Reputation Institute

UK RepTrak® Results 2018

Top 150 Companies

19th April, 2018

UK RepTrak® 2018

50,000+
Individual ratings

500+
Nominated Companies

Informed General Public
Somewhat or very familiar with company evaluated

2 months
January-February 2018

> "*The largest normative database on corporate reputation in the world.*"

UK companies in the Global RepTrak® 100
Global RepTrak® 2018

Rolls-Royce

BRITISH AIRWAYS

IHG InterContinental Hotels Group

Unilever

Virgin

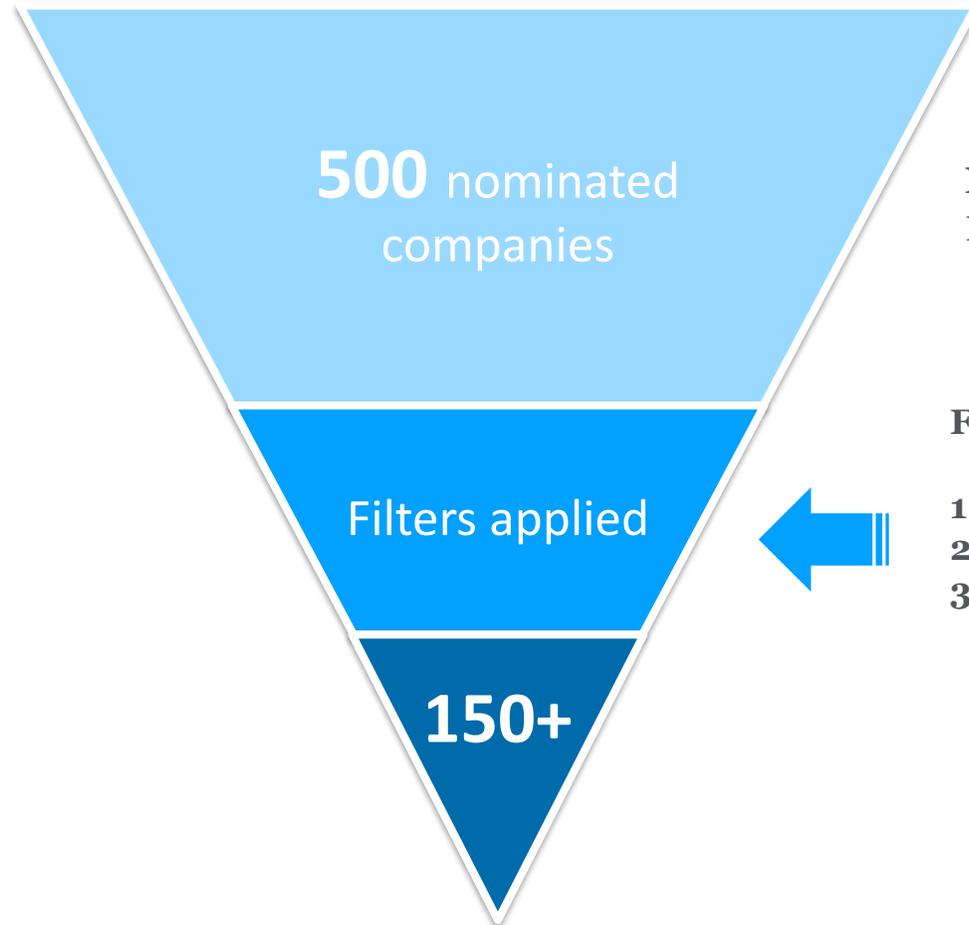gsk GlaxoSmithKline

FCA FIAT CHRYSLER AUTOMOBILES

BARCLAYS

Shell

HSBC

bp

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Annual RepTrak® UK 2018 – Top 150 Companies

500 nominated companies

Filters applied

150+

Nomination criteria:
Largest and most visible companies in the UK

Filter out:

1. Brands
2. Companies that form part of the Public Sector, charities, foundations.
3. Companies with less than 30% familiarity

150 Companies with highest Reputation

The RepTrak® Model

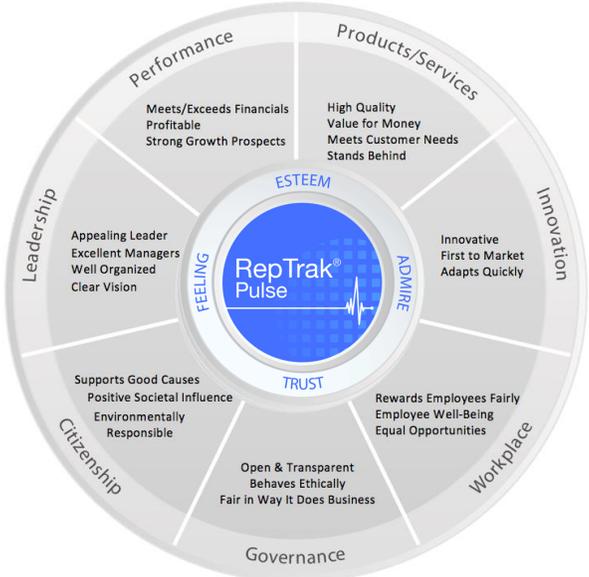*RepTrak® Pulse gauges the emotional bond stakeholders have with your company – it provides a measure of the overall reputation of your company*

RepTrak® measures a company's ability to deliver on stakeholder expectations across the 7 key rational dimensions of reputation

REPTRAK® DIMENSIONS
Cognitive Considerations

A company that has a strong reputation and delivers on expectations — will earn support from its stakeholders

BEHAVIORAL INTENT
Reputation Outcomes

ESTEEM
FEELING · RepTrak® Pulse · ADMIRE
TRUST

Performance
Meets/Exceeds Financials
Profitable
Strong Growth Prospects

Products/Services
High Quality
Value for Money
Meets Customer Needs
Stands Behind

Leadership
Appealing Leader
Excellent Managers
Well Organized
Clear Vision

Innovation
Innovative
First to Market
Adapts Quickly

ESTEEM
FEELING · RepTrak® Pulse · ADMIRE
TRUST

Citizenship
Supports Good Causes
Positive Societal Influence
Environmentally Responsible

Workplace
Rewards Employees Fairly
Employee Well-Being
Equal Opportunities

Governance
Open & Transparent
Behaves Ethically
Fair in Way It Does Business

| Willing to Purchase |
| Recommend Products |
| Positive Support |
| Benefit of Doubt |
| Work For |
| Invest |

FEEL

THINK

ACT

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UK RepTrak® in 2018:

UK RepTrak 150 - Summary

What happened?

Why did it happen?

Reputation

.......has fallen since 2017

- 'Trust Crisis', People are more sceptical towards governments, politicians, and companies.
- Period of change - Brexit, Trump, Fake news
- Data security (Facebook, Equifax)
- No anchors for people to use as reference points

CSR

.....It's very important, but perceptions are declining

- Companies are increasingly engaged
- But the General Public are struggling to distinguish one initiative from another
- Finding the right 'fit' is difficult - Simplicity, purpose, partnerships, connection

Communication

........is not getting through

- Bad news has far more weight than good
- A climate of information overload
- Few companies are successfully engaging with people through multiple channels
- Disconnect between what people want companies to say, and what companies are saying/doing

Themes

Building Trust through reciprocity with people

- There is a higher expectation for ethics, corporate responsibility, and leadership. Overall, companies are not delivering
- The more trust you give, the more you get back
- Companies are Giving up control to build Trust

Redefining the relevance of CSR

- Overall performance is down despite CSR being a key driver of Reputation.
- CSR is taking on an increasingly broad remit....**companies are expected to take responsibility on behalf of consumers**

Connecting consumers and companies in the same conversation

- The growing perception is that companies are not communicating often, or providing sufficient information about what they are doing
- Companies with a Top 10 Reputation have significantly higher levels of Media effectiveness (Paid, Owned, Earned) than the remaining RepTrak 150 Companies
- Successful companies share, engage and shape the conversation with the general public, others talk at the general public

Corporate Reputation in the UK

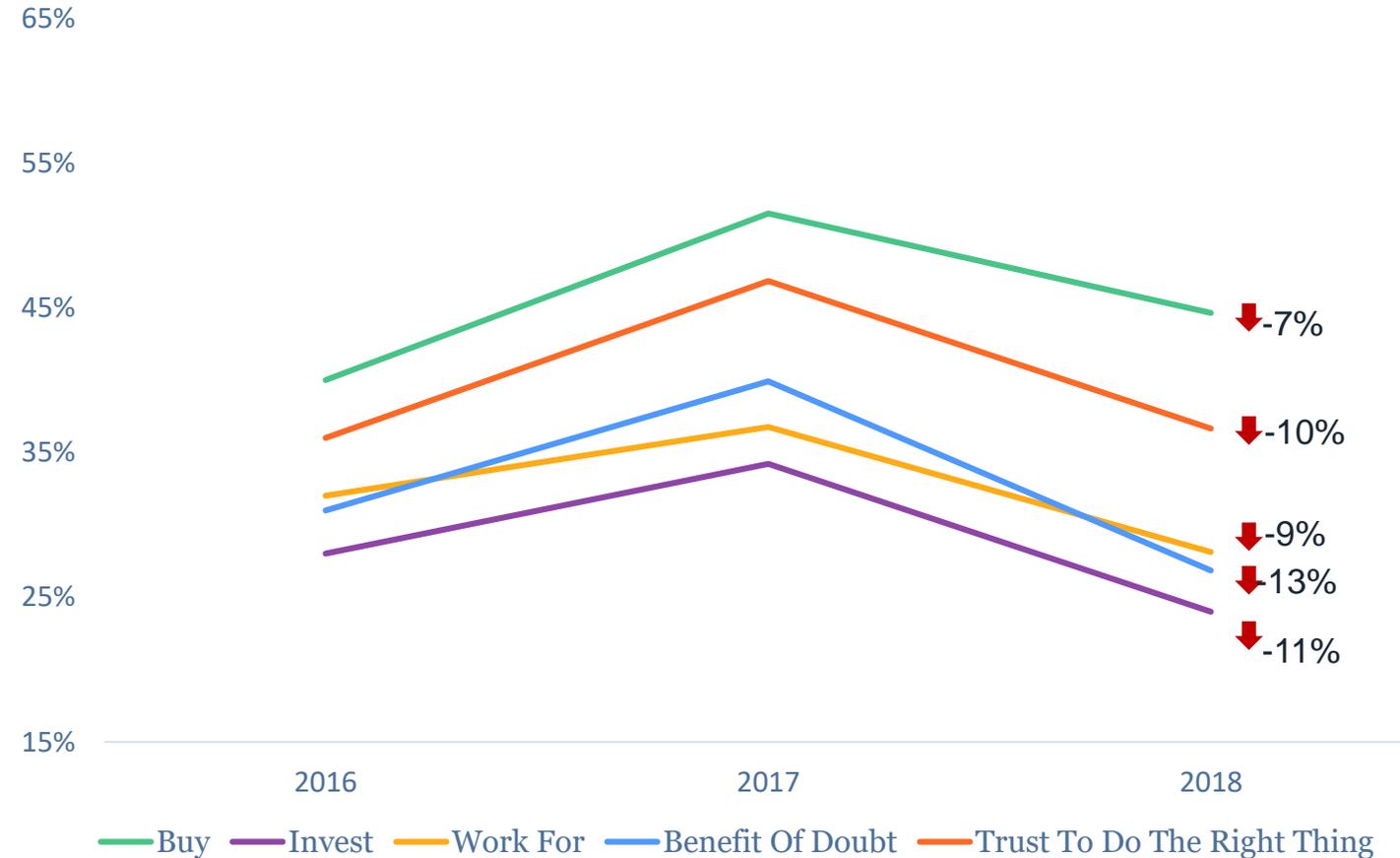# Trendline in Global & UK Annual RepTrak® Top 150
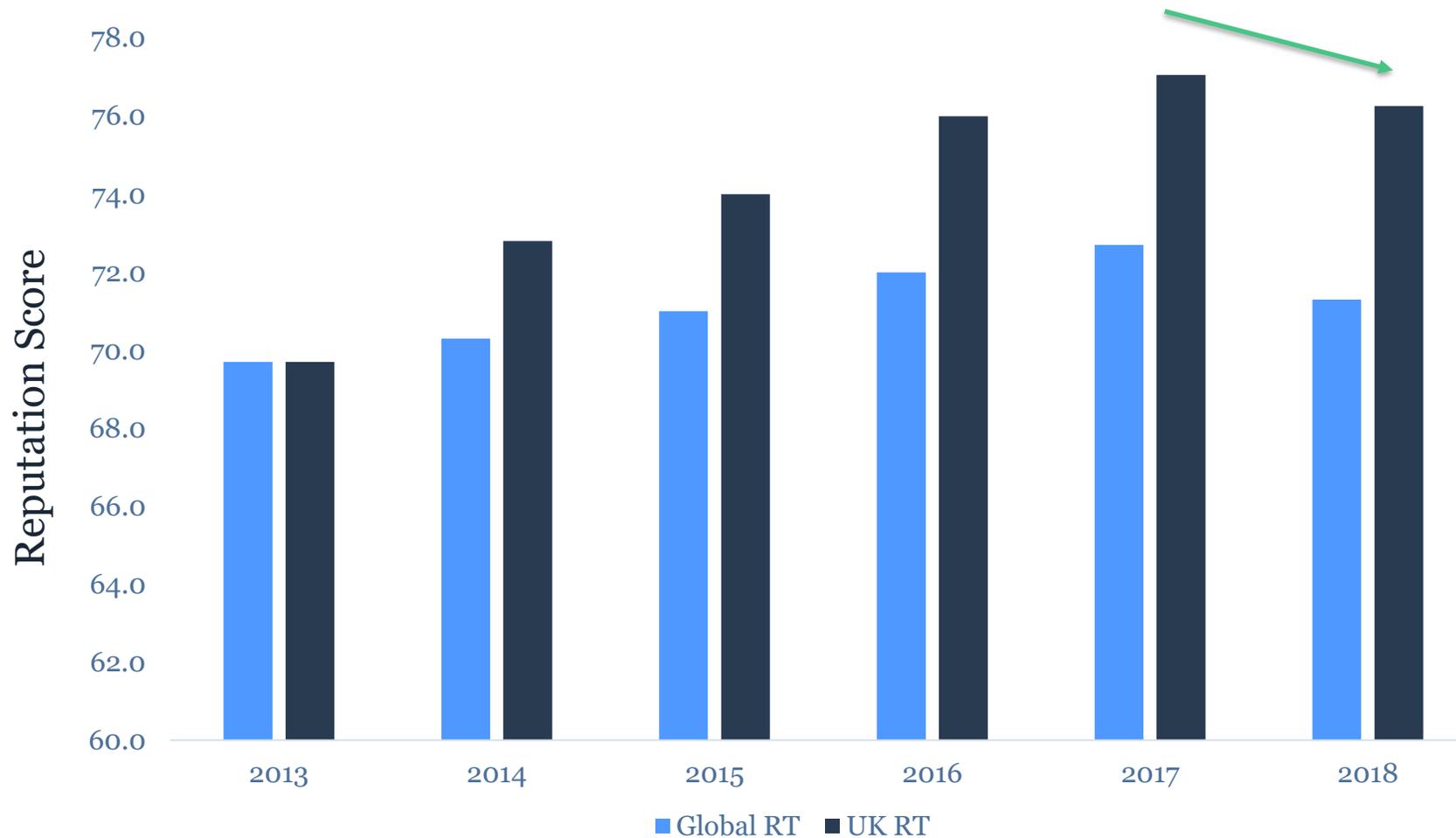
2018 is the first year of reputation decline since 2008.

Source: Annual RepTrak® Global & UK 2018

Levels of support have declined in the UK since 2017

Supportive Behaviour

The overall decline in emotional bond results in lower levels of support from the General Public in the UK
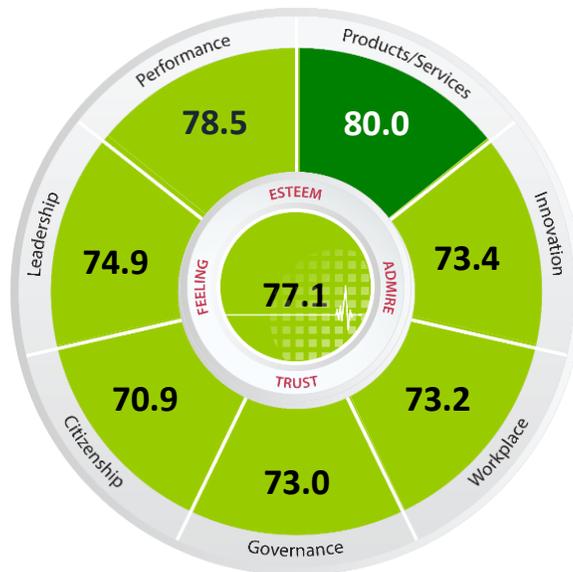
65%

55%

45%

35%

25%

15%

2016   2017   2018

-7%

-10%

-9%

-13%

-11%

Buy — Invest — Work For — Benefit Of Doubt — Trust To Do The Right Thing

Source: Annual RepTrak® UK 2018

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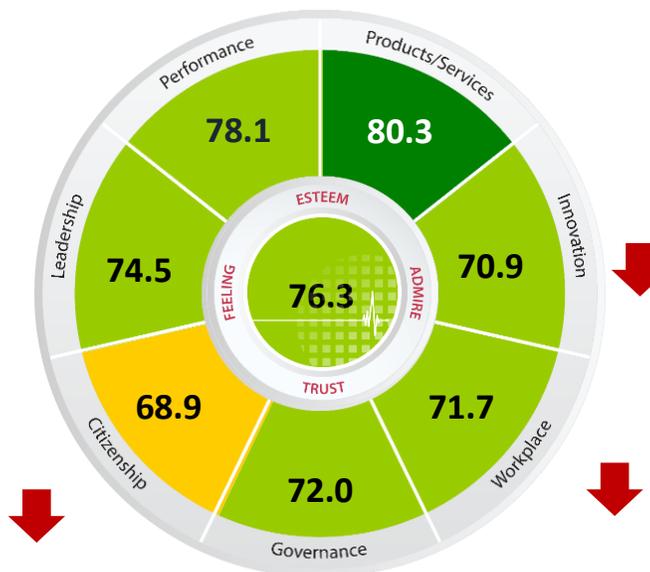# Decline in Reputation driven by a fall in Citizenship, Workplace and Innovation

**Reputation Performance
All companies**

Annual RepTrak® UK 2017

**Reputation Performance
All companies**

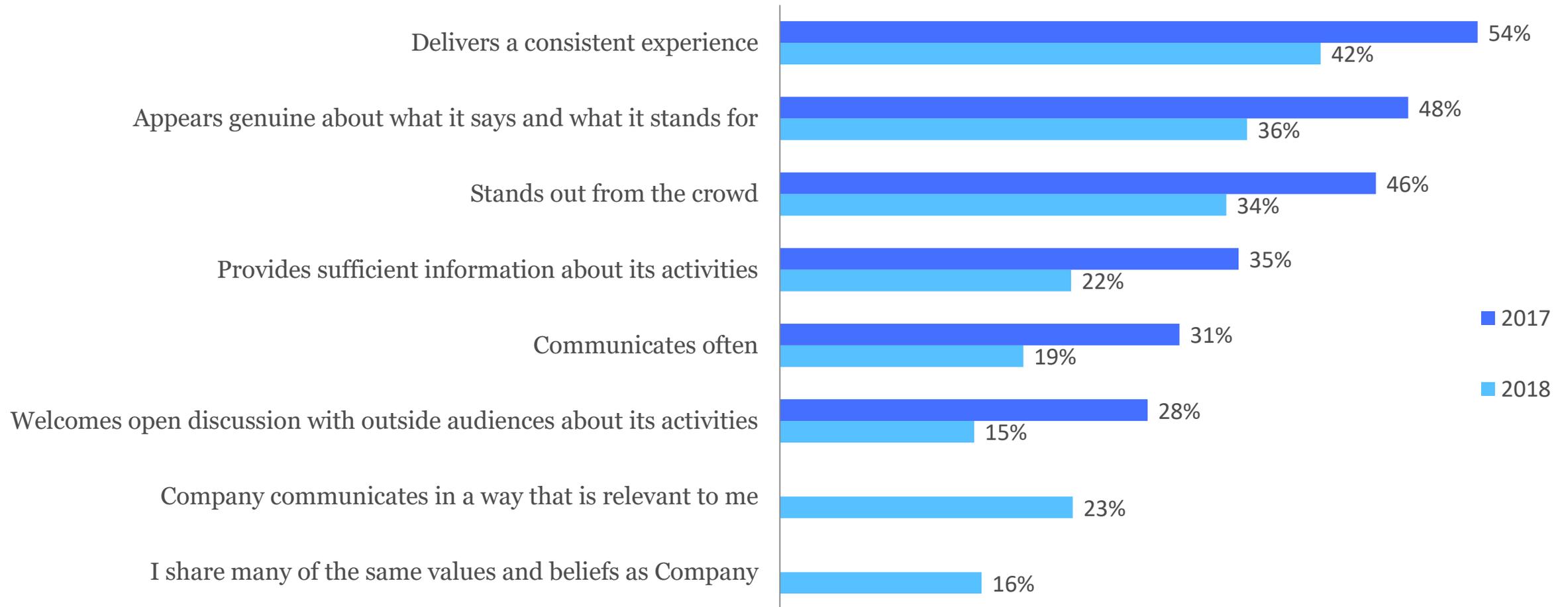Annual RepTrak® UK 2018

Corporate Reputation - UK

- Fall in Reputation driven by fall in Innovation, and 3 CSR dimensions

- Perceptions of Citizenship in the UK are now 'average', but it remains a key driver of Reputation

● **POOR**   ● **WEAK**   ● **AVERAGE**   ● **STRONG**   ● **EXCELLENT**

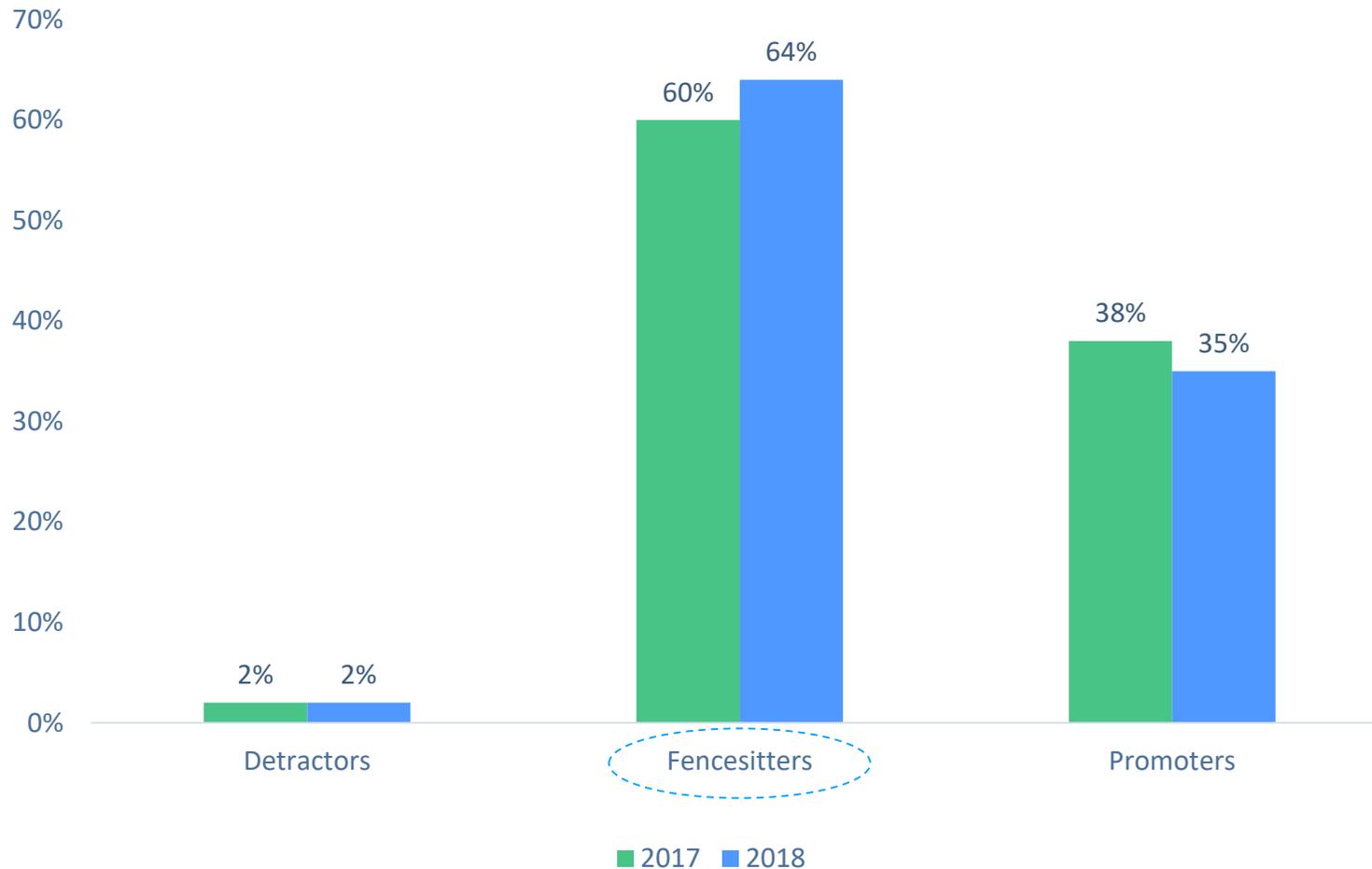Source: Annual RepTrak® UK 2017 & 2018

Significant difference > 0.5

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Positive endorsement on brand expressiveness has experienced a decline across all metrics since 2017

Brand Expressiveness

	2017	2018
Delivers a consistent experience	54%	42%
Appears genuine about what it says and what it stands for	48%	36%
Stands out from the crowd	46%	34%
Provides sufficient information about its activities	35%	22%
Communicates often	31%	19%
Welcomes open discussion with outside audiences about its activities	28%	15%
Company communicates in a way that is relevant to me		23%
I share many of the same values and beliefs as Company		16%

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There is a Reputation Silver Lining

- The decline in Reputation was not due to an increase in negative perceptions of companies

- The number of people who are uncertain or unsure what companies are doing increased

- Companies that are able to tell their story in a compelling and credible way will see their Reputation rise

*Fencesitters – respondents who are neutral or not sure what companies are doing
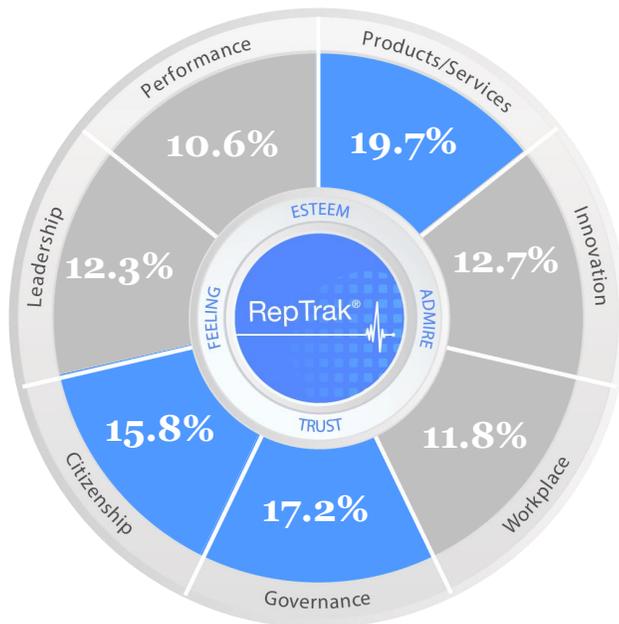
Source: Annual RepTrak® UK 2018

The Importance of CSR

Companies have to differentiate; Citizenship and Governance remains key
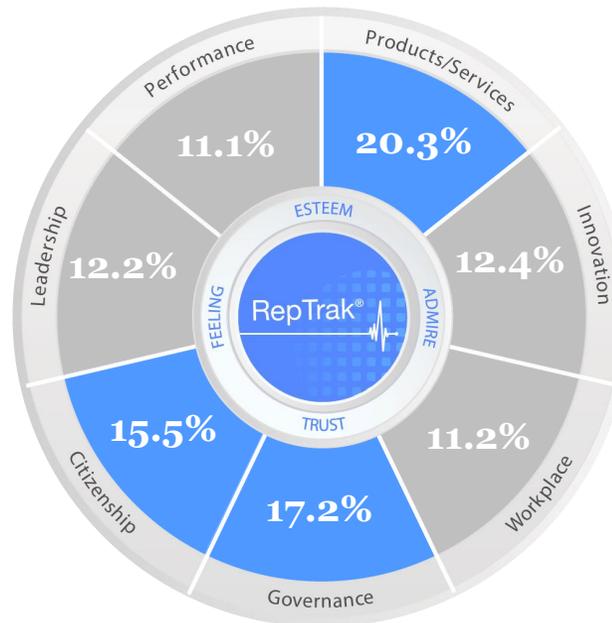
Reputation drivers

Annual RepTrak® UK 2017

Reputation drivers

Annual RepTrak® UK 2018

Reputation drivers in UK

- Products & Services, Governance and Citizenship remain the top 3 drivers of reputation in the UK in 2018

- The impact on reputation of these **top 3 drivers is now 53%**

- Slight decline in importance in Workplace, yet it has significant impact when coverage of bad Working conditions arise

Source: Annual RepTrak® UK 2017 & 2018

The data is supported by the business community

Regulation

"The public and consumers now expect companies to act on their behalf, They expect them to behave as de facto regulators ensuring products and services are provided ethically"

"Increasingly, there has to be a purpose beyond shareholder return (maximising profits)"

David Nussbaum Ex CEO WWF, Board member, Drax, Energy

Responsible Business behaviour

M&S aims include to:
- Help 10m people live happier and healthier lives
- Be the world's leading retailer on engaging and supporting customers in sustainable living
- Undertake a range of activities to identify how our stores and people can make a positive and measurable difference to their neighbourhood (to be rolled out to 1000 communities)

Robert Swannell, M&S Chairman

"At company level, strong governance can improve efficiency, mitigate risks and drive performance. Irrespective of commercial motivations, companies are coming under increasing pressure from politicians and regulators, whether on executive pay or issues surrounding M&A, means that no board can afford to disregard developments in Corporate Governance"
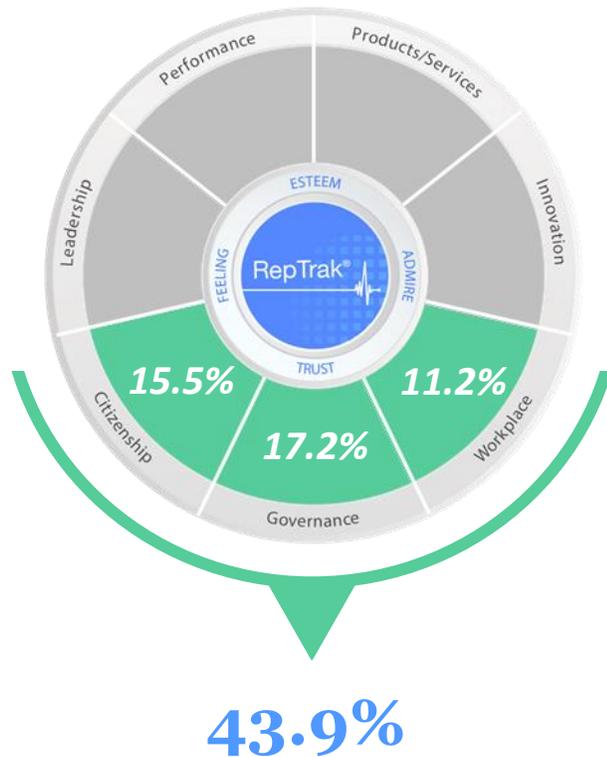
Source: Board Agenda, Various

The number of people who do not know what companies are doing is rising

CSR Drivers of Reputation

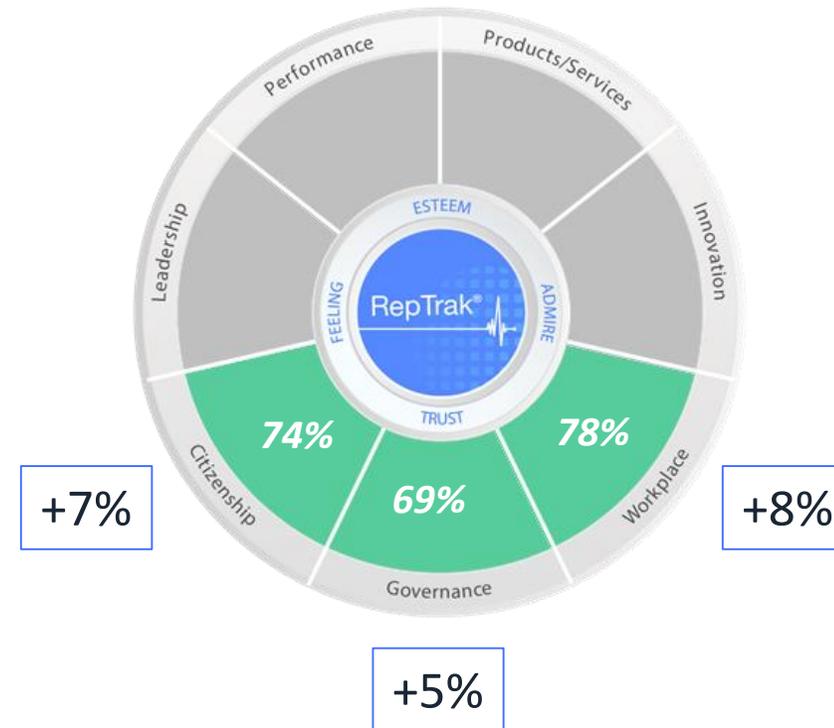## CSR Dimensions in the UK

2018 RepTrak® UK

15.5% 11.2%
17.2%

43.9%

CSR Dimensions in the UK

Fencesitters
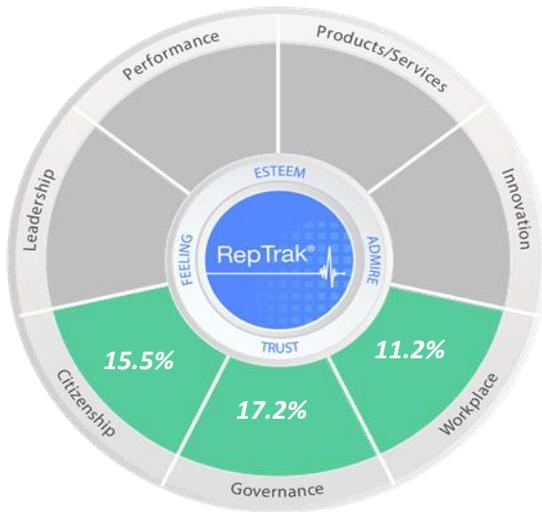

74% 78%
69%

+7% +8%

+5%

Source: Annual RepTrak® UK 2017 & 2018

Statistical differences: >3.2 (2017) >3.3 (2018)

An improvement in CSR drives an improvement in Reputation

Companies that improved most on CSR

Change in Pulse Score

Companies most improved on Workplace

L'ORÉAL   amazon.com

+10.9   **+8.3**

Companies most improved on Governance

amazon.com   L'ORÉAL   Wickes

+8.3   **+10.9**   **+7.8**

Companies most improved on Citizenship

SEVERN TRENT   B&Q   L'ORÉAL

+7.3   **+1.8**   **+10.9**

Chart labels: Performance, Products/Services, Leadership, Innovation, ESTEEM, ADMIRE, FEELING, TRUST, RepTrak®, Citizenship 15.5%, Governance 17.2%, Workplace 11.2%

Source: Annual RepTrak® UK 2017 & 2018

Statistical differences: >3.2 (2017) >3.3 (2018)

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Top 10 companies in the UK

Annual RepTrak® UK 2018 – Top 10 Companies

Rank	2018	Score
1	ROLEX	**87.0** (+6pts from 2017)
2	LEGO	**86.4** (+1.3pts from 2017)
3	BOSCH Invented for life	**85.1** (+3.3pts from 2017)
4	dyson	**85.0** (-1.9pts from 2017)
5	Nintendo®	**84.9** (+8.6pts from 2017)
6	Rolls-Royce	**83.7** (+1.4pts from 2017)
7	SONY	**83.3** (-0.5pts from 2017)
8	amazon	**83.1** (+8.3pts from 2017)
9	SAMSUNG ELECTRONICS	**83.0** (0pts from 2017)
10	Walt Disney	**82.4** (+1.6pts from 2017)

Excellent

Top 10

- Changes in the Top 10 mostly driven by Reputational improvements since 2017
- Consumer goods companies dominate the top of the ranking
- Rolex – Leadership, P+S
- Lego – Citizenship + Innovation
- Bosch – Governance+Leadership

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Annual RepTrak® the UK – Top 10 Companies past years

Rank	2016	2017	2018
1	LEGO	dyson	ROLEX
2	IKEA	LEGO	LEGO
3	BMW GROUP / BMW / MINI / Rolls-Royce	SONY	BOSCH Invented for life
4	SONY	BOSCH	dyson
5	Rolls-Royce	Canon	Nintendo®
6	ASTON MARTIN	Panasonic	Rolls-Royce
7	ROLEX	ROLEX	SONY
8	SAMSUNG ELECTRONICS	UNDER ARMOUR	amazon
9	BOSCH	Levi's	SAMSUNG ELECTRONICS
10	Kellogg's	LG Electronics	Walt Disney

Top 10

- 5 of the Top 10 Companies in the UK are new

- Samsung return to the Top 10 after recovering from the crisis in 2016

- Nintendo and Amazon enter the Top 10 after significant improvements in 2017

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Significant declines in many industries since 2017

Change in Industry Scores since 2017

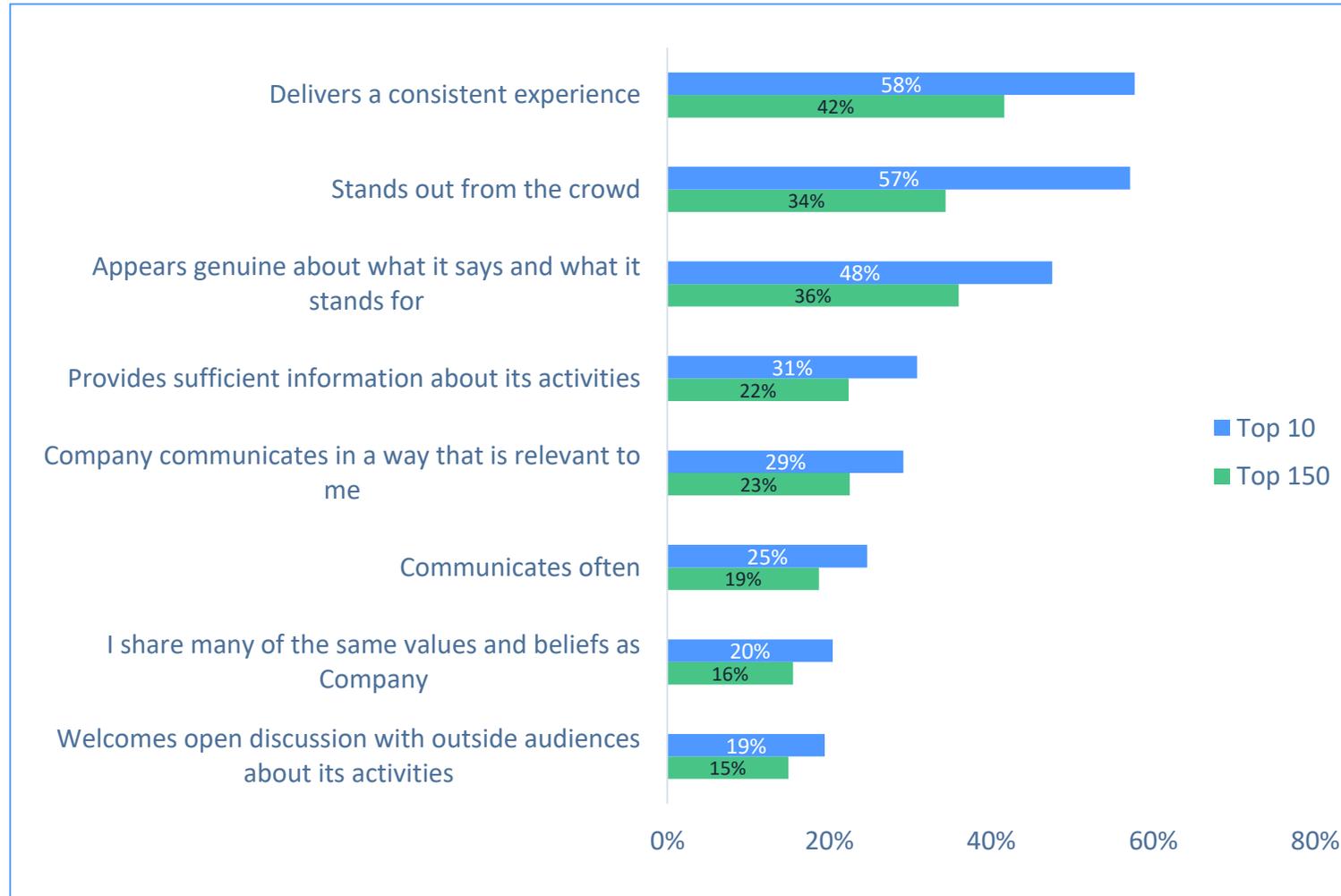| Industry	Score
Pharmaceuticals	-9.6
Airlines	-4.3
Technology	-3.0
Telecommunication	-2.9
Energy	-2.6
Transport	-2.5
Conglomerate	-2.4
Industrial	-1.8
Financial	-1.7
Automotive	-1.0
Food & Beverage	-0.8
Hospitality	0.3
Information	0.4
Services	1.2
Retail	1.3
Consumer	1.7

The Top 10 – What are they doing right?

Top 10 companies perform stronger in both brand and communications

Top 150 vs Top 10

	Top 10	Top 150
Delivers a consistent experience	58%	42%
Stands out from the crowd	57%	34%
Appears genuine about what it says and what it stands for	48%	36%
Provides sufficient information about its activities	31%	22%
Company communicates in a way that is relevant to me	29%	23%
Communicates often	25%	19%
I share many of the same values and beliefs as Company	20%	16%
Welcomes open discussion with outside audiences about its activities	19%	15%

Top 10 companies experience significantly higher Media effectiveness than the rest

	Top 150 companies	Top 10 companies	
	Scores of those exposed to a certain type of media	Scores of those exposed to a certain type of media	
Paid	84.6	91.8	+7.1
Owned	81.7	89.8	+8.0
Earned	81.7	88.9	+7.1
Customer Experience	84.6	92.8	+8.2

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Media RepTrak also shows a nearly identical picture of what customers care about most

Media RepTrak

- The digital conversation for top 10 UK companies around dimensions that drive reputation

- Analysis is based on 186 million conversations in 2017 across the world in publicly-available digital channels – such as Facebook, Twitter, New York Times, blogs, and online forums

- Discussion themes are derived using tailored search strings and Latent Dirichlet Allocation to cluster conversations

Companies that dominate the digital conversation are also top performing companies on Key Drivers of Reputation, such as:

The most prevalent reputation dimensions on social media for top 10 companies:

Top 10 RepTrak drivers

Performance 12.9%
Products/Services 21.6%
Leadership 12.5%
Innovation 13.1%
Citizenship 14.1%
Governance 15.0%
Workplace 10.8%

ESTEEM · FEELING · TRUST · ADMIRE
RepTrak®

Reputation Institute
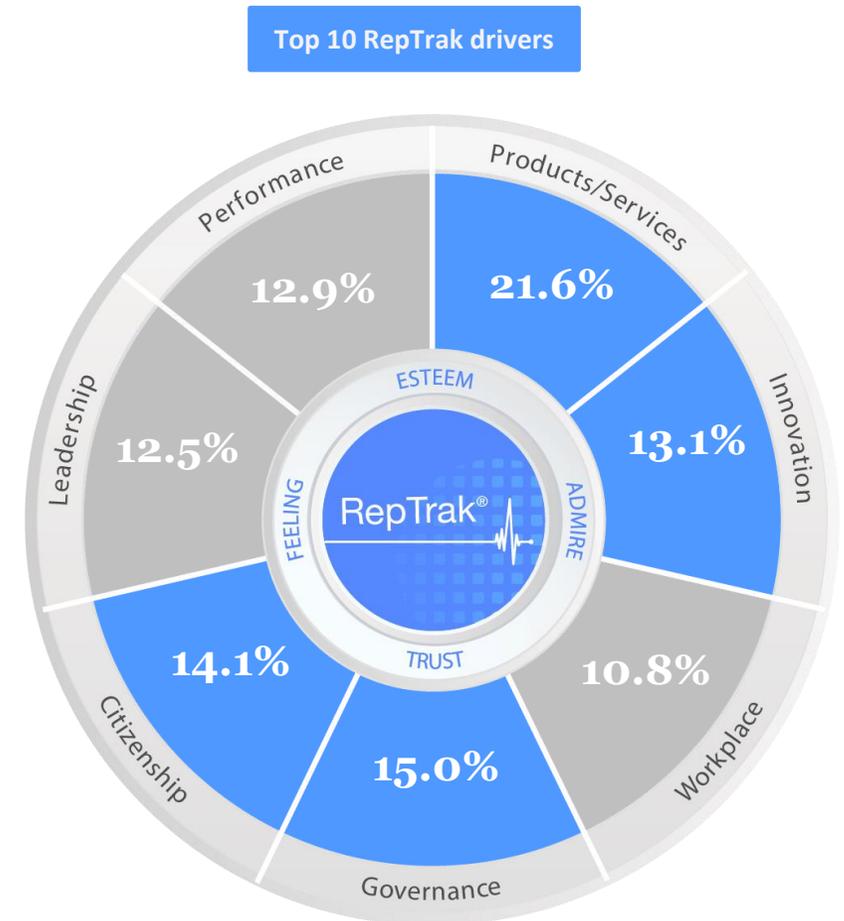
Top 10 companies from the UK RepTrak have delivered on messages that form part of the Key drivers of Reputation

Media RepTrak

Key social narratives by dimension across digital media for UK companies who beat the global average
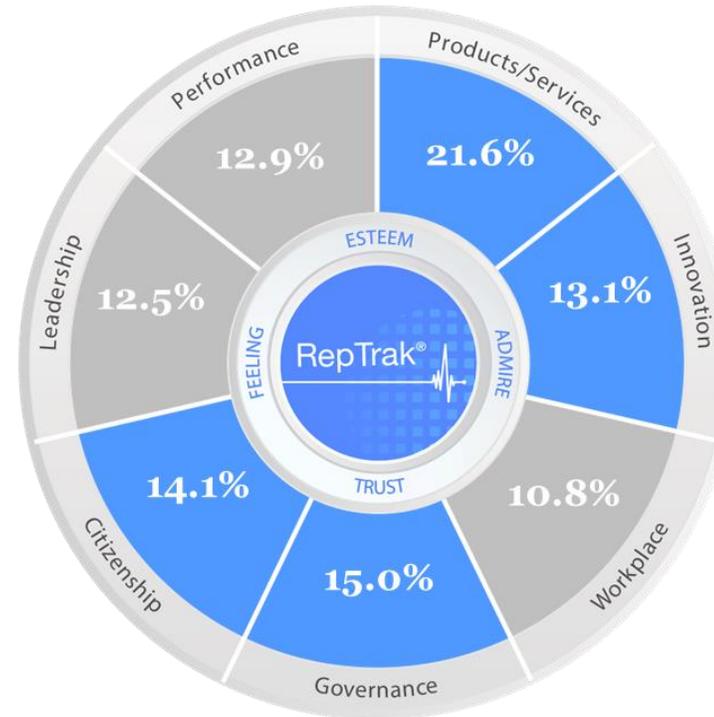
Media RepTrak drivers

Citizenship: Narrative centered around the organization as an embedded element of modern culture, making modern living better, and more sustainable.

Governance: Genuine transparency and clear purpose facilitate positive narrative and sharing of experiences.

Products and Services: Unwavering focus on high quality and value, coupled with responsive customer service.

Innovation: Shift from novelty and product characteristics to an outcome of "enabling lives".

Performance 12.9%
Products/Services 21.6%
Leadership 12.5%
Innovation 13.1%
Citizenship 14.1%
Workplace 10.8%
Governance 15.0%

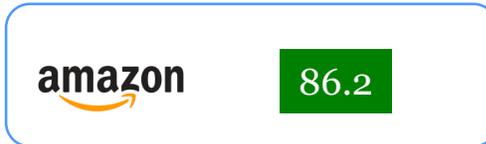# Clear correlation between top 10 performing companies in the UK RepTrak and Media RepTrak per Dimension

<div style="border:1px solid #4a90d9; text-align:center">
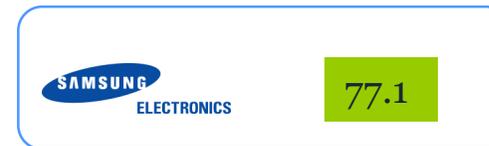
***Top Performing companies on
drivers of Reputation***

</div>

Products & Services: **Innovation:**   **Governance:**   **Citizenship:**

amazon	**86.2**

dyson	**89.1**

BOSCH Invented for life	**77.0**

Walt Disney	**75.6**

ROLEX	**85.8**

Nintendo®	**82.4**

SAMSUNG ELECTRONICS	**77.1**

LEGO	**78.6**

2018 UK RepTrak®: The UK's Most Reputable Companies (1-75)

Rank	Company	Score	Rank	Company	Score	Rank	Company	Score
1	Rolex	87.0	26	Debenhams	79.1	51	Ford	77.2
2	LEGO Group	86.4	27	Panasonic	79.1	52	Ferrari	77.1
3	Robert Bosch	85.1	28	Sotheby's	79.0	53	Tesla Motors	77.0
4	Dyson	85.0	29	BMW Group	79.0	54	Odeon & UCI Cinemas Group	76.9
5	Nintendo	84.9	30	adidas	79.0	55	Emirates	76.9
6	Rolls-Royce Aerospace	83.7	31	Harley-Davidson	79.0	56	The Kraft Heinz Company	76.9
7	Sony	83.3	32	Wilkinson Sword	78.9	57	Wickes	76.7
8	Amazon.com	83.1	33	Goodyear	78.8	58	Lidl	76.7
9	Samsung Electronics	83.0	34	HP Inc.	78.7	59	Boeing	76.7
10	The Walt Disney Company	82.4	35	Johnson & Johnson	78.5	60	Hilton Worldwide	76.3
11	Kellogg's	82.1	36	Mars, Incorporated	78.5	61	Booking.com	76.3
12	Warburtons	82.1	37	Philips Electronics	78.4	62	Ferrero	76.3
13	Boots	81.4	38	Levi Strauss & Co.	78.2	63	Sainsbury's	76.2
14	PayPal	81.1	39	Under Armour	78.1	64	Airbus	76.2
15	Canon	81.0	40	Adobe Systems	78.0	65	Volvo Group	76.2
16	John Lewis	80.5	41	Tiffany & Co.	77.9	66	Caterpillar	76.2
17	Pirelli	80.3	42	Google	77.6	67	Skyscanner	76.1
18	Coop (UK)	80.1	43	Visa	77.6	68	Marks & Spencer	76.1
19	Michelin	80.1	44	Innocent Drinks	77.5	69	Nationwide Building Society	76.0
20	Bridgestone	79.9	45	Marriott International	77.4	70	Hewlett Packard Enterprise	76.0
21	Netflix	79.4	46	eBay	77.4	71	JCB	75.9
22	Channel 4	79.3	47	Selfridges	77.3	72	LG Corporation	75.7
23	L'Oréal	79.2	48	TripAdvisor	77.3	73	Honda Motor	75.7
24	Colgate-Palmolive	79.2	49	Dell	77.3	74	Ralph Lauren Corporation	75.6
25	IKEA Group	79.2	50	Greggs	77.3	75	Arla (Arla Foods)	75.6

2018 UK RepTrak®: The UK's Most Reputable Companies (76-150)

Rank	Company	Score
76	ASDA	75.5
77	Toyota	75.5
78	Intel	75.4
79	Mastercard	75.4
80	Harvey Nicols (Dickson Concepts)	75.3
81	B&Q	75.3
82	Yeo Valley	75.3
83	3M	75.3
84	Yorkshire Building Society	75.1
85	Dunelm	75.1
86	Morrison Supermarkets	75.1
87	Britvic	75.0
88	Zurich Insurance Group	75.0
89	Ocado	74.9
90	ALDI GmbH & Co. KG	74.9
91	Giorgio Armani	74.8
92	Christian Dior	74.8
93	Moneysupermarket	74.8
94	Superdrug Stores	74.8
95	Dairy Crest	74.8
96	The Co-operative Group	74.6
97	Tate & Lyle	74.6
98	Deutsche Lufthansa	74.6
99	Bupa	74.6
100	Lavazza	74.5

Rank	Company	Score
101	Harrods	74.4
102	Royal Mail Group	74.4
103	Hasbro	74.4
104	Microsoft	74.3
105	Eurostar	74.3
106	Lenovo Group	74.2
107	Apple	74.2
108	LVMH Group (Louis Vuitton - Moët Hennessy)	74.2
109	Iceland	74.1
110	Nissan Motor	74.1
111	Campbell Soup Company	74.0
112	WH Smith	74.0
113	ASOS	74.0
114	Hitachi	73.9
115	Nike, Inc.	73.6
116	Danone	73.6
117	Hugo Boss	73.6
118	Homebase	73.5
119	Subway	73.5
120	Allianz	73.4
121	Skipton Building Society	73.3
122	Lastminute.com	73.3
123	Specsavers	73.1
124	Legal & General	73.0
125	Fujitsu	72.9

Rank	Company	Score
126	Electrolux	72.9
127	Virgin Atlantic	72.9
128	Severn Trent	72.8
129	British Airways	72.8
130	InterContinental Hotels Group	72.8
131	Hotels.com	72.7
132	Financial Times	72.7
133	Avon Products	72.6
134	William Morrison Supermarkets	72.6
135	Fujifilm	72.5
136	The Estée Lauder Companies	72.4
137	Gatwick Airport Limited	72.3
138	Vision Express	72.3
139	Toshiba	72.2
140	Vauxhall	72.1
141	Sage	72.1
142	Halfords	72.1
143	Siemens	72.0
144	Mitsubishi Motors	71.9
145	Marston`s	71.9
146	Air Canada	71.9
147	Unilever	71.7
148	Xerox	71.7
149	Carlsberg Group	71.7
150	Halifax	71.6

UK RepTrak® Top 10
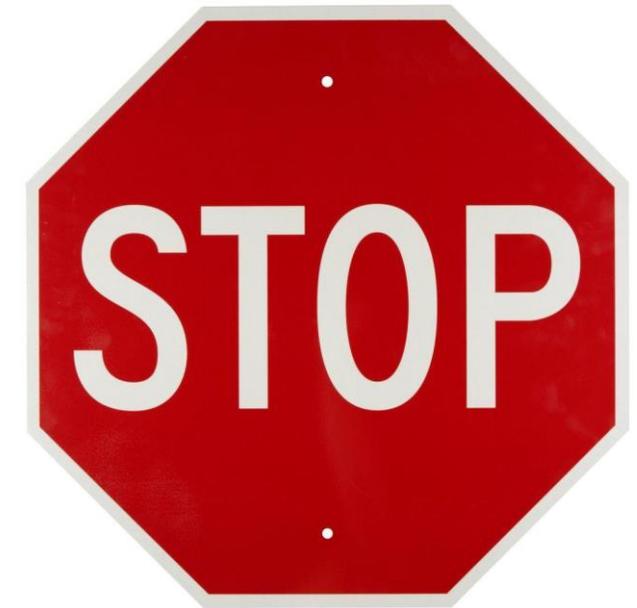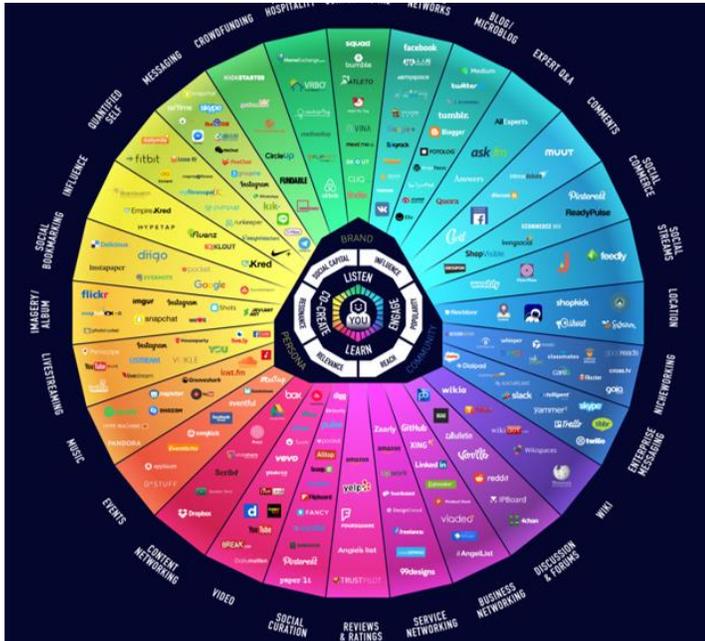# *What makes them stand apart?*

Dr Andrew Tucker
Data Science Director

The Disconnect

How do you identify the correct signals in the noise?
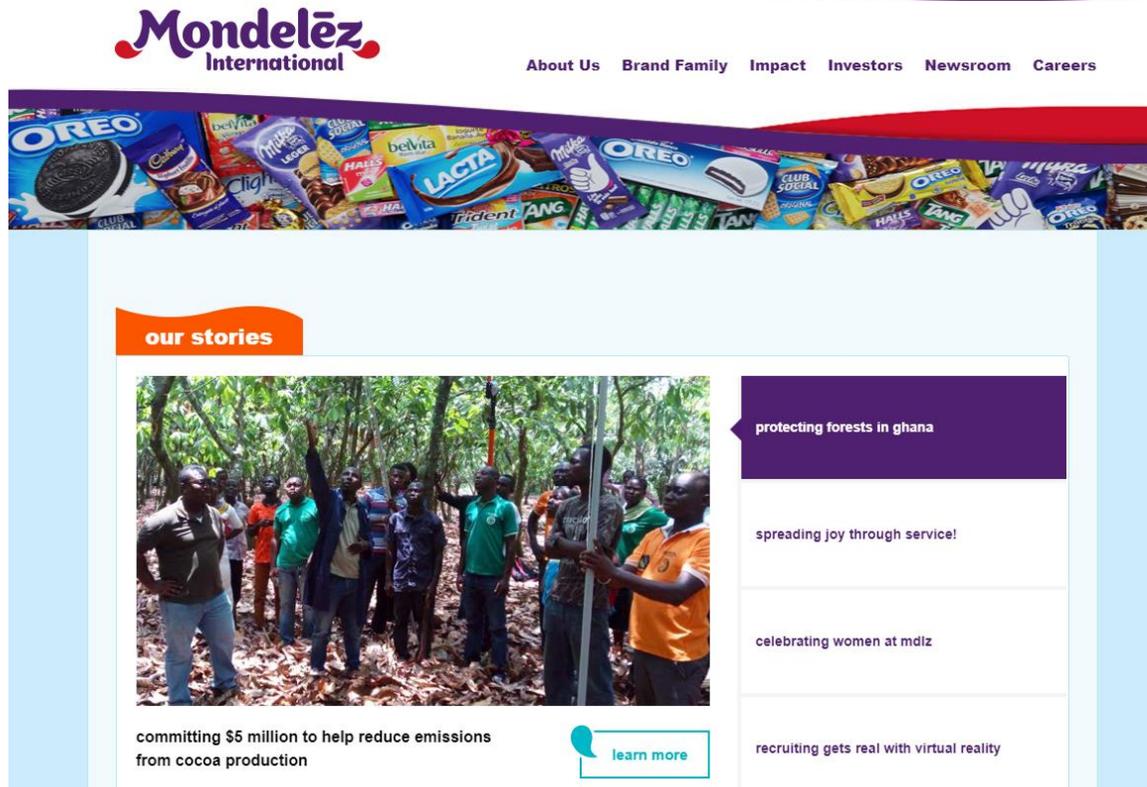
Too much noise	Too many signals	Too many models

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What is Mondelez saying

How they are coming out in the Media

The Disconnect

From Content…

Mondelez Reaches Several CSR Goals Ahead Of Schedule

MEMBER | CANDY & SNACK TODAY
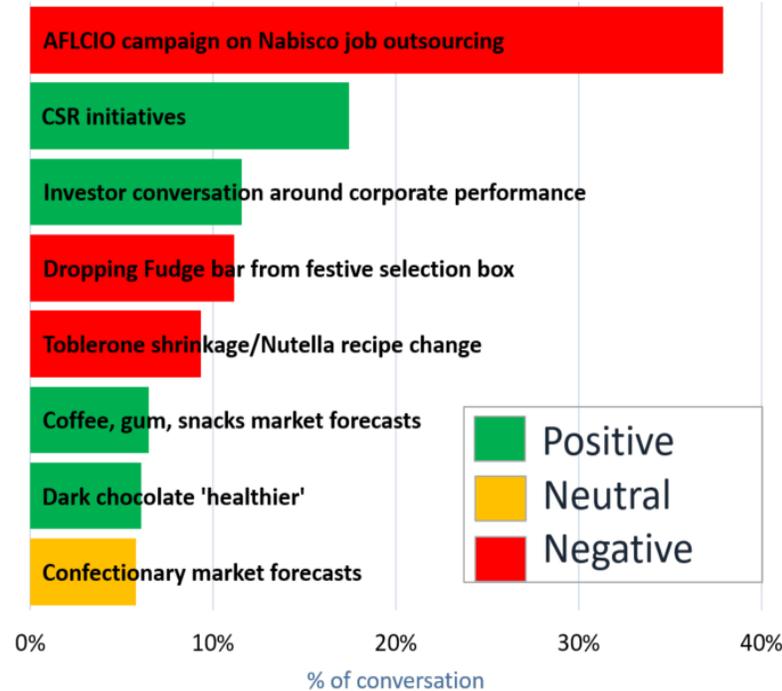
20 Jul 2017 | by Candy & Snack TODAY

Mondelez opens applications for a chocolate taster

Karen Gilchrist | @_karengilchrist
Published 3:01 AM ET Thu, 9 Feb 2017 | Updated 9:18 AM ET Thu, 9 Feb 2017

CNBC

Disconnect

2017 Q4

- AFLCIO campaign on Nabisco job outsourcing
- CSR initiatives
- Investor conversation around corporate performance
- Dropping Fudge bar from festive selection box
- Toblerone shrinkage/Nutella recipe change
- Coffee, gum, snacks market forecasts
- Dark chocolate 'healthier'
- Confectionary market forecasts

Positive
Neutral
Negative

% of conversation

…To Conversation

PEOPLE'S WORLD

Cookie crumbles for laid off vets
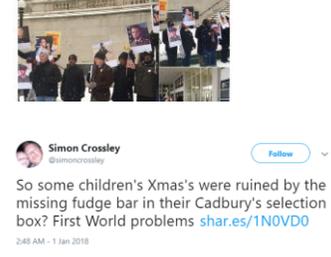November 14, 2017 | 12:30 PM CDT | BY ROBERTA WOOD AND AL NEAL

THE IRISH NEWS

Fans slam 'chocolate tyranny' as Cadbury removes Fudge bar from selection box

Oreo-maker Mondelez cut 9K workers globally last year

Reputation Institute

Solving the Disconnect

Embracing new technologies

- Predictive analytics
- Unknown unknowns
- Influencer, channel, market analytics

- Reputation model
- Stakeholder lexicons
- Natural Language Processing engine

- Data aggregators
- Publicly-available data
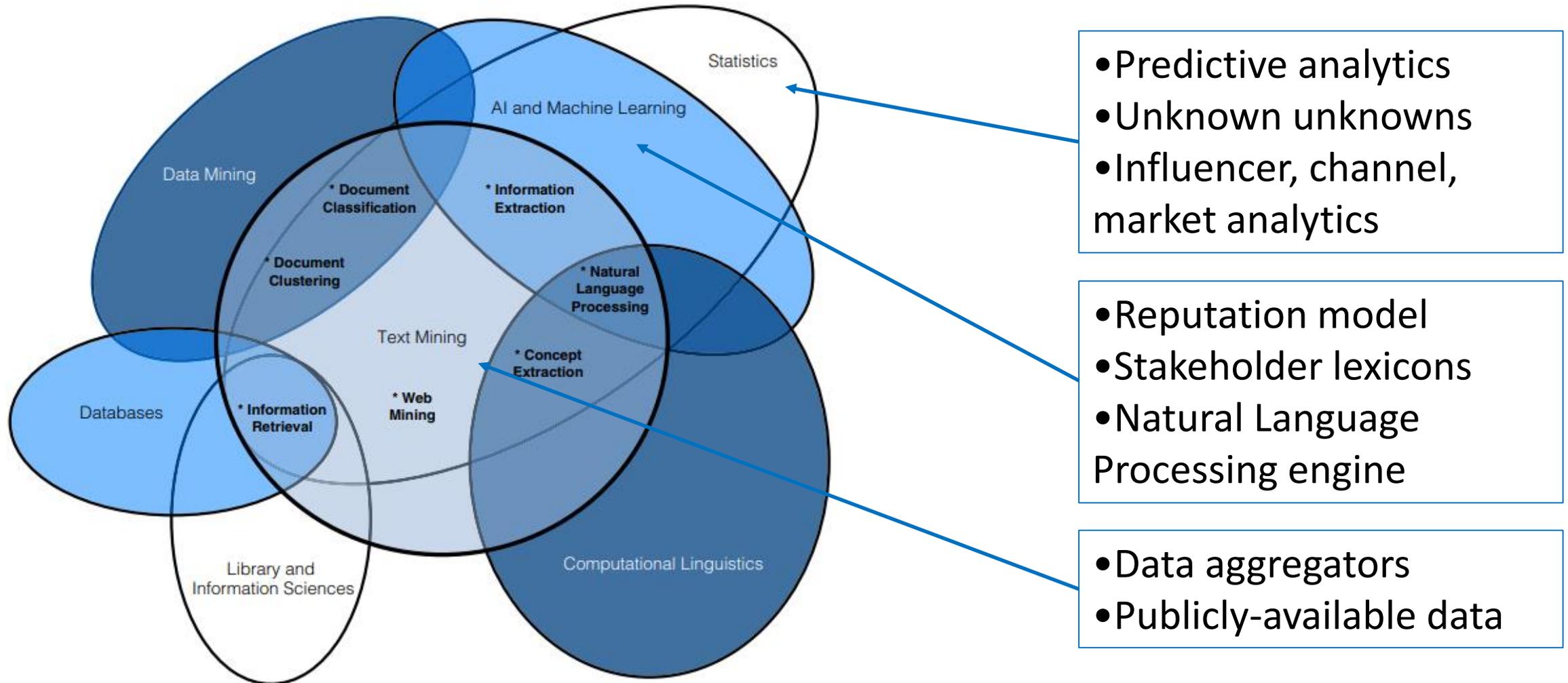
Source: Practical Text Mining and Statistical Analysis for Non-Structured Text Data Applications G. Miner, D. Delen, J. Elder, A. Fast, T. Hill, and R. Nisbet, Elsevier, January 2012

How Media RepTrak works

Data Gathering

- Bespoke search strings
- News, blogs, forums, trade, Twitter

Machine Learning

- RepTrak® 7 dimensions model
- Lexicon
- Natural Language Processing

Reporting

- 7 dimensions
- Latent Dirichlet Allocation
- Channel, market, stakeholders

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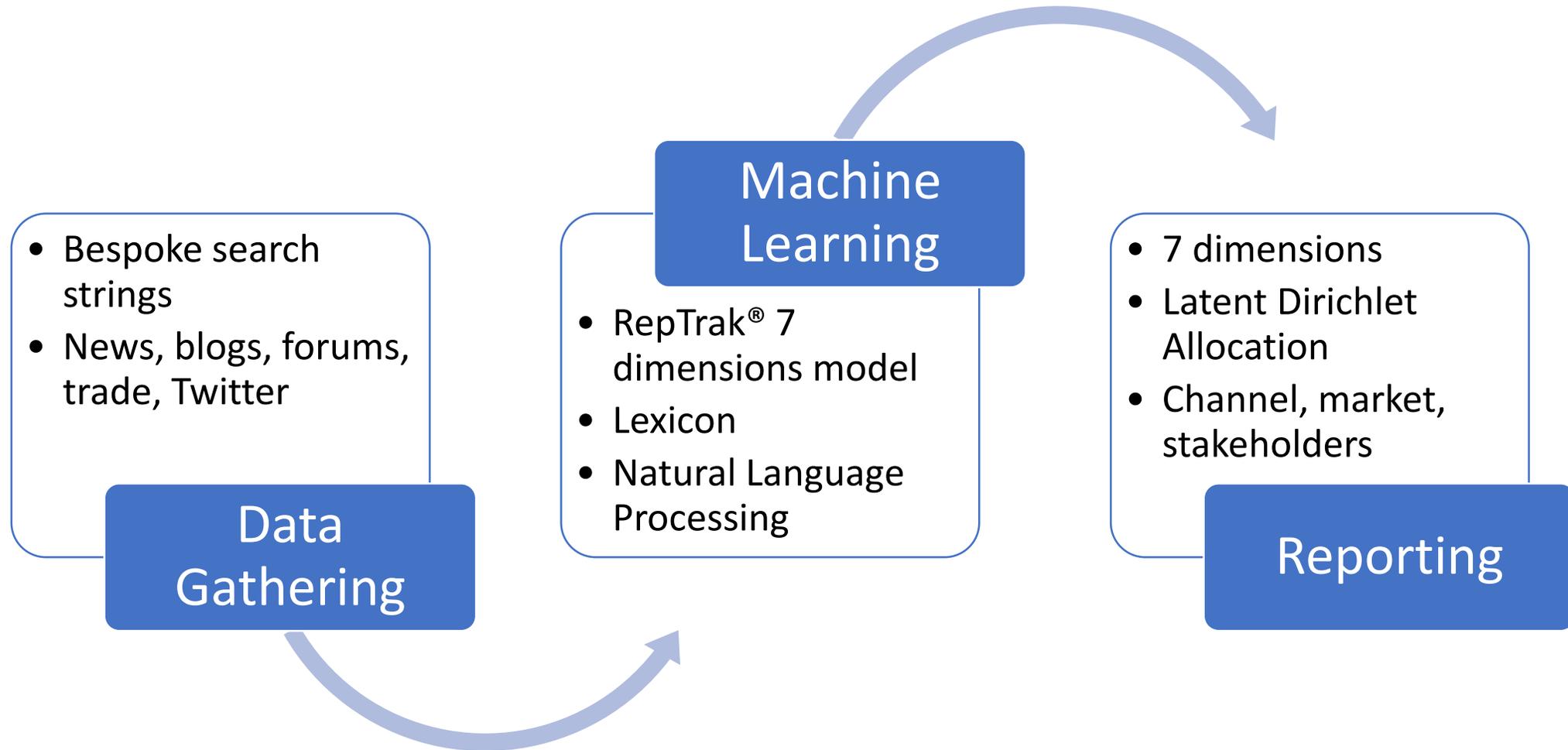
Linking Media RepTrak to Perception RepTrak

Media RepTrak®

Perception RepTrak ®
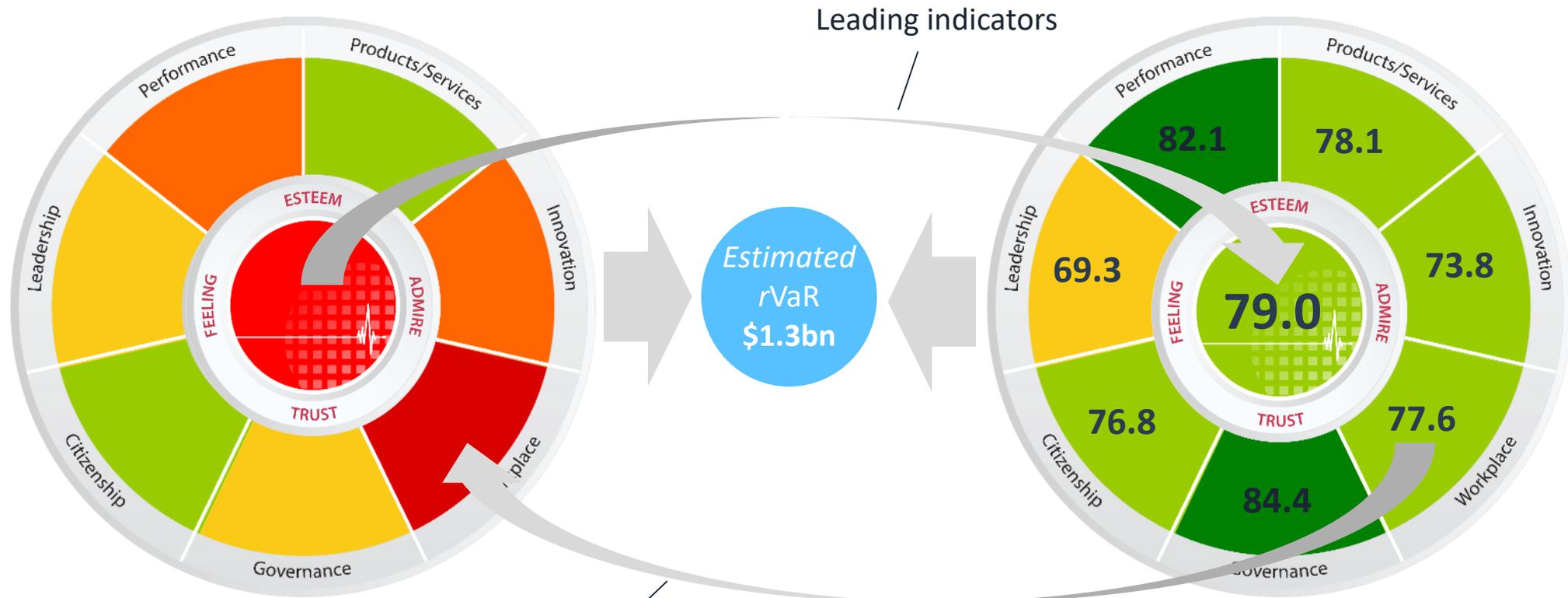
Leading indicators

Estimated *r*VaR $1.3bn

Proactive respond

Media RepTrak wheel: Performance, Products/Services, Innovation, Workplace, Governance, Citizenship, Leadership — ESTEEM, ADMIRE, TRUST, FEELING

Perception RepTrak wheel: Performance 82.1, Products/Services 78.1, Innovation 73.8, Workplace 77.6, Governance 84.4, Citizenship 76.8, Leadership 69.3 — ESTEEM, ADMIRE, TRUST, FEELING, 79.0
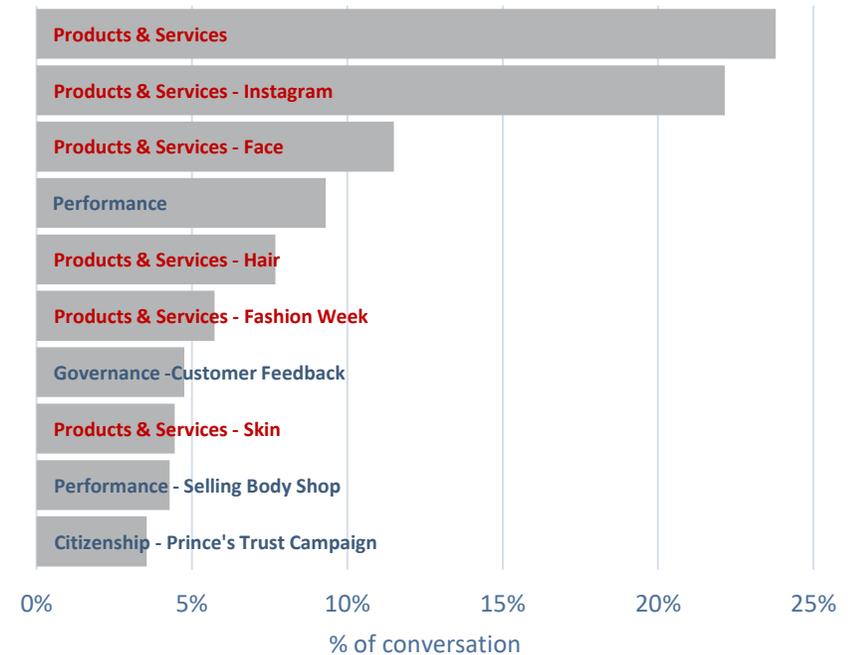
● POOR ● WEAK ● AVERAGE ● STRONG ● EXCELLENT
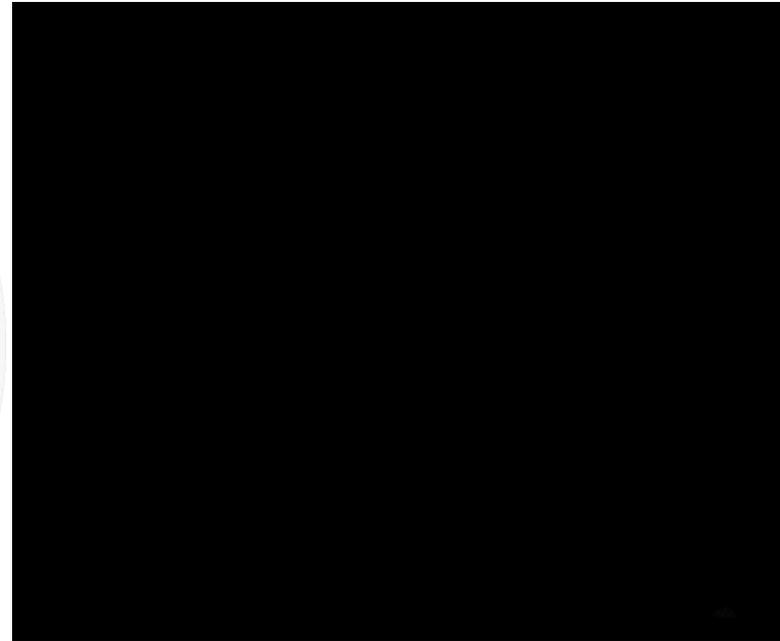
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Making the connection

Case Study: L'Oreal

2017	Address Citizenship issues	Moved the needle?

Performance 77.0
Products/Services 76.7
Leadership 68.9
Innovation 70.1
Citizenship 59.2
Governance 64.0
Workplace 65.4

ESTEEM
FEELING 68.3 ADMIRE
TRUST

% of conversation

- Products & Services
- Products & Services - Instagram
- Products & Services - Face
- Performance
- Products & Services - Hair
- Products & Services - Fashion Week
- Governance -Customer Feedback
- Products & Services - Skin
- Performance - Selling Body Shop
- Citizenship - Prince's Trust Campaign

0%   5%   10%   15%   20%   25%

● POOR   ● WEAK   ● AVERAGE   ● STRONG   ● EXCELLENT

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Case Study: L'Oreal

SELF-~~DOUBT~~ Worth

Soeurs de Luxe

BEAUTY | FASHION | LIFESTYLE | TRAVEL | FOOD

24th August 2017
Cheryl and Liam Payne cuddle in rare

% of conversation chart:

- Workplace
- Citizenship
- Governance
- **Products & Services - Face**
- **Products & Services**
- Innovation
- Performance
- **Citizenship - Prince's Trust Campaign**
- **Workplace - Cheryl**
- Leadership

(x-axis: 0%, 5%, 10%, 15%, 20%, 25%)

RepTrak wheel:

- Performance: 82.9
- Products/Services: 83.7
- Leadership: 79.2
- Innovation: 78.2
- Citizenship: 71.2
- Workplace: 78.1
- Governance: 73.2
- Center: 79.2
- ESTEEM, FEELING, ADMIRE, TRUST

● POOR   ● WEAK   ● AVERAGE   ● STRONG   ● EXCELLENT

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Top Performers

Why these Top Performers are leading the way

ROLEX — Quality products + service

Rolls-Royce — Reliable quality

LEGO — Building creative kids

SONY — Improving the home

BOSCH Invented for life — Innovation for real people

amazon — Making modern life easier

dyson — Listening to customers

SAMSUNG ELECTRONICS — Sharing experiences

Nintendo® — Making tech fun

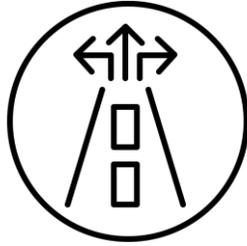**Walt Disney** — Making life memorable

Learnings

Pull signal from noise

Reputation is the "golden thread"

Find the content sweet spot

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