THE COMPANY BEHIND THE BRAND II: IN GOODNESS WE TRUST
INTRODUCTION

In an age when business reputations are stress-tested on a daily basis, the companies behind the brands that people buy need to be trusted, transparent and accountable to withstand the rigors of life under a microscope. In 2012, Weber Shandwick released groundbreaking research about how corporate reputations have grown in value to average consumers. The Company behind the Brand: In Reputation We Trust demonstrated that an organisation’s reputation is critical to building deeper trust in its products and services. In 2016, Weber Shandwick, with KRC Research, refreshed that research on a wider geographic scale that covers 21 markets across the globe.

The new study, The Company behind the Brand II: In Goodness We Trust, finds that all eyes are now focused on how a company behaves, encompassing two different but ultimately inter-dependent types of activities: 1) a company’s responsiveness to issues it faces and 2) its ability to deliver well-being to customers’ lives and positive social impact, going beyond quality of its products and services. Consumers’ growing influence is propelling the focus on company behaviour as they increasingly voice their opinions and react to the conduct of companies and brands.

The Company behind the Brand II: In Goodness We Trust examines the intersection of brand and reputation from the views of consumers and senior executives. This report describes how consumers view their influence on corporate reputation, what they expect from companies today, how they gather information about companies and what they think about the role of the corporate brand. From the executive angle, it explains the benefits that strong corporate brands bestow upon their product brands, what executives see today as the drivers of company reputation and how well aligned they are with the latest consumer perspectives about company responsibility. The report also provides a look at companies with world-class reputations and how they are leading the charge on responding to evolving demands from consumers. When 60% of a company’s market value is due to its reputation, a lot is at stake.

1 The Company behind the Brand: In Reputation We Trust, Weber Shandwick & KRC Research, 2012
2 Ibid
Based on the results from our comprehensive survey of both consumers and executives globally, this report identifies

**SIX TENETS OF CORPORATE REPUTATION TODAY**

1. **Good for Them! Consumers Raise the Stakes**
2. **Good Will Talking**
3. **Good in Return**
4. **Good Behaviour Counts**
5. **Goodness Starts at Home**
6. **Good News May Not Travel across Borders**

The report also reveals Six Insights of World-Class Companies, providing guidance for leaders who want to know how to do business in an environment where consumers are not just purchasing their products or services on their own merits, but are also shopping by company reputation, accountability and trustworthiness.
Everyone’s talking about a new era in marketing — the Engagement Era. It’s a time when people are engaging with each other, and the brands and issues they care about, in entirely new ways. Today, people are taking control from the brands and organisations that used to do most of the talking and are now shaping their own stories.

At Weber Shandwick, we understand that winning today requires storytelling that’s relevant, personal and genuine. Our new research shows the thrust of consumer control, and how consumers want to buy from companies that show they have their customers’ best interests in mind. Extended benefits to the broader community — local and global — are important, but consumers today want to know that the companies they buy from get them on a personal level and know how to respond to them when needed.

Renee Austin, EVP Global Corporate Branding, Weber Shandwick

"Consumers now want to know who they are dealing with just as much as the company they buy from wants to know about them."

– Canadian Executive
Weber Shandwick, in partnership with KRC Research, conducted an online survey of 2,100 consumers and 1,050 senior executives across 21 markets worldwide. We sampled 100 consumers and 50 executives in each of the following markets:

**NORTH AMERICA**
- United States
- Canada

**EMEA**
- UK
- Germany
- Italy
- Spain
- Sweden
- Turkey
- United Arab Emirates
- South Africa

**LATIN AMERICA**
- Brazil
- Mexico

**ASIA PACIFIC**
- Australia
- China
- Hong Kong
- India
- Indonesia
- Japan
- Singapore
- South Korea
- Thailand

The consumers sampled represent the adult general population of their respective countries. Executives are in mid- to high-level occupations at companies with at least $250 million in annual revenue, with comparable levels in other developed countries and lower thresholds in emerging markets. These executives represent a variety of industries.

Prior to asking questions about corporate brands, we presented this statement: A single company may own many different product brands. This type of company is often called a corporate brand or parent company.
There is undoubtedly a wave of unprecedented consumer influence spreading across the world. Nearly nine in 10 global consumers (86%) believe they are a powerful force in influencing companies today. Even more global executives (91%) agree. Such power has expanded dramatically in recent years, as nearly seven in 10 consumers (68%) report that companies are influenced more today by consumer opinions than five years ago. Six in 10 executives (59%) have observed the same phenomenon.

To what extent do you feel companies are influenced by consumer opinions today?

Compared to five years ago, are companies today influenced more, the same or less by consumer opinions?
How are consumers exerting this newfound influence on businesses? Consumers think that the most effective ways are through reader reviews (59%) or information sharing (56%). To a lesser extent, but also powerful according to nearly half of consumers (48%), is opening or shutting their wallets — buying from or boycotting companies.

Executives are even more likely to feel that companies are affected by consumers sharing information (68%) and reviews (67%). Many also think that wallet-power and direct company contacts are influential (57% and 49%, respectively).

In which of the following ways do you feel consumers can personally influence a business or company these days?

<table>
<thead>
<tr>
<th>Way</th>
<th>Consumers</th>
<th>Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>By rating and writing about a company in reader reviews</td>
<td>59%</td>
<td>67%</td>
</tr>
<tr>
<td>By sharing information about a company with other people</td>
<td>56%</td>
<td>68%</td>
</tr>
<tr>
<td>By buying or boycotting a product or service</td>
<td>48%</td>
<td>57%</td>
</tr>
<tr>
<td>By sending a message, letter or email to the company</td>
<td>39%</td>
<td>49%</td>
</tr>
<tr>
<td>I do not believe consumers can personally influence a business or company</td>
<td>12%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Interestingly, a small but double-digit segment of consumers (12%) believes that they can’t personally influence a company, while none of the executives feel that way. It seems that consumers underestimate their own strength!

Social media has emboldened the influence consumers have. Nearly one-quarter of consumers (23%) say they are increasingly connecting with the companies that they buy from via social media. This figure rises to 31% among some of the world’s youngest consumers, the Millennials.
Consumers talk about companies and share information about companies with other people. Customer service, health, safety, innovation and a general emotional appeal toward both the product and the company are among the leading topics driving their company discussions.

**The top topics consumers discuss or share information about regularly or frequently are:**

- **50%** How they feel about customer service from companies
- **47%** How healthy or good company products/services are
- **47%** How they feel about the products/services from companies
- **42%** How safe company products/services are
- **41%** How innovative companies are
- **41%** How they feel about companies as a whole
- **40%** How honest and ethical companies are

We certainly expected that customer service would remain at the top of the list of reputation drivers as it has for decades. But our research suggests that consumers are questioning if the organisations into which they are going to invest their hard-won dollars will also assure their overall sense of well-being and an emotional connection. As of 2015, the global wellness industry was a $3.7 trillion market, growing 10.6% from 2013 to 2015.3 Therefore it is not surprising to find that the health and wellness movement has begun to infuse how we see the world and how we buy. Furthermore, the greater lack of certainty that exists today and the rising wave of social negativity affecting most countries may be creating a new demand for opportunities that impart positivity and peace of mind.

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3 Global Wellness Institute and SRI International, 2016
The good news is that the executives sampled in our survey report that, for the most part, their companies are promoting the same topics consumers are having discussions about, including how healthy/good their products or services are for their customers. Executives miss the mark, however, on three issues:

- Companies over-communicate their financial performance relative to how much consumers talk about or share it.
- Companies over-communicate community contributions relative to how much consumers talk about or share them.
- Companies under-communicate their values or ethics relative to how much consumers talk about or share how honest and ethical companies are.

This last information gap in values and ethics communications serves as a red flag. While ranked as consumers’ 7th most frequently discussed issue, executives rank it as their companies’ 12th most promoted corporate message. According to the research, companies are spending too much time communicating their bottom lines and community activities and not enough time touting a broader, more holistic focus on purpose, guided by their values or what they stand for. Another reason to take note of corporate values: 34% of consumers report that they are increasingly buying from companies or brands that share their values. Clearly, values matter.
CONSUMERS AROUND THE WORLD DISCUSS “HOW HEALTHY OR GOOD SPECIFIC COMPANIES’ PRODUCTS AND/OR SERVICES ARE”

(\% of consumers who discuss or share information)

CONSUMERS CARE ABOUT THE COMPANIES BEHIND THE BRANDS TODAY BECAUSE IT IS THE VALUES OF THE PARENT COMPANY THAT THE PRODUCT WILL REFLECT.

– U.S. EXECUTIVE
Consumers are more discerning in their buying habits. More than one-half (54%) say they are buying based on need versus want. We found no relationship between this reported behaviour and respondents’ income level or level of market development, so we hypothesise that this behaviour is a statement of personal values and that’s probably why this study shows that buying behaviour has shifted decidedly to a more discriminating consumer mindset.

Again, the recurring theme of “good for me” is impacting purchase decisions. More than four in 10 consumers increasingly...

46% 45% 43%

Buy from companies that make them feel good and happy  
Check labels to see the company behind the brand  
Buy from companies that care about their well-being

Are consumers craving an emotional connection, not just to products and services, but to companies too? One-third of consumers (32%) say that now, more than ever, they want to feel good about the company that makes the products they buy. Paul Massey, EVP, Global Lead for Social Impact at Weber Shandwick, explains this finding as follows: “Consumers are responding to a shared sense of purpose with companies, which is often expressed by how brands walk their talk about consumer well-being, environmental impact and social issues that affect communities.”

“THE REPUTATION OF A PARENT COMPANY NEEDS TO BE GOOD SO THAT CONSUMERS FEEL SAFE AND HAPPY.

– INDIAN EXECUTIVE
Consumers are closely watching the actions of companies. They learn about companies through not just what customers say about them (88%), but also how companies react in times of crisis (85%). What experts or consumer groups say round out the top three most important sources (83%).

When you want to learn more about a company as a whole, how important are each of the following? (% consumers rate very or somewhat important)

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
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<tbody>
<tr>
<td>What customers say about it</td>
<td>88%</td>
</tr>
<tr>
<td>How a company responds to and addresses any problems it faces</td>
<td>85%</td>
</tr>
<tr>
<td>What experts or consumer groups say about it</td>
<td>83%</td>
</tr>
<tr>
<td>What your friends, family or colleagues say</td>
<td>81%</td>
</tr>
<tr>
<td>What comes up about the company when you do an online search about it</td>
<td>79%</td>
</tr>
<tr>
<td>What you learn about it from TV, newspapers and other news sources</td>
<td>76%</td>
</tr>
<tr>
<td>What employees say about it</td>
<td>76%</td>
</tr>
<tr>
<td>What is on the company’s own website</td>
<td>68%</td>
</tr>
<tr>
<td>What you learn about it in social media, like Facebook, Weibo, Instagram or Twitter</td>
<td>64%</td>
</tr>
<tr>
<td>What the company’s own leaders say publicly</td>
<td>61%</td>
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<tr>
<td>What the company says in its advertising</td>
<td>61%</td>
</tr>
<tr>
<td>What kinds of awards it wins or best-of lists it ranks on</td>
<td>60%</td>
</tr>
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</table>
The finding that company responsiveness is so important is a critical shift in reputation-building that should be addressed by all companies, large or small. With more than one-third of global consumers (36%) saying that they have discussions with others or share information about corporate scandals or wrongdoing, how a company responds to an issue or crisis determines its integrity, credibility and trustworthiness. In fact, agility in responsiveness to issues and crises is more important in driving perceptions of a company than what the media says, what employees say and what the company says about itself — whether that is on its website, through its leaders or in its advertising.

Executives do a good job identifying what consumers deem to be credible sources of company information. They agree that what other customers say about their company and how their company responds to problems are the two leading arbiters of reputation. Perhaps executives’ recognition of the impact of a good crisis response is also a result of sensitivity to board reactions: 93% of global executives say that reputation risk is of high importance for their boards, which is not surprising when you consider that board directors can experience collateral reputation damage when the companies they oversee undergo crisis. At a presentation at the 2016 RIMS Annual Conference & Exhibition, the cost of public humiliation and its consequences was estimated to average $2 million per director.4

CORPORATE ACTIVISM: A RISING BEHAVIOURAL TREND

Company reputation isn’t shaped entirely by the factors just mentioned, however. Our survey also illustrates an emerging trend that Weber Shandwick explored in a 2016 U.S. study, The Dawn of CEO Activism.5 That research revealed that nearly 40% of American adults believe that CEOs have a responsibility to speak out on hot-button issues. Our new study reveals a similar sentiment among global consumers and global executives: 41% of consumers and 46% of executives think that companies should express an opinion or take action on issues that may be controversial, such as race, gender, immigration or environment. Increasingly so, companies are being expected to take a larger role in social and environmental issues and help make the world a better place or “more good” place to live.

“Consumers want to feel secure that the products they are using are backed up by a solid parent company. So if any issue is experienced, it will be addressed and solved rightly.”

– South African Executive

5 The Dawn of CEO Activism, Weber Shandwick & KRC Research, 2016
The corporate brand matters. Nearly nine in 10 global executives (86%) report that a strong parent brand is just as important as — or even more important than — strong product brands. A full 83% believe that product brands need to be transparent about their lineage, and 73% believe that consumers care about parent companies. These beliefs are common to executives whose companies sell to consumers (B2C) and to other businesses (B2B) alike. Given these beliefs, it stands to reason that most (85%) are of the opinion that a parent company’s logo on a product’s packaging impacts consumer purchasing. Executives recognise that consumers today are not just purchasing products or services for their functionality, but are also buying based on the reputation of the company that sells the product or service.

On the consumer front, the reputation of the parent company is often the make-or-break factor in purchase decisions. Nearly four in 10 consumers (38%) say that the parent company has altered their product preference.

(% agree with statement)

“A strong corporate brand is just as important as — or even more important than — strong product brands.

86% EXECUTIVES

Product brands need to be transparent about their heritage.

83% EXECUTIVES

Consumers care about parent companies.

73% EXECUTIVES

I have preferred a product but purchased a different one because I didn’t like or didn’t agree with the company that made the product.

38% CONSUMERS

AROUND THE WORLD, “A STRONG CORPORATE OR PARENT BRAND IS JUST AS IMPORTANT AS — OR EVEN MORE IMPORTANT THAN — STRONG PRODUCT BRANDS”

(% of executives who agree)
Why do executives feel that the corporate brand matters to consumers? We asked them to tell us, on an open-ended basis. Their reasons vary considerably, but their most common belief is that the parent company provides quality assurance. They also identify numerous business advantages that come with promoting the parent brand when marketing its individual product brands, most notably increasing customer loyalty (49%), generating company awareness (45%), creating a halo effect across product lines (43%), and easing the launch of new products or services (43%).

<table>
<thead>
<tr>
<th>Advantage</th>
<th>% of Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Helping to increase customer loyalty</td>
<td>49%</td>
</tr>
<tr>
<td>Generating awareness of the parent company</td>
<td>45%</td>
</tr>
<tr>
<td>Creating a halo effect or a good impression across products</td>
<td>43%</td>
</tr>
<tr>
<td>Launching new products or services is made easier</td>
<td>43%</td>
</tr>
<tr>
<td>Increasing sales across product lines</td>
<td>40%</td>
</tr>
<tr>
<td>Providing a competitive advantage</td>
<td>38%</td>
</tr>
<tr>
<td>Tying all the brands together so they can share one voice</td>
<td>38%</td>
</tr>
<tr>
<td>Marketing and communications cost efficiencies</td>
<td>36%</td>
</tr>
<tr>
<td>Meeting customer demands for transparency</td>
<td>35%</td>
</tr>
<tr>
<td>Protecting the reputation of the product brands if they suffer a marketplace crisis</td>
<td>35%</td>
</tr>
<tr>
<td>Increasing the ability to attract talent to the parent company or the product brands</td>
<td>34%</td>
</tr>
<tr>
<td>Expanding into other regions or markets is made easier</td>
<td>34%</td>
</tr>
<tr>
<td>Allowing the company to charge more, or a premium, for its products</td>
<td>26%</td>
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</tbody>
</table>
Executives are correct in advocating for corporate brand transparency. Consumers don’t like surprises. When asked if they have ever been surprised to learn that a product they liked was made by a parent company they didn’t like, 38% of consumers responded affirmatively. When that happened to them, they usually had a negative reaction, primarily ceasing their purchase of the product (39%) and sometimes feeling more negative about the product (28%).

Discovery of a disconnect between parent and product brand isn’t always fatal. Sometimes it works to a company’s advantage, with one-quarter of surprised consumers feeling more positive about the parent company (25%). Or the effect may pique curiosity about the parent company, with 29% saying their surprise caused them to search online to find out what other products the company makes. However, it should be noted that consumers are more likely to stop buying the product than continue buying it (39% vs. 23%, respectively).

Parent company’s influence on consumer buying behaviour

Corroborating their desire for transparent ownership disclosure, consumers report that they are doing more of the following than they did in the past:

- Hesitating to buy products when it’s not clear what company makes them: 34%
- Looking into the companies that make the products: 32%
- Getting annoyed when it’s not obvious what company makes a product: 23%
While there are numerous advantages to cultivating and promoting a strong corporate brand, there are also inherent risks that executives identify. The single biggest looming concern to executives is what happens to the brand portfolio when one product brand suffers a crisis. Most other risks are internal issues regarding logistics and resources rather than customer experience. However, executives might be underestimating the impact on customers and particularly on attracting talent as evidenced below.

**What are the risks of promoting a company’s parent brand when also marketing individual product brands? Please select all that apply. (% of executives)**

<table>
<thead>
<tr>
<th>Risk</th>
<th>% of Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>If one product brand experiences an issue or crisis, the parent brand may also be damaged</td>
<td>44%</td>
</tr>
<tr>
<td>If one product brand experiences an issue or crisis, the others may also be damaged</td>
<td>44%</td>
</tr>
<tr>
<td>Heightened competition for internal resources</td>
<td>28%</td>
</tr>
<tr>
<td>Confusion among customers</td>
<td>27%</td>
</tr>
<tr>
<td>Difficulty aligning or integrating product brands under the parent brand</td>
<td>26%</td>
</tr>
<tr>
<td>Strategic focus is diluted or weakened</td>
<td>25%</td>
</tr>
<tr>
<td>Value of the individual product brands becomes diluted or weakened</td>
<td>24%</td>
</tr>
<tr>
<td>Greater investment in social media content and distribution is required</td>
<td>21%</td>
</tr>
<tr>
<td>Distraction to customers</td>
<td>20%</td>
</tr>
<tr>
<td>Endangering the ability to attract talent to the parent company or the product brands</td>
<td>19%</td>
</tr>
<tr>
<td>Marketing and communications cost inefficiencies</td>
<td>18%</td>
</tr>
<tr>
<td>Customers don’t really care</td>
<td>16%</td>
</tr>
</tbody>
</table>

“**HOW THE PARENT COMPANY CONDUCTS ITSELF PUTS THE PRODUCT BRAND IN A GOOD OR BAD LIGHT.**

– U.S. EXECUTIVE
BEYOND CONSUMERS: THE CORPORATE BRAND IS A RECRUITMENT TOOL

Being a good company behind the brand has benefits that reach beyond the consumer market. It also plays a key role in the search for new talent — who the parent company is matters to a sizable majority of consumers (77%) and to nearly all executives (95%) if they are looking for a new job.

If you were looking for a new job, how much would it matter who the parent company is?

![Bar chart showing the percentages of consumers and executives who think it matters who the parent company is.]

- A lot/A little: Consumers 77%, Executives 95%
- Not at all: Consumers 12%, Executives 4%
- Does not apply: Consumers 11%, Executives 1%

Millennials are the most sensitive to the reputation of the parent company when looking for a new job.

![Bar chart showing the percentage of Millennials, Gen Xers, and Boomers who think it matters who the parent company is.]

- Millennial: "Parent Brand Matters in Job Search" Consumers 38%, All Other Consumers 24%
- Gen Xer: "Parent Brand Matters in Job Search" Consumers 32%, All Other Consumers 32%
- Boomer: "Parent Brand Matters in Job Search" Consumers 30%, All Other Consumers 45%

“A PARENT COMPANY THAT IS A GOOD EMPLOYER VALUES HUMAN BEINGS AND THUS WILL VALUE ITS CONSUMERS’ INTERESTS AS WELL.”

— U.S. EXECUTIVE
TENET 6

GOOD NEWS MAY NOT TRAVEL ACROSS BORDERS

As important as reputation is to company value, the majority of executives (69%) find it challenging to communicate their own company’s reputation across different countries, languages and cultures.

Research and advisory firm on reputation, The Reputation Institute, looks at reputations worldwide on an annual basis. The survey is conducted among consumers in 15 markets and answers a question that often comes up — what companies have the best global reputations? Interestingly, they found that no one company among their top 10 most reputable companies in the world was able to maintain that stellar reputation across all 15 markets, and only six companies made it in the top 10 across the majority of the markets, underscoring the challenges of building a strong global brand reputation. Such challenges exist for obvious reasons, such as cultural nuances in marketing messages and translation issues, but also because it is difficult to build a strong emotional connection outside one’s own home country.

Who finds exporting reputation the least challenging according to our study? The executives for whom it is least challenging to communicate their own company’s reputation across multiple markets, languages or cultures are most likely to be...

64%
Based in EMEA

58%
In the hospitality or tourism industry

60%
At a company that focuses equally on parent and product reputation

The six in 10 executives whose companies focus equally on the reputations of the parent and product brands is an important finding because it underscores the need to have equally strong parent and product brands. It shows that, especially for global companies, parent and product brand reputations are interdependent.

When asked to write in a company that they felt does a good job communicating across many different countries and cultures in a way that enhances or builds its reputation, most executives (66%) were able to name a company, but responses were fragmented even in individual markets. Globally, Apple received the most mentions (13%), followed by Microsoft (11%). The only companies to garner more than 30% of votes in individual markets were Apple among Italian executives (32%), Samsung among South Korean executives (34%) and Coca-Cola among Mexican executives (36%).

6 2016 Global RepTrak®100, The Reputation Institute, March 2016
The executives in our survey were segmented by their company’s reputational status into five groups, with world-class representing the most highly regarded companies. This categorisation was based on how executives identified their own companies with this question: “How would you rate your own company’s overall reputation?”

Most executives assessed their companies with “excellent” or “very good” reputations (65%), but a surprising few (15%) were confident enough to say their companies have world-class reputations. We decided to look into what their companies are doing that makes their executives believe they are worthy of a world-class label.
HERE ARE THE SIX INSIGHTS OF WORLD-CLASS COMPANIES, AS REPORTED BY THEIR EXECUTIVES:

1. World-class companies recognise the influence of consumers today and the power of “goodness.”

Executives at world-class companies are most likely to believe that consumers have a great deal of influence over companies these days and that this influence has increased over the past five years.

Similarly, world-class company executives, in lock-step with executives at companies with excellent reputations, are much more likely than their peers in less reputable organisations to say their companies promote how healthy or good for customers their products and services are. Clearly, prioritising purpose and offering and communicating goodness are hallmarks of a strong reputation.

Recognising the connection between company reputation and goodness is not exclusive to executives at world-class companies. We honed in on the consumer equivalent of the world-class set, a small segment of consumers who frequently discuss or share information about company reputations. This communicative group makes up 14% of global consumers who might be considered reputation watchdogs. What specific drivers of reputation are they addressing amongst each other? In vast numbers, they are talking about how they feel about a company’s products and services (92%) and how healthy or good a company’s products and services are (89%). “Goodness” is where world-class companies and the consumer watchdogs of reputations intersect.

2. World-class companies communicate their outstanding reputations and their social activism.

The most frequently communicated piece of information by world-class companies is their reputation. In fact, the more reputable the company, the more likely its reputation is promoted.

World-class companies are also more likely than companies of other reputation statures to promote their impact on important societal issues. In the same vein, executives at world-class companies are the most likely to feel that companies should express opinions on controversial issues. Perhaps they have built enough reputational equity to have the confidence to speak out and/or their activism helps propel their reputation.

3. World-class companies make the corporate brand visible.

Executives at world-class companies make the most of the corporate brand’s esteemed reputation. They are by far the most likely to believe that having a corporate company’s logo on products impacts consumer purchase behaviour. They come to this conclusion based on experience: When it comes to companies that are known mainly for their products or sub-brands, those that are world-class are more likely to put emphasis on building a positive reputation for the corporate brand.

4. World-class companies identify the need to invest in social media content and distribution.

Executives were asked about the risks of promoting a company’s parent brand when also marketing individual product brands. More so than executives at companies with lesser reputations, those at world-class companies identify the need for greater investment in online content and distribution. Perhaps world-class company executives place heavier emphasis in content creation to maintain their companies’ top reputational status. They know how important it is to get their narrative out and get it right.

5. World-class companies make reputation a board priority.

Boards of world-class companies are by far the most likely to make reputation risk a very important issue. These companies know that their reputation is a financial asset, competitive edge and responsibility to protect.

6. World-class companies take on the challenge of globalising their reputation.

Executives at world-class companies are twice as likely as executives at companies with lesser reputations to say it is very challenging to communicate reputation globally. World-class companies probably dedicate more time trying to do it well and keeping track of how they are faring on a global basis.
## HOW WORLD-CLASS COMPANIES STAND OUT

(% executives by company reputation status)

<table>
<thead>
<tr>
<th></th>
<th>WORLD-CLASS</th>
<th>EXCELLENT</th>
<th>VERY GOOD &amp; GOOD</th>
<th>FAIR &amp; POOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Companies today are influenced by consumers a great deal</td>
<td>70%</td>
<td>63%</td>
<td>47%</td>
<td>43%</td>
</tr>
<tr>
<td>Compared to five years ago, companies today are influenced more by consumer opinions</td>
<td>73%</td>
<td>61%</td>
<td>53%</td>
<td>43%</td>
</tr>
<tr>
<td>Companies should express their opinions or take action on controversial issues</td>
<td>63%</td>
<td>51%</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>Including a parent company’s logo on the product brand’s packaging impacts consumer purchase behaviour a great deal</td>
<td>67%</td>
<td>42%</td>
<td>30%</td>
<td>27%</td>
</tr>
<tr>
<td>Own company puts more emphasis on building a positive reputation for the corporate or parent brand (among executives who work for companies branded mainly through individual product brands or sub-brands)</td>
<td>30%</td>
<td>12%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Needing to make a greater investment in social media content and distribution is among the risks of promoting a company’s parent brand while marketing individual product brands</td>
<td>26%</td>
<td>21%</td>
<td>21%</td>
<td>7%</td>
</tr>
<tr>
<td>The issue of reputation risk has become very important to own company’s Board of Directors</td>
<td>77%</td>
<td>52%</td>
<td>42%</td>
<td>45%</td>
</tr>
<tr>
<td>It is very challenging to communicate your own company’s reputation across different countries, languages and cultures</td>
<td>46%</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
</tr>
</tbody>
</table>
## COMPANY PROMOTES OR COMMUNICATES INFORMATION ABOUT THE FOLLOWING TOPICS FREQUENTLY/REGULARLY (TOP 5 LISTED)

(% executives by company reputation status)

<table>
<thead>
<tr>
<th>WORLD-CLASS</th>
<th>EXCELLENT</th>
<th>VERY GOOD &amp; GOOD</th>
<th>FAIR &amp; POOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Company reputation (73%)</td>
<td>Healthiness/goodness of products or services (70%)</td>
<td>Product/service quality (63%)</td>
</tr>
<tr>
<td>#2</td>
<td>Healthiness/ goodness of products or services (71%)</td>
<td>Company reputation for innovation (69%)</td>
<td>Safety of company's products/services (60%)</td>
</tr>
<tr>
<td>#3</td>
<td>Company financial performance (66%)</td>
<td>Safety of company's products/services (68%)</td>
<td>Company financial performance (58%)</td>
</tr>
<tr>
<td>#4</td>
<td>Safety of company's products/services (64%)</td>
<td>Healthiness/goodness of products or services (57%)</td>
<td>Company reputation for innovation (54%)</td>
</tr>
<tr>
<td>#5</td>
<td>Safety of company's products/services (64%)</td>
<td>Company reputation for innovation (54%)</td>
<td>Company reputation for innovation (30%)</td>
</tr>
</tbody>
</table>
IN CLOSING...

The Company behind the Brand II: In Goodness We Trust shows a world in the midst of a consumer revolution. Consumers are empowered by their influence on companies and know how to operationalise their empowerment through their words and deeds. The corporate imperative based on this dynamic is two-fold:

1. **At the product level**, what products and services need to deliver is shifting from functional utility and basic quality to fulfillment of customer well-being — whether that is in the form of health, safety or simply being “good for you.” Marketers should be aware of the rise of personal and purpose communications and the emerging trend that their companies’ reputations are now influenced by the wellness and peace of mind that their goods deliver.

2. **At the corporate level**, responsiveness is now a reputational mandate. As boards are hyper-focused on reputation risk, no corporate brand can afford to be without a crisis response plan or insights into predicting troubles ahead. On a more micro-level, brands need to respond to and engage with their stakeholders on a continual and agile basis.

The most reputable companies have their fingers on the pulse of these changing dynamics and are appropriately tapping into consumer priorities and addressing risk issues. Yet, the majority of executives in our study do not attest to their companies having a reputation that is world-class — or even excellent — and need to rapidly catch up and seize these opportunities in order to stay competitive and outpace their peers. It is no longer safe for parent companies to hide behind their product brands. As one Australian executive who participated in our survey stated succinctly: “Trust in the parent company is proportionate to the trust in the product brand.” The product and corporate brands are of equal importance in today’s economy.
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