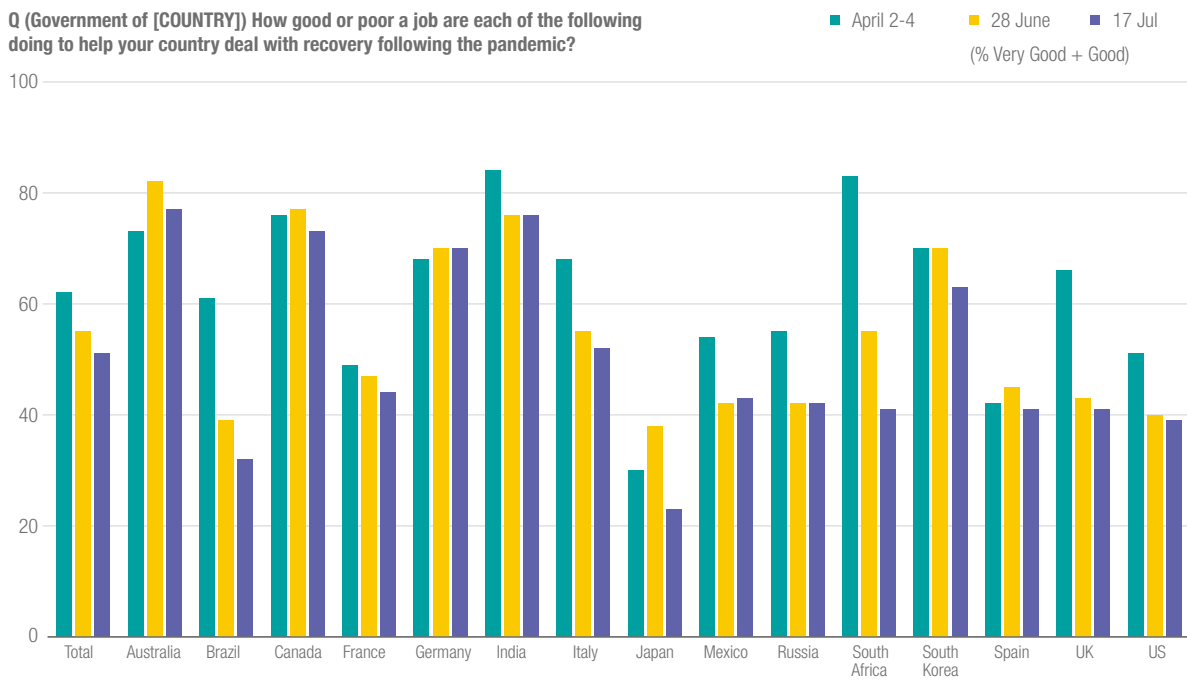
While there are some weak countries (Brazil, Japan, and Russia), in other countries companies are seen to be doing a much better job than the government when it comes to dealing with the recovery (France, Italy, Mexico, Spain, the UK, and the US). Interestingly, the countries where companies are perceived to be doing a better job than the government are among the hardest hit by the pandemic (except for Brazil, where government and business are perceived equally poorly).

Figure 2 Business performance over time



Source: Ipsos COVID-19 Tracking – 1000 online interviews per country, April-July 2020

Figure 3 Government performance over time



Source: Ipsos COVID-19 Tracking – 1000 online interviews per country, April-July 2020

People are clearly relying on companies to contribute to the pandemic recovery, and many companies are taking action as a result. In a “quickfire” round of our Reputation Council conducted in May 2020, 78% of Council members said that their business had made a fundamental change to contribute to tackling COVID-19. These changes include re-engineering products and directly supporting government initiatives. Three-quarters (75%) of Council members feel that the business community is taking the lead in tackling COVID-19, with 22% agreeing strongly. Many Council members see the reaction to COVID-19 as a way for businesses to commit themselves to lasting social change.

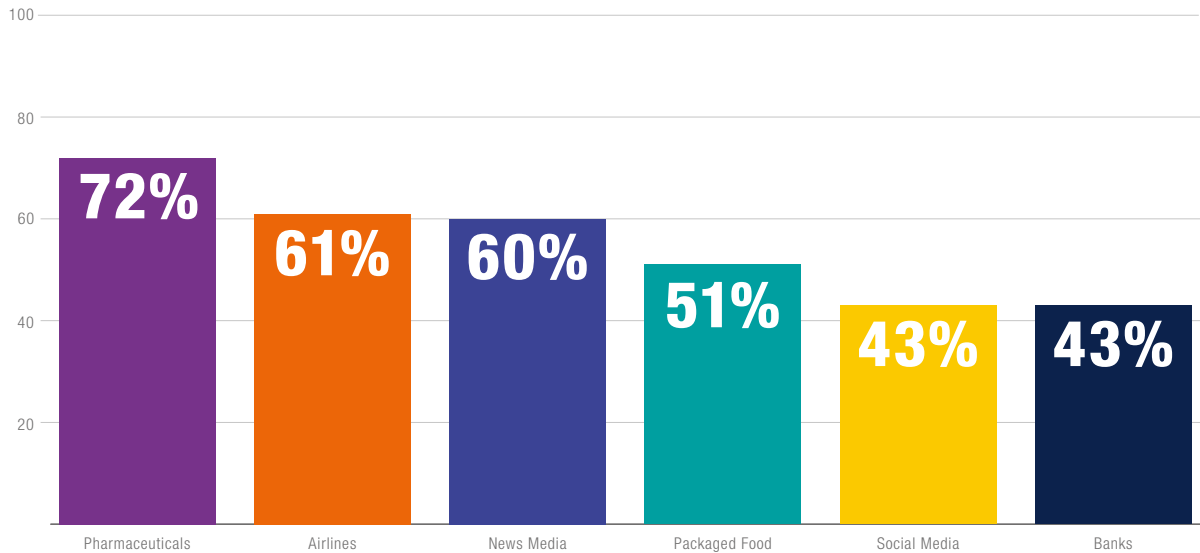
Addressing perceived responsibility for tackling the pandemic will be particularly important for airlines (due to the role travel plays in virus transmission and spread) and pharmaceutical companies (due to their role in potential vaccines and treatments). Media companies, both traditional and social, will also need to be conscious of the role that people feel they play in disseminating information that can help to control the spread of, and help people recover from, COVID-19. Our research has found that people want media companies to provide accurate information in the face of the pandemic and to remove misinformation (see Figure 4).

*“It would be greatly encouraging to see a **lasting recalibration of business with society** where companies play a more hands-on role in helping to tackle real societal need, as we have been seeing through the pandemic. What is clear is that those companies that are **not doing the right thing** and being good corporate citizens can expect longer term negative implications on their businesses and reputations.”*

Reputation Council member, UK

Figure 4 T2B Responsibility

Q How much responsibility do each of the following industries have when it comes to combating the spread of COVID-19? (% 4 or 5)



Source: Ipsos COVID-19 Tracking – 1000 online interviews per country, April 2020



A stance which is aligned with a strong social purpose that is true to your values can bring benefits beyond the purely altruistic.

Reputation Council members have some specific suggestions for companies taking a stand that are even more important in responding to our current situation:

- **Above all, be relevant and authentic:** a stance which is aligned with a strong social purpose that is true to your values can bring benefits beyond the purely altruistic – creating a real connection with customers, helping to attract the best talent and leading to better engagement with influencers. A clear social purpose also acts as a road map, outlining the issues a business will, and will not, engage on (particularly useful guidance when resources are limited). Companies need to look at their purpose and capabilities and see how these can be applied in addressing the pandemic.
- **Practice what you preach:** any stance will lack credibility if the business cannot show a track record of action. If you are taking a stand on diversity, you must be sure you measure up within your own business. And wherever possible, show the tangible value of your work to people's lives. Given the extent of the pandemic, this advice can apply to companies who are re-purposing manufacturing capability or taking other actions specific to the pandemic. If you make a commitment, you must follow through.

- **Understand the risks:** even in the best of times, taking a bold stand will be inherently divisive and can be a bruising experience. It might bring rewards, but it will carry risks. Before the pandemic, three in five Council members (59%) believed the benefits of taking a stand were greater than ever. But three-quarters (77%) said the risks were greater as well. Now that we are in the middle of a highly charged pandemic it is even more important to be selective. But if an issue lies at the heart of your corporate purpose, and the expectations of your stakeholders, then not speaking out may be the bigger risk.

As the world emerges from COVID-19, activist consumers and stakeholders will demand to know where corporations stand on the issues which matter to them. Companies need to have a plan of action that they can stick to which leverages their strengths and addresses their weaknesses. Taking a stand carries risks and can be divisive in the best of times. Our current situation makes intentional choices that much more important. But if taking a stand genuinely reflects the social purpose and values of the business, and is backed up with evidence of action, the reward can be a powerful, positive impact on reputation and relationships.



COUNTRY CASE STUDIES

FRANCE: AN UNDOUBTABLE – BUT FRAGILE – IMPROVEMENT OF THE PERCEPTION OF LARGE COMPANIES

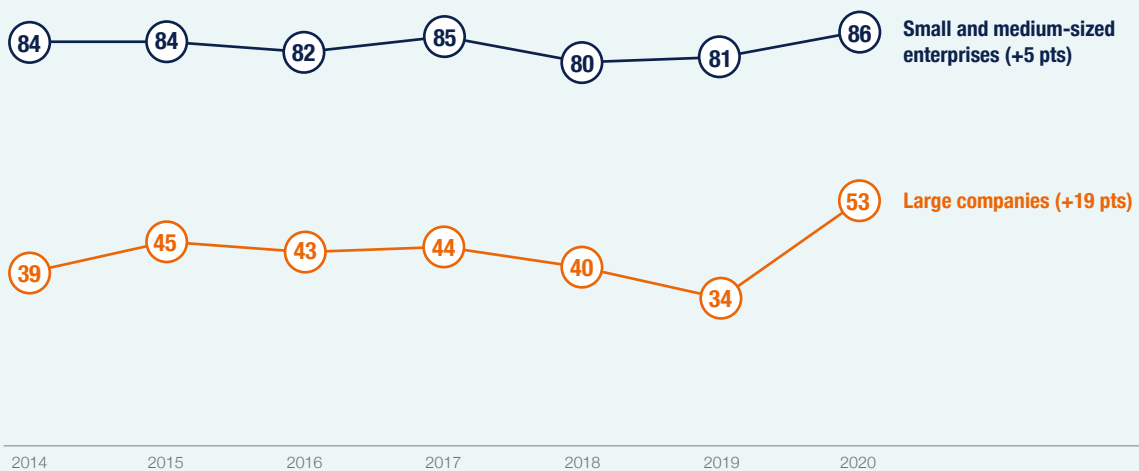
The actions of some large companies – including L'Oréal, LVMH and Pernod-Ricard – to help the French government produce masks or alcoholic gel have been widely mediated, especially at the start of the crisis. Companies have been able to show their value by using their means of production. As a result, their image among the French population – traditionally negative – has improved. In April 2020, 53% of French people said they had trust in large companies, vs 34% the previous year (+19 pts).

Many French people are positive about the participation of large companies to the collective effort (55%), their efforts in maintaining employment (57%) and their actions to protect their employees from the pandemic (56%). Meanwhile, a small majority (52%) agreed that they thought large companies had been supportive and responsible, a rate that would have been unthinkable some weeks earlier.

But trust in companies is fragile, and their image may decline again quickly. Indeed, some doubts have already emerged around sincerity, with 67% of French people saying they are skeptical towards large companies and feel that they took advantage of government financial assistance by opportunism (for example, partial unemployment). There has also been heavy criticism about certain measures taken by large companies in times of COVID (for example, dividend payments).

More broadly, this crisis has proven companies can react efficiently and quickly when needed. What they have been doing actively during the pandemic, they can now do to support their corporate social responsibility actions, particularly against climate change. If this crisis gives companies an opportunity to show they have a positive impact on society, it also creates obligations.

Figure 5 Percentage of trust in companies



Source: Ipsos France opinion poll – 1000 online interviews, April 2020

JAPAN: FRUSTRATIONS AT COMPANY RESPONSES TO THE VIRUS

In Japan, the crisis has heightened a shared sense that companies are overly focused on making money and not looking out for the wellbeing of employees. How companies responded to the crisis was a moment of truth for many employees. For example, did a company close the business temporarily for employee safety or remain open to prioritise profit? While some employees felt highly valued in their “essential” roles, others felt put upon and forced into unsafe conditions.

Findings from Ipsos’ opinion polling in Japan³ show Japanese people have a strong desire to see companies acting as caring employers, prioritising employee wellbeing while flexibly adapting to changing circumstances.

They also want companies to exhibit strong corporate responsibility in times of crisis by taking measures such as financially supporting the government and institutions, shifting production to meet critical needs, and spending advertising budget on public awareness campaigns.

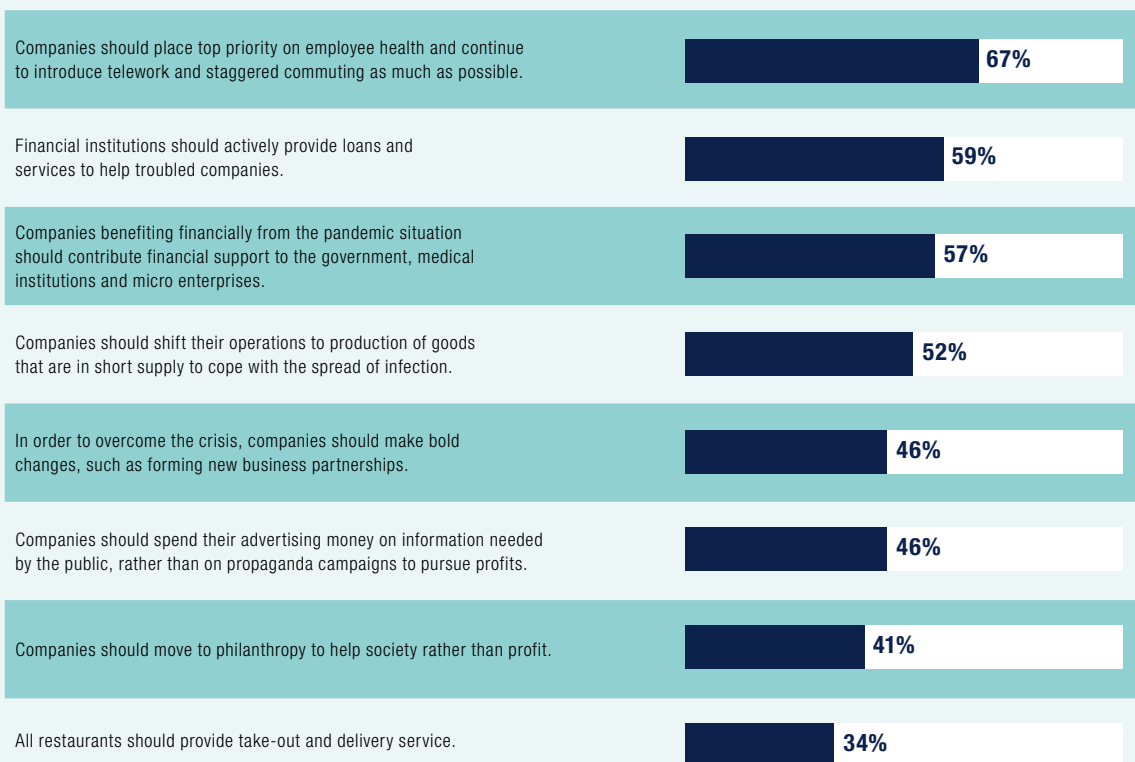
Witnessing the visible environmental improvements due to decreased economic activity and decreased movement of people and goods has resulted in 64% of Japanese people agreeing that the government should prioritise climate change in the post-COVID economic recovery. Furthermore, those in Japan are the least likely (35%) to agree with the idea that the government should prioritise economic recovery “first and foremost” over the environment.⁴

Figure 6 Public opinion on company responses to the pandemic

Q. How do you think companies should respond to the spread of the pandemic?

Please answer each sentence in five levels from “Agree strongly” to “Disagree strongly”

% Top 2 Box (Strongly Agree/Somewhat Agree)

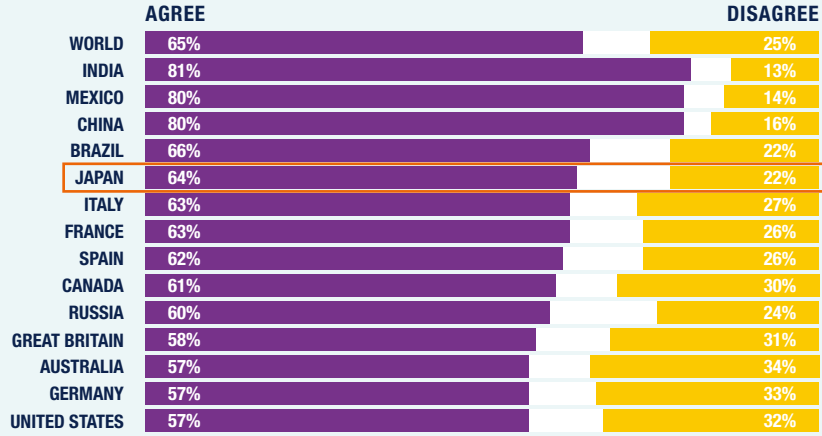


Source: Ipsos Japan opinion poll, April 2020

Figure 7 Public opinion on government responses to the pandemic

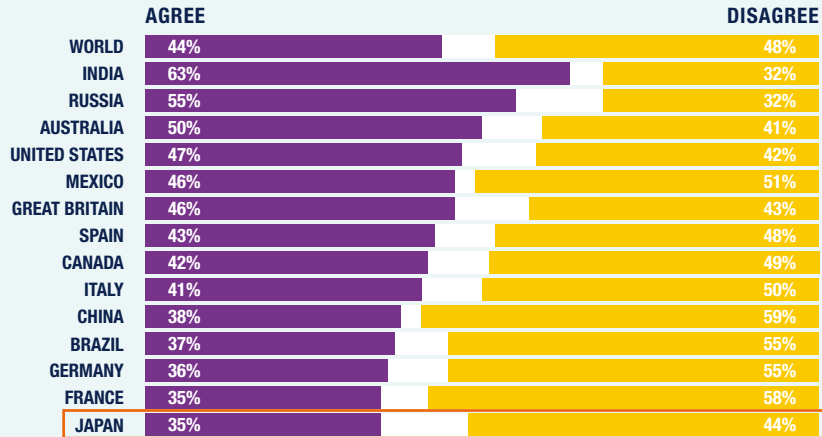
Q. To what extent do you agree or disagree with the following:

In the economic recovery after COVID-19, it's important that government actions prioritise climate change



Q. To what extent do you agree or disagree with the following:

Government should focus on helping the economy to recover first and foremost, even if that means taking some actions that are bad for the environment



Source: Ipsos Global Advisor Earth Day polling, April 2020



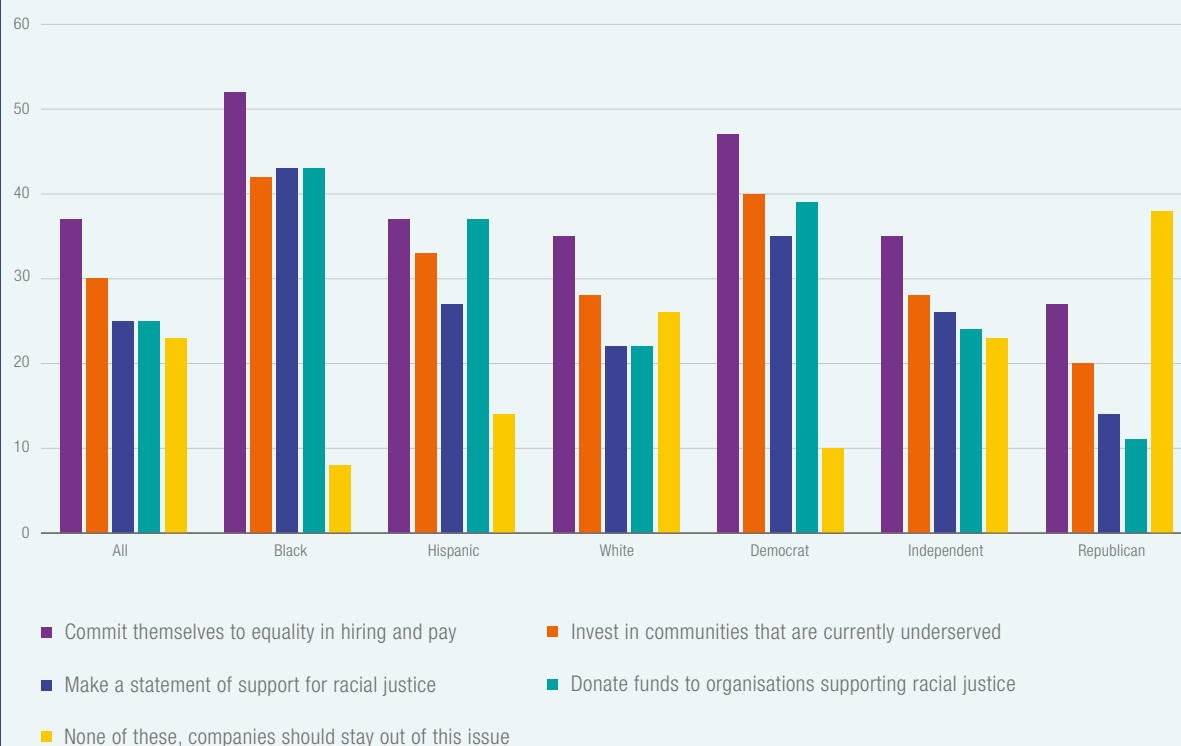
US: SOCIAL DISRUPTION

Despite the pervasiveness of COVID-19 globally, other social issues have gained attention during the crisis, none more so than the Black Lives Matter movement which started in the US but reverberated globally. In the light of the murder of George Floyd in May 2020 by a white Minneapolis police officer, racial justice protests ignited across the US. Ipsos asked Americans what they expect from companies in the wake of these protests.

Most Americans believe that companies should take some form of action. Equality in hiring and pay is the most popular action, especially among the Black community. Just over one in five say that companies should not take any action (though this is much higher among Republicans at 38%). Taking a stand on this polarising issue (or indeed, not taking a stand) likely carries a higher degree of reputational risk – placing an even greater importance on companies being authentic, credible and effective in their response.

Figure 8 US protests

Q. In the wake of protests around George Floyd's death and broader racial injustice, which of the following would be most effective for companies to do?



Source: Ipsos US omnibus – 1000 online interviews, June 2020

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