

JUNE 2020



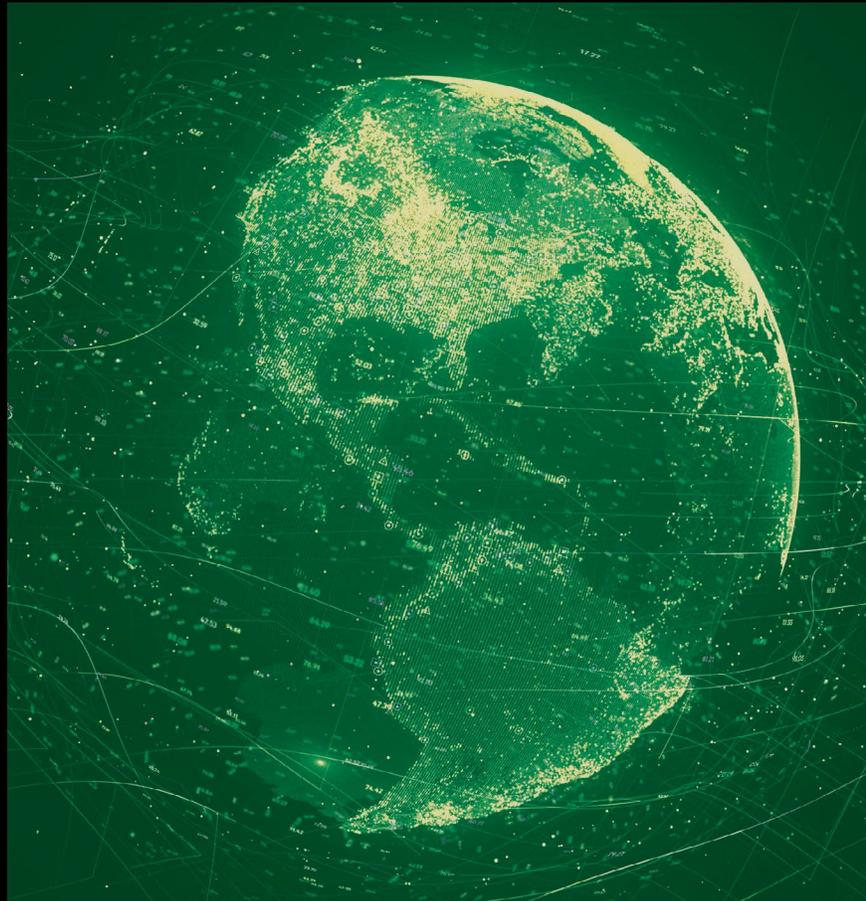
The **RepTrak** Company

2020 Global RepTrak

A Decade of Reputation Leaders

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The Global RepTrak is the world's most comprehensive reputation study.

For the last 10 years, it has consistently measured what drives the corporate reputation of leading global brands and how they are perceived across the 15 largest economies. The RepTrak model quantifies reputation and other key metrics using a scale of 0–100, based on perceptions of seven business drivers: Citizenship, Financial Performance, Governance, Innovation, Leadership, Products & Services, and Workplace.

About the 2020 sample:

- 78,988 individual respondents from the global informed general public
- 295,580 company ratings
- 153 eligible companies, measured across all 15 markets
- Representative online survey fielded between December 2019 and January 2020
- Global analysis complemented by additional RepTrak research during COVID-19, fielded in Italy and the United States between March and April 2020

This report will share some key learnings and takeaways from the 2020 study.

Key Learnings

1. **Corporate reputation is as important as ever.**

In 2020, an *excellent* Reputation Score activates 78% of global consumers' willingness to buy, compared to only 9% when reputation is *poor*.

2. **While reputation has recovered, fence-sitters continue to increase.**

The average reputation of the Top 100 most reputable companies in the world increased over the last year, yet 54% of consumers are unsure or only moderately inclined to support them.

3. **Corporate Responsibility drives competitive advantage.**

Corporate Responsibility pillars (Governance, Workplace, Citizenship) account for 41% of a company's Reputation Score. On average, companies that significantly improved their score over the last year did so by enhancing perceptions of their social impact, their ethics, and the way they treat employees.

4. **Global consumers ask that you be authentic.**

A genuine brand personality is associated with a four-point lift in global reputation. Communicating about your business and purpose in a way that is authentic can move the needle in your favor.

5. **Prepare to have a market-specific strategy.**

Multicultural drivers should be accounted for as companies expand their global brand. The top 100 companies made it to the top of the ranking by simultaneously delivering according to unique expectations across different economies.

6. **Encourage your CEO to take a stand.**

Corporate reputation was *excellent* among respondents who cited the company's CEO as taking a stand on key social issues, and it dropped to *weak* when respondents felt the CEO was too neutral on issues.

7. **Leverage your purpose as a brand differentiator.**

While multinational corporations still have a long way to go in terms of communicating and convincing the global audience about their higher purpose, owning and developing a unique purpose can set your company apart and foster greater support.

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CSR drives competitive advantage in 2020

On average, the Top 100 Most Reputable Companies increased their global Reputation Score by 0.8 points compared to 2019.

Where did this subtle, but statistically significant, reputational lift come from?



(Scores in Products & Services and Financial Performance were strong but stable year over year.)

In 2020 reputation improves more as a result of what companies stand for than by what they sell.

Significantly, the lift in scores this year was accompanied by strengthening perceptions of the role of enterprise businesses in society. Companies that increased their Reputation Score did so by enhancing perceptions of the three pillars associated with Corporate Social Responsibility (CSR)—Governance, Citizenship, and Workplace.

The key takeaway from this is that, while the most reputable companies must continue to deliver on the quality and value of their products and services, in 2020 reputation improves more as a result of what companies stand for than by what they sell.

Changes in what drives reputation

Many things have changed over the last decade, and today, companies are exposed to quicker and more costly sources of reputation risk than ever before.

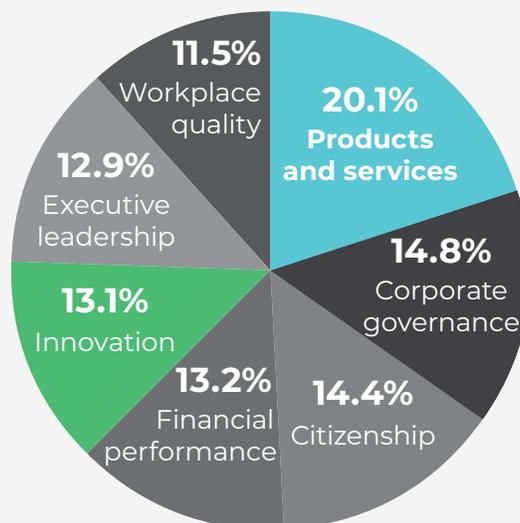
However, the basic drivers of a strong global reputation have passed the test of time.

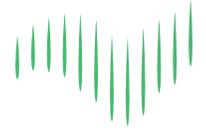
Have the ingredients to a strong global reputation changed in the last decade? The broad answer is no.

What drives reputation among the Top 100 most reputable companies globally has held remarkably stable for the last 10 years. Products & Services continues to be the most important driver, particularly regarding the quality and value of a company's offering.

Next in importance is Corporate Governance, and third is Citizenship. Scores across these three drivers accounted for 50% of a company's Reputation Score 10 years ago, and still do today.

The global basis for a strong reputation has not changed—companies that continue to improve their Reputation Score have managed to update the way they speak about these important themes in a way that resonates with different generations.





Reputation is market-specific

There are key differences in reputation by country, which communication leaders should be aware of when they go to market internationally.

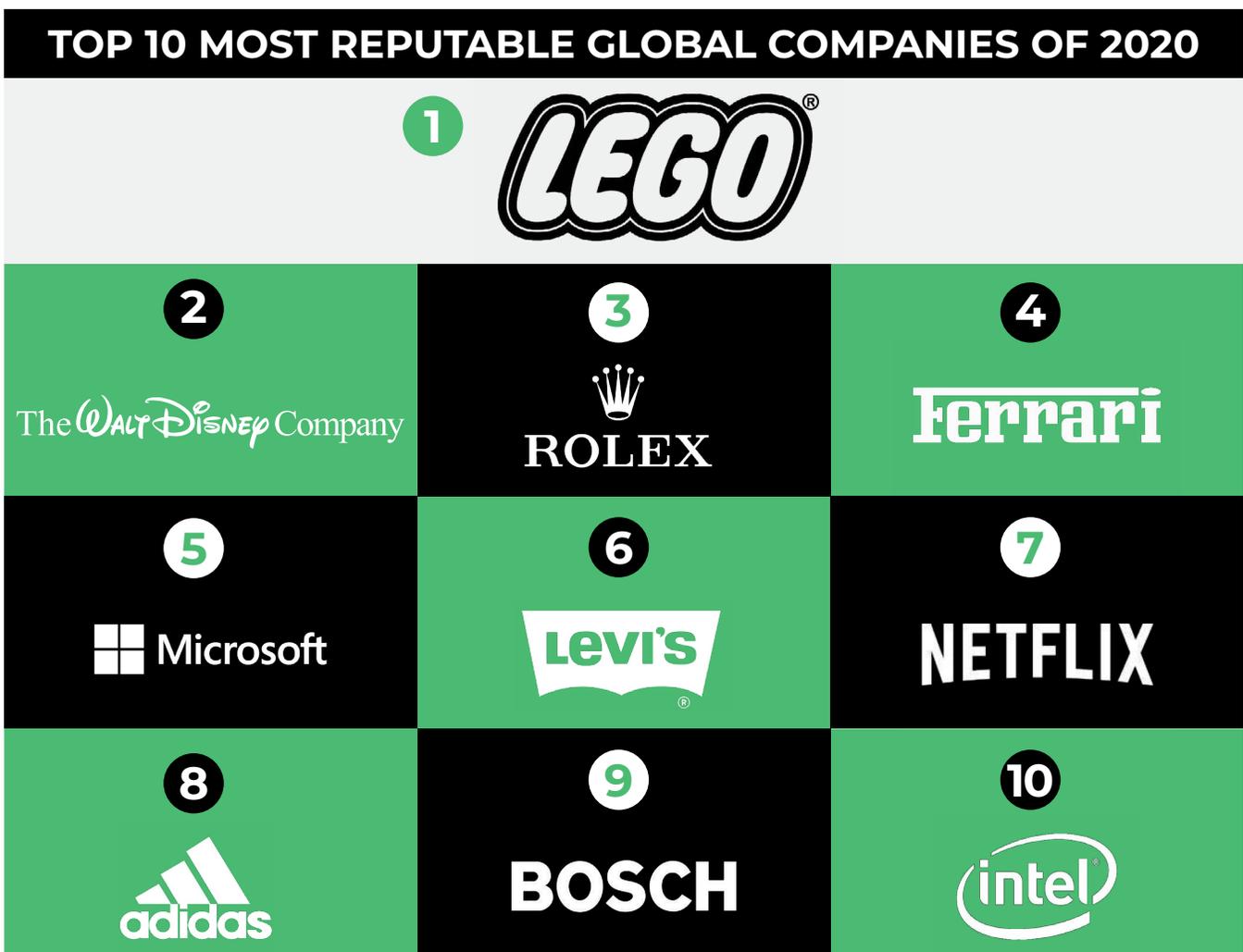
For example:

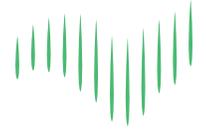
- Corporate reputation in Japan is largely driven by quality. Quality of products and services, and standing behind those products, is a higher driver in this economy than in all other measured countries.
- Leadership is a priority in China. Perceptions of a company's executives as strong and appealing impact the reputation of corporations in China more than they do in other markets.

To make it into the top 10 globally means that companies are simultaneously driving against market-specific priorities in each of the countries in which they operate.

They also have to be sufficiently familiar to the general public in each market, since, on average, the more familiar people are with a company, the higher its reputation.

Top 10 Most Reputable Companies in the World





The LEGO Group and the Walt Disney Company have been in the global top 10 every year for the last 10 years.

What are they doing right?



Excellent products and services

- LEGO and Walt Disney achieved very strong perceptions for their products and services over the last decade. There is widespread, international buy-in around the quality of what these companies offer in the market—both get strong to excellent scores in “high quality products and services” across all 15 markets. This is the number one most important business attribute in terms of reputation impact.

Leading with innovation

- After products and services, both companies received credit for their leadership and sustained innovation.
- They have adapted and expanded their core product offerings to the shift in consumer expectations.
- Walt Disney has secured its place as a media company with acquisitions and by offering a popular new offering in the streaming industry with Disney+.
- LEGO is a top-of-mind brand in terms of children’s products, while simultaneously improving the sustainability of its products and offering ways to play in real life and virtual reality.

Growing with purpose

- Both LEGO and Walt Disney perform according to consumer expectations while also being intentional about their corporate purpose and the social impact of their business. In fact, both companies are among the top 15 global companies when it comes to purpose.



New to the Top 10 in 2020



Ferrari has a remarkable emotional connection among consumers. It does well across the board in rational drivers and it also has an emotional/aspirational

halo. By this, we mean that its overall Reputation Score is higher than its scores across the individual business drivers. This stronger emotional component is expected from a luxury brand that has such a distinctive brand—60% of the public considers Ferrari to stand out from the crowd.



Levi Strauss & Co. jumped from number 13 to number 6 in a year, leveraging a strong brand and emotional connection among consumers. Levi's Reputation

Score improved the most in China year-over-year; it had a 6.5-point reputation leap there, driven largely by improvements in Leadership and Products & Services. Overall, Levi also experienced a significant global lift in perceptions of Citizenship, which is aligned with its CEO's involvement in social and environmental issues, such as gun violence and water use.

Spotlight: Netflix – The “youngest” most reputable brand



On average, the top 10 most reputable companies were founded more than 85 years ago. That gives them a stable place in the collective popular culture awareness of current generations.

However, Netflix is the youngest company to make it to the top 10. It was founded in 1997 and only moved into the streaming world in 2007.

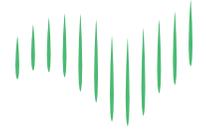
Netflix has moved up the global RepTrak ranking for the past three years, driven largely by enthusiastic buy-in around the service it provides and the innovation that fuels it. The company also gets credit for operating its business with ethical behavior.

2020 global reputation insights by industry

Hospitality, Consumer Goods, and Technology have the strongest Global Reputation Scores overall, while Pharmaceuticals, Transport, Financial Services, and Energy fall significantly behind.

The Financial Services and Energy industries stand out for being reputationally-challenged, yet they are the ones that have improved the most year over year. This improvement is driven by enhanced perceptions of Governance and corporate transparency.

Consumer-facing Technology firms have found a place among the most reputable companies. Globally, the reputation of big players like Google, Samsung, and Microsoft is strong and steady. However, this year we saw an increase in B2B Technology firms like Intel, SAP, and Oracle breaking through to the general public, due to enhanced perceptions of their Innovation, Citizenship, and Workplace.



Brand personality and reputation

The most reputable brands at a global level have established strong, distinctive brands. Fifty-three percent of consumers consider the top 10 most reputable companies to stand out from the crowd.

The brand persona associated with your brand affects its corporate reputation around the world.

Being perceived as genuine is the brand personality trait associated with the strongest lift in global reputation in 2020.

Other brand personality traits that have a positive impact on your Reputation Score include Exciting, Charming, and Intelligent. On the other hand, personality traits with a negative impact on your score include Aggressive, Lazy, Greedy, Boring, and Arrogant.

Key themes



Data privacy

Data security has been a growing source of reputational risk in the last decade and it is a top-of-mind issue for corporate leaders. In our 2020 data, we saw that on average, more people are starting to form defined opinions about how well businesses act to protect consumer information. Across the top 100 companies in 2020, the proportion of people “not sure” about corporations’ data security practices declined by 7% vs. 2019.

Companies that stand out for having the strongest scores in perceived data security practices tend to be part of the Technology and Financial Services services—two sectors that typically attract attention for the wrong reasons when it comes to collecting and protecting customer data. For example, SAP, Visa, Mastercard, Oracle, Cisco Systems, Salesforce, Microsoft, IBM, and Apple all outperform the global average in this aspect.

The Top 10 most reputable companies also score strongly in data security—particularly Intel.



Higher purpose

Purpose has become a key theme in 2020, yet convincing global consumers of a corporation’s purpose is more challenging than securing a strong Reputation Score.

While in 2020 the average Reputation Score of the top 100 companies was 73.1 out of 100 (strong), their Purpose Score is 65.5 out of 100 (average).

That said, the top 10 most reputable companies outperform the rest by three points in purpose. But there are considerable differences individually.

Of the top 10, Microsoft gets the strongest Global Purpose Score (70.8) while Rolex falls behind (60.8). Even among the most reputable companies, there is a wide range of perceptions around their purpose. (For more about purpose, see [page 10](#).)



Reputation translates into business outcomes

While being successful in 2020 means engaging a vast majority of consumers that stand on the fence, building a strong reputation is a way of triggering support.

Companies with an excellent reputation activate the following behaviors from consumers:

- 78% willingness to buy (vs. 9% when reputation is poor)
- 70% willingness to work for (vs. 11% when reputation is poor)
- 64% willingness to give benefit of the doubt (vs. 7% when reputation is poor)

Reputation is a predictive metric of support—higher reputation translates into higher intent.

Risk: Fence-sitters are increasing

Even if companies are well loved and easy to consider as a purchase, consumer scrutiny is high, even toward global, highly successful companies.

The proportion of fence-sitters—people who declare average or uncertain levels of overall support toward companies—has been on the rise since 2017.

What does this mean? Fence-sitters are likely to become detractors in the face of any source of reputation risk. It highlights that the most reputable companies in the world are still vulnerable to the impact of a crisis.

Top 100 Most Reputable Companies in the World

1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40
41	42	43	44	45	46	47	48	49	50
51	52	53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68	69	70
71	72	73	74	75	76	77	78	79	80
81	82	83	84	85	86	87	88	89	90
91	92	93	94	95	96	97	98	99	100

ARROWS INDICATE SIGNIFICANT DECLINE OR IMPROVEMENT IN REPUTATION SCORE COMPARED TO 2019.

SOURCE: 2020 Global RepTrak Study. More than 80,500 individual respondents from the global informed general public, across 15 markets, rated 153 eligible companies across 15 markets. The survey was fielded between December 2019 and January 2020.



How to Reach Global Audiences

Direct experience with a global company—which includes purchasing a product, visiting a store, and interacting with employees—is the channel that leads to the highest reputation returns among the general public. (There is a 7.7-point increase in Reputation Score when people recall these sorts of interactions.)

On the other hand, results from our Global RepTrak study showed that paid media is relatively inefficient as a tool to boost reputation. Recall of paid media only led to an average 2.7-point lift in Reputation Score, which is favorable but lower than earned, owned, and direct experience.

This is related to the issue of trust and the importance of authenticity in your brand.

Different regions prefer different information sources

There are interesting cultural nuances multinational corporations must address when prioritizing communications channels with clients across the globe.

RepTrak data from Italy found that earned traditional media is the preferred channel during a crisis. When asked how they would want to learn about corporate initiatives linked to the global COVID-19 pandemic, 53% of Italian consumers said they prefer traditional channels like TV. In the United States, local respondents in the same timeframe said they prefer to learn about how a company responds to a crisis through the company's website and from employees.

The issue is knowing what is the most credible channel for your local audience.



CEO Reputation and Lessons from Global Leaders

Familiarity with the CEOs of global companies is low, yet rising

On average, Global RepTrak results show that only 22% of people who are familiar with the large global companies also know who their CEO is. While this proportion seems alarmingly low, it is nearly twice as high as it was in 2018, when overall awareness of CEOs was just 12%. This reflects the changing nature of the CEO and their growing presence as a spokesperson of the company in traditional media coverage, social media, podcast interviews, and more.

This is good news for corporate leadership, because familiarity with a CEO is associated with a positive reputation lift of nearly 9.3 points. Leveraging the voice of your CEO in the right way can strengthen your company's connection with the general public.

Responsibility is the most important driver of reputation

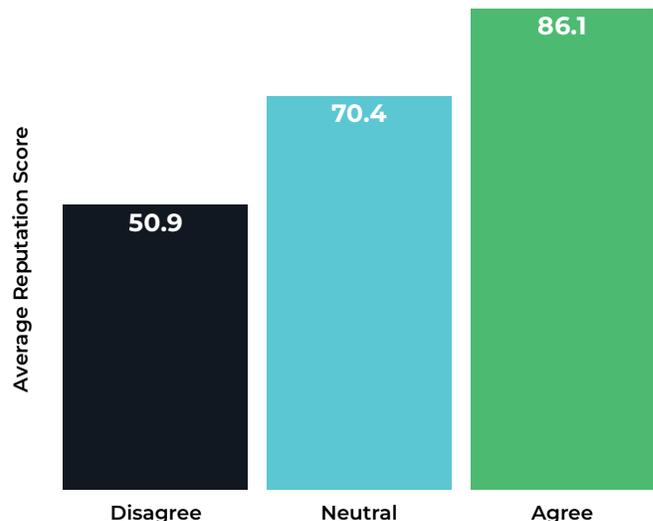
What drives how people around the globe feel about a company's CEO? Whether they are viewed as a responsible person. Consumers care if a CEO is demonstrating accountability for their actions, behaving ethically, and caring about social issues. This has been the main driver of CEO reputation over the last three years.

CEO activism can boost your company's reputation



Taking a meaningful stand on a political, environmental, or social issue always carries some degree of risk. Yet having a CEO who is overly neutral or non-committal on issues of concern to the world can actually damage what people feel about your company as a whole. Reputation among global respondents who strongly considered whether a company's CEO took a stand on key issues was excellent, while it was weak when the perception of the CEO was that he or she is less willing to express such views.

Should CEOs take a definitive public stand on environmental, societal, or political issues?



To be viewed as authentic and impactful in the eyes of global consumers, CEOs should follow a few considerations before becoming active on social issues. One, the issue should support initiatives that resonate with the company's audience. For example, in April 2020, there was widespread concern about job stability and personal financial security—in addition to public health. Data from our studies in the United States showed that a majority of respondents wanted CEOs to support government initiatives that helped with the COVID-19 crisis.

At the same time, respondents said they wanted CEOs to address matters of employee well-being and citizenship—what the company could do to make the situation better for the community. They did not want company leaders to talk about financial performance or even to donate personal funds. These survey results are related to CEO data from earlier studies, in which CEO traits linked to arrogance or greed were associated with a negative impact on their company's reputation.

In sum, how people view a CEO can lift or damage the corporate reputation of a global company. There is a strong correlation between these two variables, making CEOs central characters in a company's reputation management.

Reputable CEO spotlight: Niels Christiansen, The LEGO Group

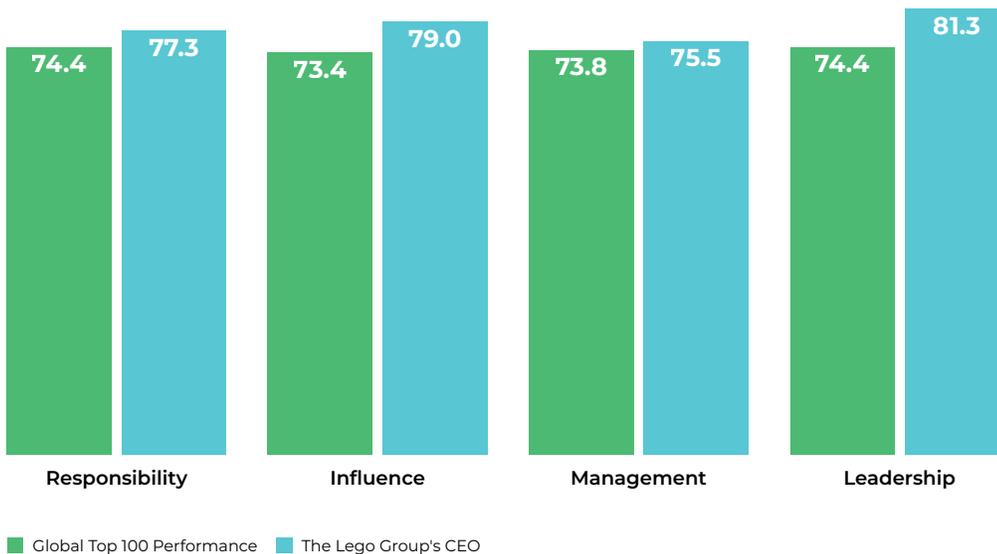


Niels Christiansen, CEO, The LEGO Group

The CEO of 2020's Most Reputable Company outperforms other CEOs in the eyes of the global public for his commitment to responsibility, influence, good management, and leadership.

During COVID-19, The Lego Group donated \$50 million to reach crisis-affected children with essential supplies and support through play, and transformed the company's production capabilities to produce personal protective equipment, like masks.

How LEGO's CEO Compares with CEOs in the Global Top 100



Purpose Is a Differentiator for Global Brands

A growing number of companies have realized the importance of purpose and “stakeholder capitalism.” That is, orienting their business to serve the interests of all stakeholders—including customers, suppliers, employees, shareholders, and local communities.

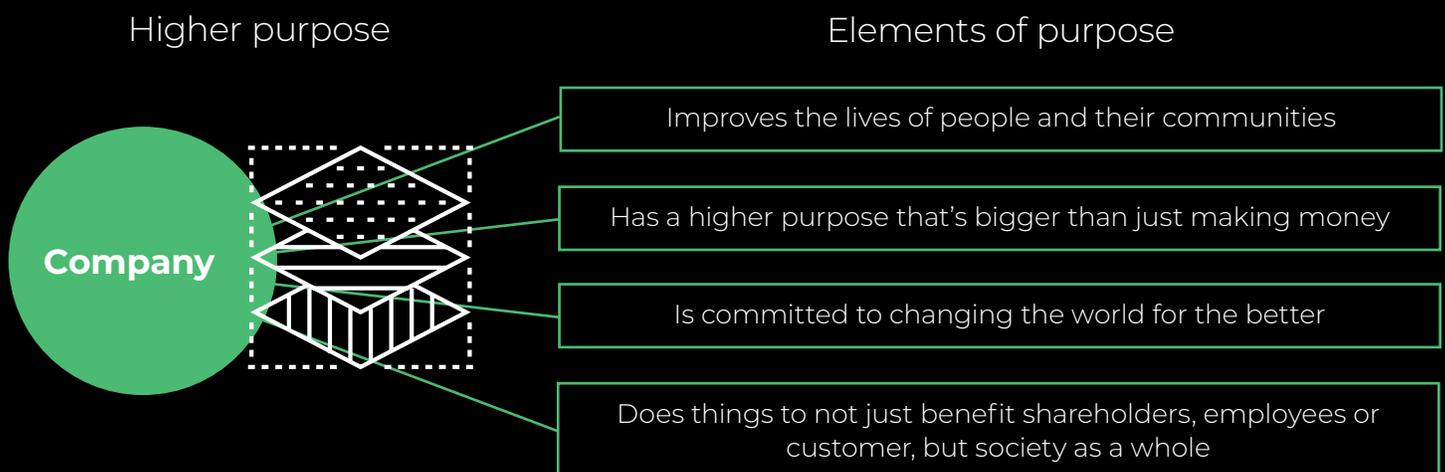
The RepTrak Company’s Purpose Score captures sentiment across four key themes:

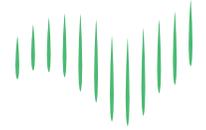
- Whether your company improves the lives of people and their communities
- Whether it has a higher purpose than making money
- Whether it is committed to changing the world
- Whether it does things to benefit society as a whole

While companies are increasingly identifying and working towards a higher purpose that is beyond shareholder value, getting credit for such work is a challenging task for corporations. Our Global RepTrak data suggests that multinational corporations still have a long way to go in terms of communicating and convincing the global audience about their higher purpose.

While the reputation of the 100 Most Reputable Companies is strong, perceptions of their purpose are mostly average. Together, the 100 Most Reputable Companies get a Purpose Score of 65.7, which is 10% lower than their Reputation Score of 73.1.

Measuring higher purpose: Gauging belief





So how can global companies define a purpose that resonates with global consumers?

1. **Champion of Progress**

When a company is viewed as committed to societal progress, and actively innovates new solutions to advance humankind

2. **Product Morality**

When a company is viewed as offering products and services that make every day better, and positively contributes to society

3. **Sustainability Leadership**

When a company is viewed as environmentally responsible in how it operates, and seeks to make products and services in a sustainable way

In 2020, the Top 100 companies received a *strong* score in Product Morality. Yet opportunities lie in acting and being perceived as more progressive and sustainable. There is also room to further commit, in the eyes of consumers, to **Data Integrity, Employee Advocacy, Social Welfare, and Egalitarianism**—the other four drivers of the Purposes score.

In terms of the industries that are viewed as most purposeful globally, Pharmaceuticals and Technology take the lead, yet there are no industries that are getting a *strong* performance as a whole. Right now, it is individual companies that stand out for getting strong credit for their higher purpose.



Spotlight: Microsoft activates its purpose



Microsoft's purpose is to empower people to achieve more. Microsoft's Global Purpose score is 71.0, which is strong in the Reputation Model, and 5.3 points higher than the average of the companies in the Top 100 Most Reputable Companies list. Microsoft is among the few companies that gets a *strong* score in Product Morality, Progress Leadership, Data Integrity and Employee Advocacy.

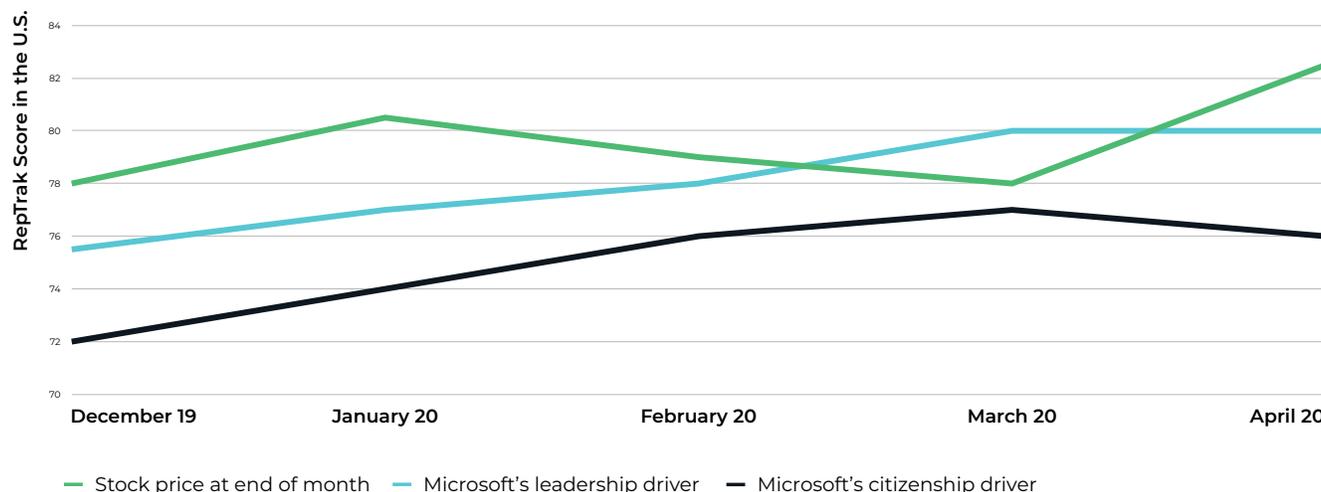
While the market struggled in 2020, Microsoft's stock price quickly rebounded after a drop in February and March. On the other hand, perceptions of its Leadership and Citizenship in the United States have trended positively since December 2019.

Microsoft's 2020 Purpose Drivers



Microsoft was among the first to commit to paying all hourly vendors and workers during the coronavirus pandemic, even as the shift to remote work at its headquarters reduced the need for their labor. Microsoft has a legacy of philanthropy, and the company's Corporate Responsibility is focused on employees, customers, and community partners.

Microsoft's performance in 2020



Stock Price Source: Yahoo Finance, Nasdaq's Real Time Price, Currency in USD. Capturing closing price during end of month. RepTrak data from the U.S. Continuous Tracker (Dec. 2019 – April 2020)

Appendix

Methodology

To qualify for this study, companies needed to fit four key selection criteria:

- Corporate brands, not product brands
- Global footprint
- Annual revenue of >\$2 billion
- Familiarity of >20% across 15 markets

About The RepTrak Company

The RepTrak Company™ helps business leaders understand how their company is perceived so they can maximize business outcomes. Subscribers to the RepTrak Program receive actionable insights and guidance so they can protect business value, improve return on investment, and increase their positive impact on society. Our purpose is to prove that doing and saying the right thing is good business. Established in 1997 and rating over 5000 companies annually in more than 60 countries worldwide, The RepTrak Company owns the world's largest reputation benchmarking database used by Global 2000 CEOs, boards, and executives.