

# Mapping the influence of reputation across the organisation

## Research findings

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where  
reputation  
is no longer  
a risk.



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## Research Methodology\_

Polecat conducted 100 online interviews across January and February 2019 with senior leaders within global organisations (1000+ employees) who are responsible for managing their company’s corporate reputation.

These interviews were spread across Europe and North America and a range of industries to ensure views are fairly represented. The research was undertaken by market research company, Savanta.



# Executive summary

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Given the importance of corporate reputation today, there is still a shortage of business leaders who are effectively leveraging reputation intelligence for the benefit of their organisation.

In early 2019, Polecat, a reputation Intelligence company, interviewed global reputation professionals to gain a better understanding of how they are applying their efforts to get ahead and tackle the obstacles they face when managing corporate reputation.

## Key findings:

- Organisations are using reputation-risk data to keep abreast of industry developments, prepare for future eventualities and remain competitive.
- Reputation intelligence is often undermined by a lack of detail from key data sets.
- There is a breakdown in communication between those responsible for managing the corporate brand and other internal departments, preventing reputation intelligence from realising its full potential across the enterprise.

Unlocking the value of reputation intelligence from the wealth of external, unstructured data out there in the online and social media spheres is something that Polecat is driven by.

To raise the bar in reputation intelligence, Polecat creates and delivers tangible benefits to the corporate bottom-line and defines the impact of reputation for senior decision makers.

As the following report shows, updating existing approaches and building on the importance of corporate reputation management will provide the next generation of reputation leaders, and their organisations, with the critical actionable insights they need to succeed.

# Introduction

Business leaders are increasingly realising the opportunity and risk associated with managing reputation. The stakes are high for organisations and damage to reputation can have a significant negative impact on the bottom-line.

This was recently evidenced by the demise of industry titan Carlos Ghosn, who stands accused of financial misconduct. His fall from grace has been expensive for the companies that he helmed – Nissan, Renault and Mitsubishi.

Once the scandal surrounding Ghosn broke, shares in all three companies fell steeply. Carmaker Nissan has now cut its profit forecast and is putting £65 million aside to cover costs related to the crisis<sup>[1]</sup>.

Likewise, Boeing has seen its shares fall to the lowest level since 2001<sup>[2]</sup> following the Ethiopian air crash with its brand value reportedly taking a \$7.5bn hit<sup>[3]</sup>. Concerns over the safety of its 737 Max planes have led governments across the globe to ground them.

These two cases highlight several of the reputational drivers that Polecat uses to measure corporate reputation.

Businesses now need to track their performance across *Culture, Innovation, Environment, Social Impact, Business Continuity, and Business Compliance*.

A tall order, considering that many organisations lack the reputational experience and data to achieve this depth of insight. However, some organisations have leapt ahead in managing their reputation.

With so much at stake and reputation becoming increasingly multi-faceted, how are these leading organisations effectively managing their reputation risks and taking advantage of opportunities?

To answer this question, Polecat surveyed senior reputation professionals to gauge their current practices, progress, challenges and the benefits they have experienced through managing their reputation. The findings were overwhelmingly positive, with many business leaders understanding the need to manage corporate reputation and making strides in this area.

However, there are still significant gaps in the data obtained and communicating reputation insights to all stakeholders. Clearly, more needs to be done to strengthen and futureproof corporate reputation.

[1] Nissan cuts profit forecast as it takes £65m Carlos Ghosn charge. Available at: <https://www.theguardian.com/business/2019/feb/12/nissan-cuts-full-year-profit-forecast-after-carlos-ghosn-arrest>

[2] Boeing shares in worst fall since 2001 after Ethiopian crash. Available at: <https://www.ft.com/content/ff50a4d6-43d3-11e9-a965-23d669740bfb>

[3] Boeing's brand value has taken \$7.5bn hit after deadly crash, report finds. Available at: <https://www.thedrum.com/news/2019/03/14/boeings-brand-value-has-taken-75bn-hit-after-deadly-crash-report-finds>

# Stakeholders reporting on reputation

## Reputation is a senior-level concern

Half of the respondents directly report into their CEO, Board or Managing Director. This is more common in the UK where 63% of respondents have senior management's oversight. 25% of UK respondents report into the Board.

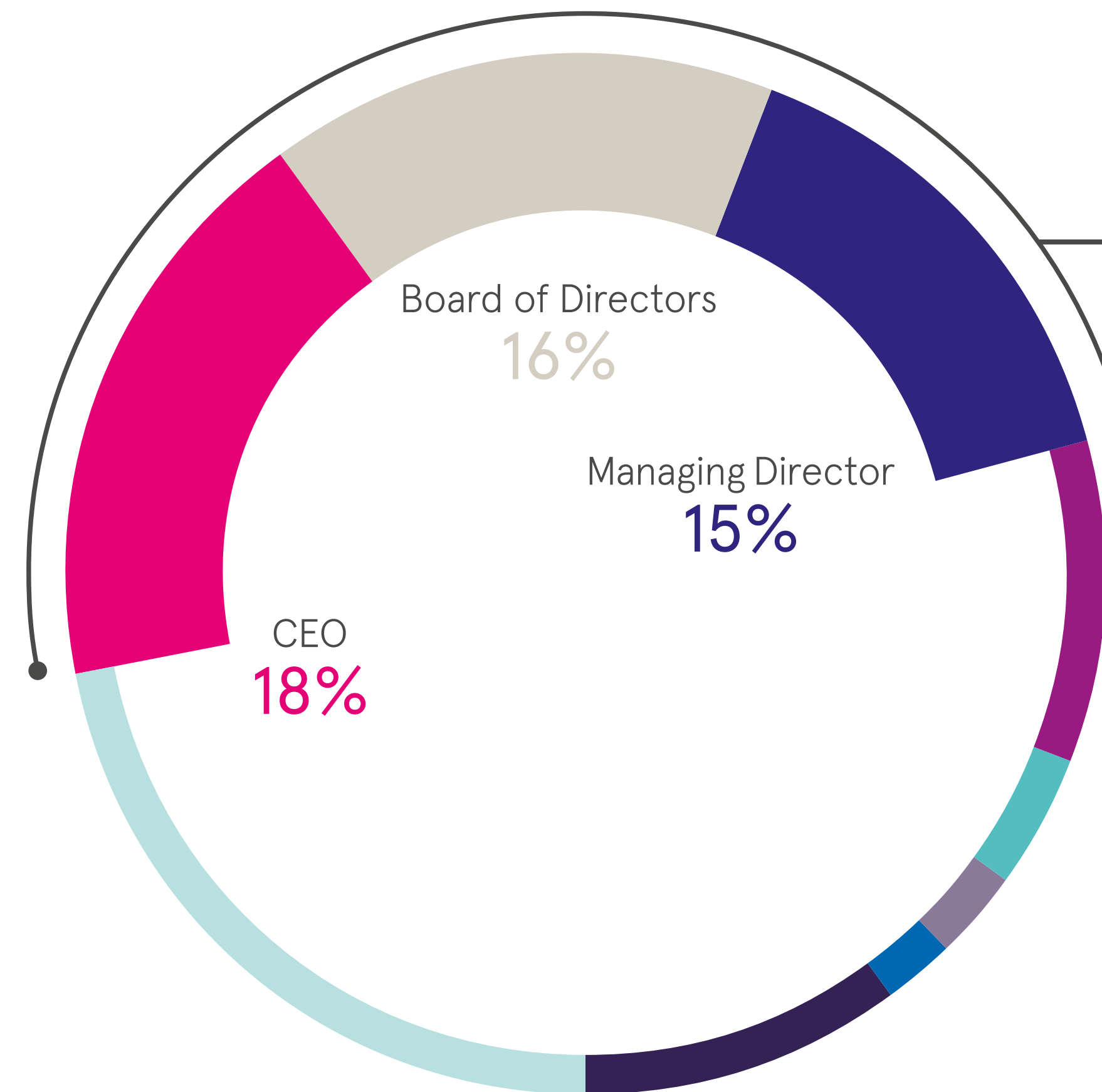
The U.S. is lagging behind, with only 34% of respondents reporting to senior management and just 5% directly to the Board.

## Who is responsible?

Managing corporate reputation is primarily a joint effort with 82% of participants sharing responsibility with another department. 33% of these individuals share responsibility directly with senior management.

However, budget responsibility often falls under one department's remit. Although senior management and other departments are stakeholders in corporate reputation, the purse strings are controlled by a single team or individual.

Who they report into



Half (49%) are directly reporting to senior management (CEO, Board or MD)

UK reporting more commonly direct to Senior Management (63% UK respondents reporting to senior management compared to 34% US respondents), particularly the Board (25% UK vs. 5% US)

Head of Corporate Communications	10%
Head of Public affairs Government Relations	4%
Head of Corporate Affairs	3%
Head of Environment Sustainability/CSR	2%
Other	10%
Head of Marketing/Brand	22%



## Where are organisations getting their data from?

Four in five reputation professionals obtain their reputation data from external suppliers.

There is some overlap between sources as leaders attempt to gather reputation data in enough detail to effectively scan for opportunities and risks.

Indeed, many report feeling that options such as media monitoring offer them some insight, but at a very shallow level compared to what they require.

18% of respondents collect data internally, with a further 35% combining internal data with external sources.

While most respondents are working with external providers (and internal platforms) to obtain data, much of the insight analysis is still being undertaken by internal departments.

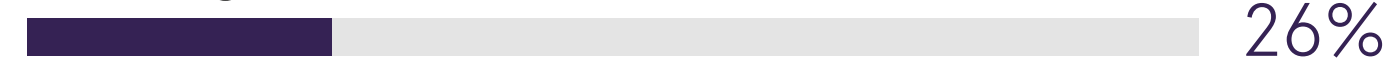
However, many lack the resources and detailed expertise to effectively assess the accuracy of data collected – or to understand what information is most insightful at the time.

Therefore, external reputation management agencies and platform providers need to support internal departments with their analysis.

Helping organisations become more informed about the data that they are using and key indicators of reputation management success will ultimately benefit the entire sector. Driving up the quality of reputation data insights across the industry.

### Reputation data from external suppliers

Other Agencies



26%

Media Monitoring



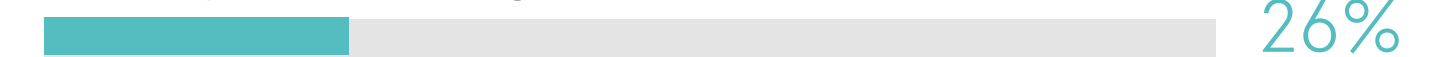
35%

Consultancy



29%

Primary Research Agencies



26%

## How reputation data flows across an organisation

Reputation insights deliver more business value when shared across the organisation. In leading organisations, most reputation insights are shared with the senior management team. Gaining senior buy-in is integral to the success of any reputation management strategy.

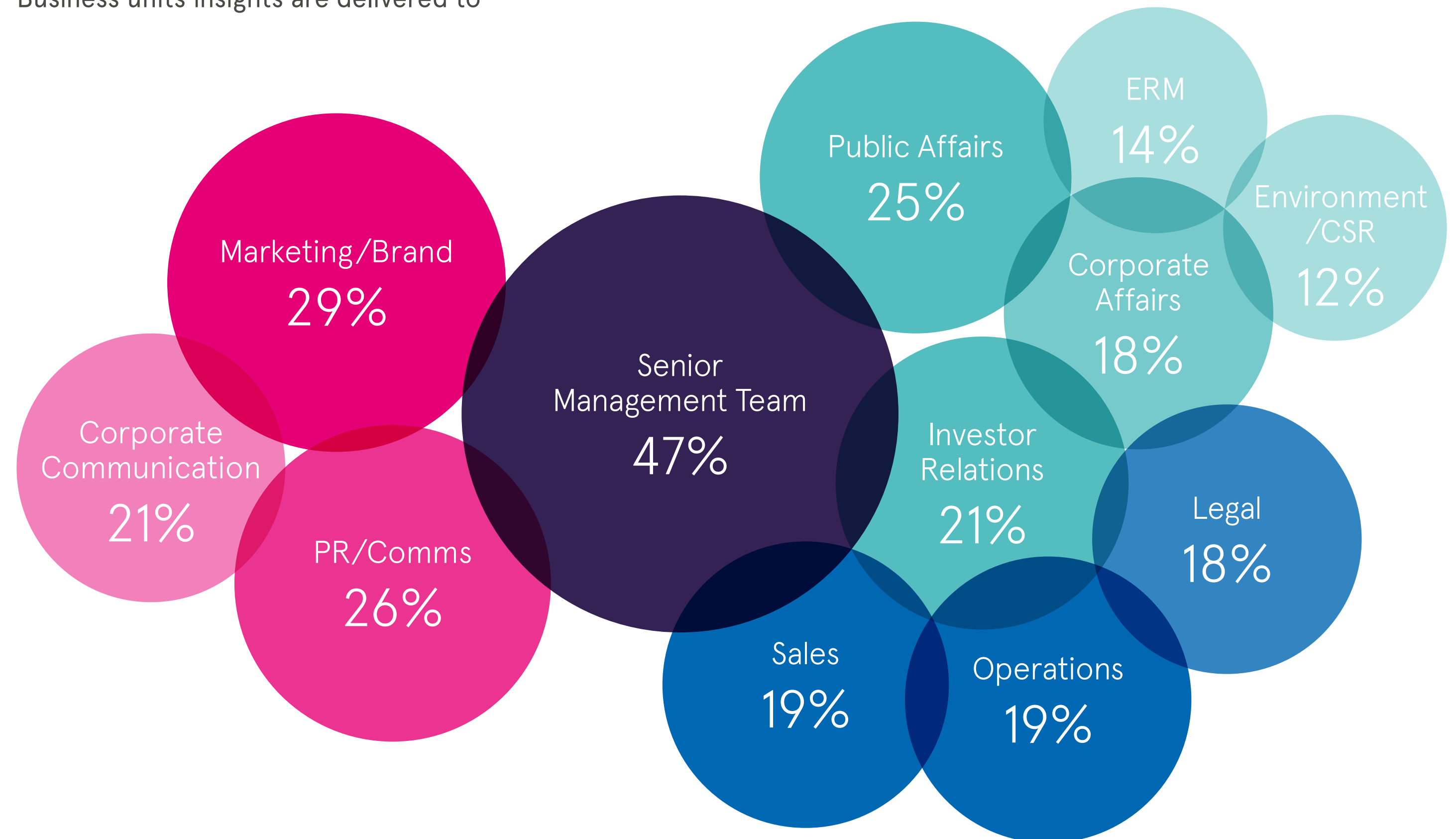
Reputation comes from the top, filtering down to every department and individual in the organisation. Therefore, it comes as little surprise, that leaders in the field have their reputational agendas set in close collaboration with senior management.

Data also comes from other departments to help deliver reputation insights. Of this, the majority (52%) comes from the marketing department. 43% is sent by PR and communications and 36% from corporate communications.

In leading organisations, this data and insight exchange occurs seamlessly across business units and between senior management and the rest of the organisation.

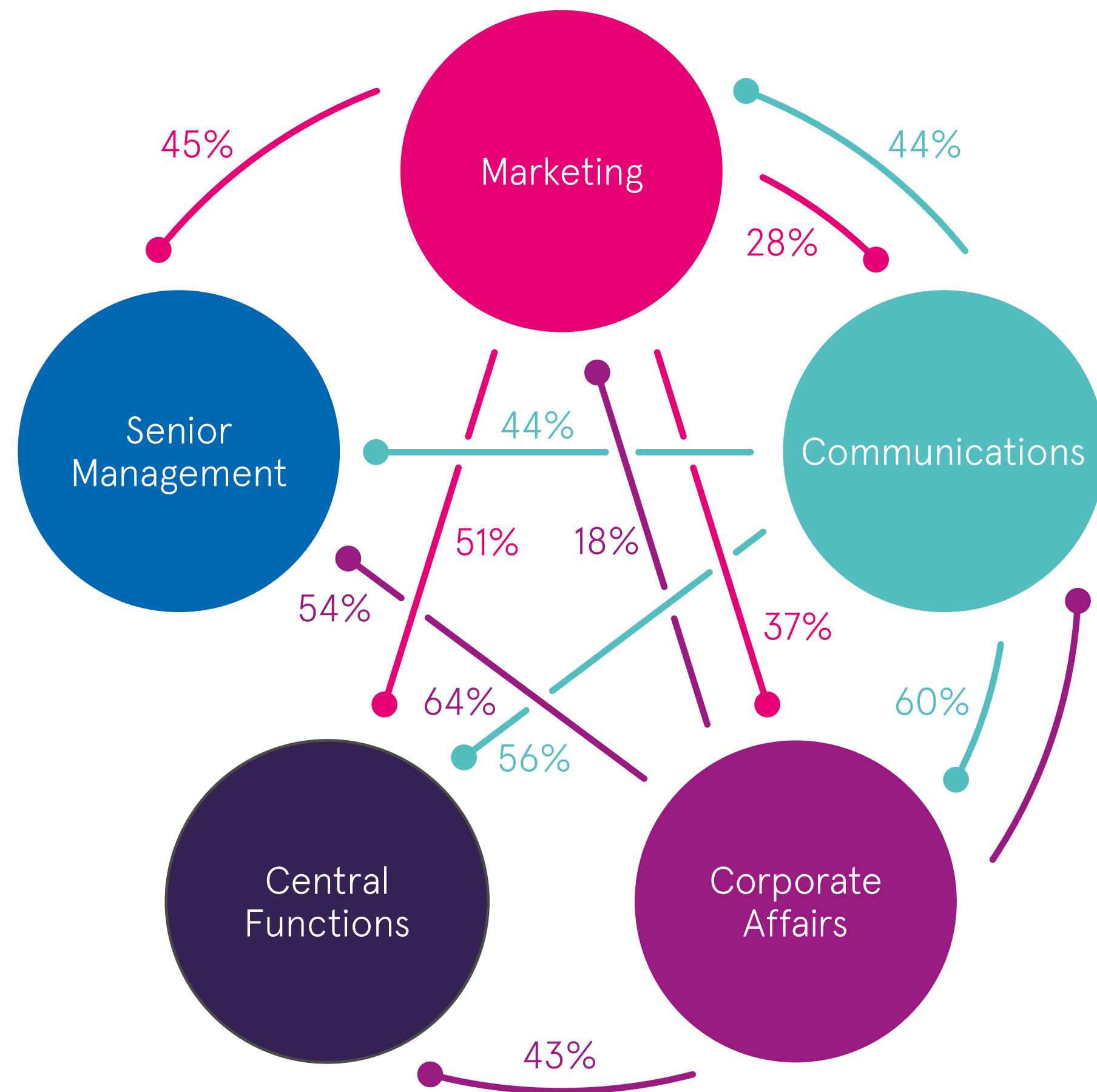
Reputation comes from the top, filtering down to every department and individual in the organisation.

Business units insights are delivered to



**Figure 1.** The other departments in the organisation where reputation insights are delivered to.

## Flow of reputation insights across leading organisations



**Figure 2.** The flow of reputation insights across leading organisations.

## Lack of communication and resource is halting data flow

Many survey participants noted a lack of knowledge around different department needs that prevented them from sharing valuable insights with their colleagues.

For reputation management to be a success channels of communication must be initiated between departments to facilitate a seamless flow of reputation data.

Likewise, reputation professionals should understand the unique needs of each department and how reputation data can assist. Innovative companies are realising the potential of reputation data, which provides unique insight and answers that are more aligned with business performance and outcomes.

To achieve this, a degree of change management and a mindset shift will be required in the early stages. Highlighting the value of reputational data to the organisation can be done through workshops, communicating success stories and lunch-and-learn sessions.

When insights are shared, they are often being delivered multiple times a month. This can put a huge resource strain on reputation teams that lack the manpower required to regularly deliver presentations to their colleagues. 53% of respondents state that they are reporting at least once a month.

For scalability and cost-effectiveness, an on-demand dashboard will deliver more timely results without putting pressure on a resource-strapped reputation team.



# Understanding reputation data use in different departments

Different departments will require varying data types to deliver reputation insights.

Reputation professionals must understand the requirements of each internal stakeholder to effectively provide them with the most valuable reputation data and insights that will meet departmental goals.



## Examples of data used by different departments

### \_Emerging trends data

*Corporate Affairs, Corporate Communications, Sustainability & Leadership.*

### \_Multiple topic tracking

*Corporate Affairs, Corporate Communications, Government Affairs, Sustainability & Leadership.*

### \_Marketing Campaign Data

*Marketing, Corporate Brand & Corporate Communications.*

### \_Media Coverage & Customer Feedback

*All departments.*

### \_Online & Social Social Media Sentiment Data

*Corporate Affairs, Corporate Communications, Government Affairs, Sustainability & Leadership.*

### \_Product Quality Feedback

*R&D, Customer Support, Corporate Affairs & Corporate Communications.*



## The focus of current reputation management practices

The primary focus for many companies that are gathering reputation data is to remain in front of changing market expectations and monitoring their reputation within different stakeholder groups.

Markets have become more volatile in recent years, due in part to global pressures and disruption from the U.S.-China trade war and Brexit. Indeed, PwC's recent survey of CEOs uncovered a rising trend of protectionism by business leaders, with a pause on overseas expansion until market conditions settle down<sup>[4]</sup>.

Concurrent to this is a rising demand for organisations to take a stand on social issues. Having a social purpose and communicating this effectively to all stakeholders offers a clear competitive edge for businesses.

This has been realised by 72% of survey participants who use reputation data to inform their organisation's social purpose.

However, not all organisations are currently hitting the right notes with stakeholders. Gillette has been widely criticised for its 'Toxic Masculinity' campaign. Critics have stated that it fails to do enough to address the cause and is merely creating a purpose for marketing's sake<sup>[5]</sup>.

To successfully address stakeholder concerns and align with their values, companies must first understand the desires and behaviour of these groups. 70% of respondents are using reputation data to remain up-to-date with changing opinions in the marketplace.

Reputational leaders realise that these insights are gathered from multiple data sources including media monitoring, social media listening and horizon scanning.

[4] PwC's 22nd Annual Global CEO Survey. Available at:  
<https://www.pwc.com/gx/en/ceo-survey/2019/report/pwc-22nd-annual-global-ceo-survey.pdf>

[5] PR pros: Gillette's 'clunky' masculinity campaign 'not the best an ad can get. Available at:  
<https://www.prweek.com/article/1523071/pr-pros-gillettes-clunky-masculinity-campaign-not-best-ad-get>



## Case Study

### Companies caught unawares in the plastic debate

The plastic crisis and consumer response to it offers a good example of how brands should and shouldn't respond to stakeholder concerns and trends.

Awareness of plastic pollution rose significantly amongst stakeholder groups after the Sir David Attenborough-fronted documentary Blue Ocean II shone a light on the issue.

Calls for a ban in single-use plastics quickly followed. Several organisations responded well to the crisis, including Ikea, which is developing a circular supply chain and has committed to a ban on single-use plastic in all of its stores worldwide by 2020. At the peak of online and social media conversations at the start of the plastics scandal, Ikea drove much of the share-of-voice online according to Polecat's Plastic World report.

In the past 90 days, Ikea has been overtaken by Coca-Cola. However, the sentiment of discussions surrounding the soft drinks manufacturer hasn't been as positive.

Notably, social media discussions have peaked due to Coca-Cola's admission that it produces 3 million tonnes of plastic annually<sup>[6]</sup>.

Many consumers expressed shock at the sheer volume of plastic that it produces. The admission was made as part of the manufacturer's commitment to reducing its plastic footprint in partnership with the Ellen MacArthur Foundation.

The Ellen MacArthur Foundation is pushing for more transparency for global companies, and Coca-Cola was one of 30 companies that disclosed its plastic production figures. A sum that it previously refused to disclose.



[6] Coca-Cola admits it produces 3m tonnes of plastic packaging a year. Available at: <https://www.theguardian.com/business/2019/mar/14/coca-cola-admits-it-produces-3m-tonnes-of-plastic-packaging-a-year>



Conversely, had the company been solely monitoring online media coverage after its production figures were revealed, it would have missed a much larger discussion occurring on social media. Polecat data shows that media outlets barely covered the news of its admission.

Instead, news on a joint appearance between Pepsi and Coca-Cola's CEOs, Coca-Cola's annual forecast and the banning of single-use plastic straws by its Asia-Pacific branch Coca-Cola Amatil, made more of an impact.

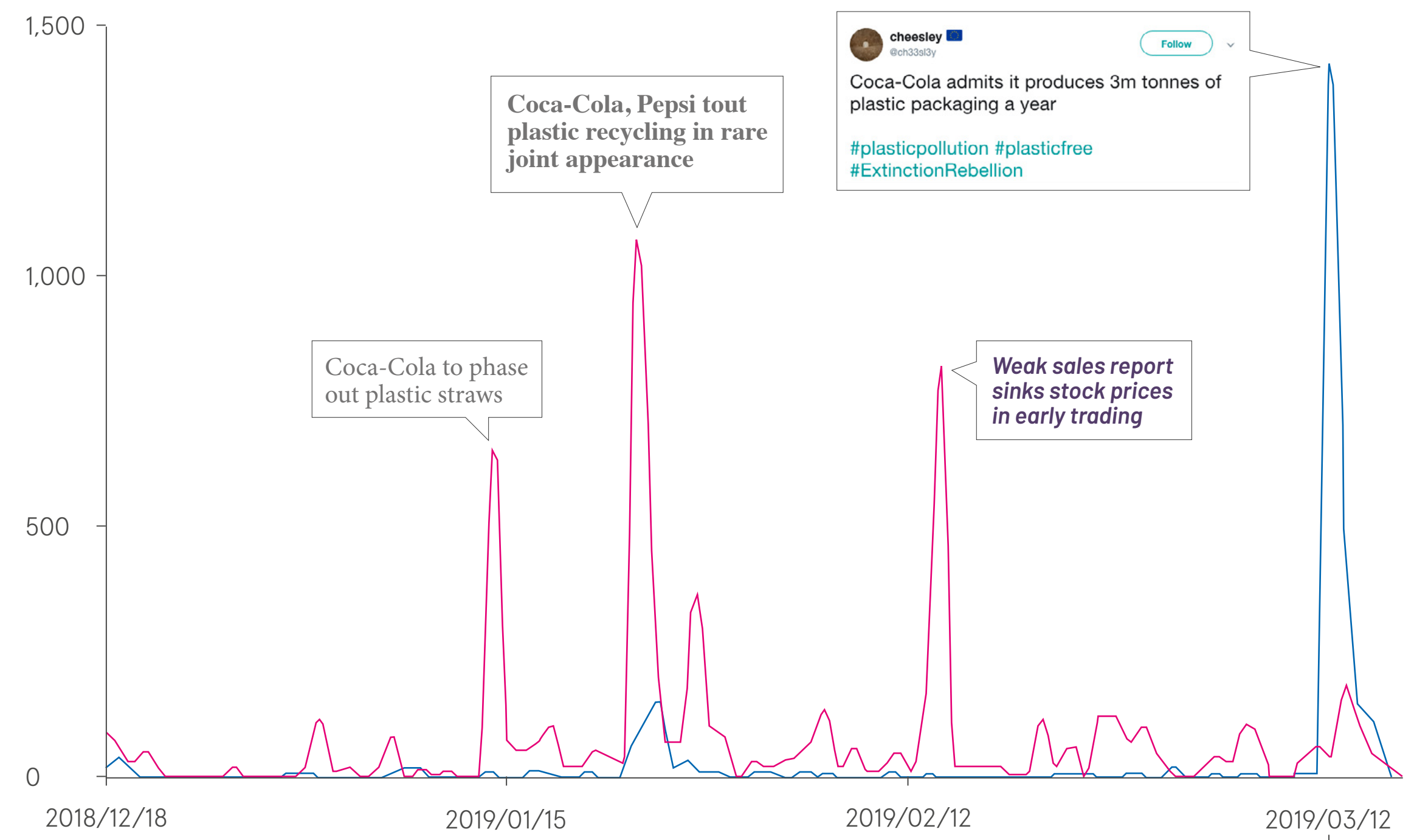
Although the manufacturer is now addressing its role in the plastic pollution crisis, many stakeholders are calling for more action from businesses and legislators. Some are calling on their governments for a complete ban on all single-use plastic. "They are still far from truly matching the scale of the problem, particularly when it comes to elimination of unnecessary items and innovation towards reuse models," Sander Defruyt from the Ellen MacArthur Foundation noted<sup>[7]</sup>.

Still, taking this first step and confronting the issue head-on may pay off in the long-run for Coca-Cola's reputation. Its competitor, Pepsi, was notably absent in the Ellen MacArthur report on company plastic production. As were the majority of 150 companies signed up to the foundation's commitment to reduce plastic waste. By taking the short-term pain in revealing its production figures, Coca-Cola may well have leapt in-front of its competitors in getting ahead of the plastic waste scandal.

As Defruyt elaborates, "Ambition levels must continue to rise to make real strides in addressing global plastic pollution by 2025 and moving from commitment to action is crucial." By publishing its figures, Coca-Cola has taken a critical first step in acting on its commitment.

Coca-Cola:

■ Social Media Coverage  
■ Media Coverage



**Figure 3.** Social media discussions surrounding Coca-Cola peaked after its plastic production figures were published. Media coverage of Coca-Cola's figures did not fully reflect the social media coverage that was occurring.

[7] China drug scandals highlight risks to global supply chain. Available at: <https://www.ft.com/content/38991820-8fc7-11e8-b639-7680cedcc421>



**Figure 4.** Respondents' measures of success included the ability to horizon scan, the quality of reputation insights and an organisation's ability to resolve reputation related events.

## Measuring reputational success

Measures of success varied across organisations, with several people stating that a lack of KPIs and clear metrics were hindering reporting efforts.

Mostly, success was judged on whether organisations could stay ahead of the game – a relatively subjective measure that could be vastly improved with clearer scoring and quantitative data.

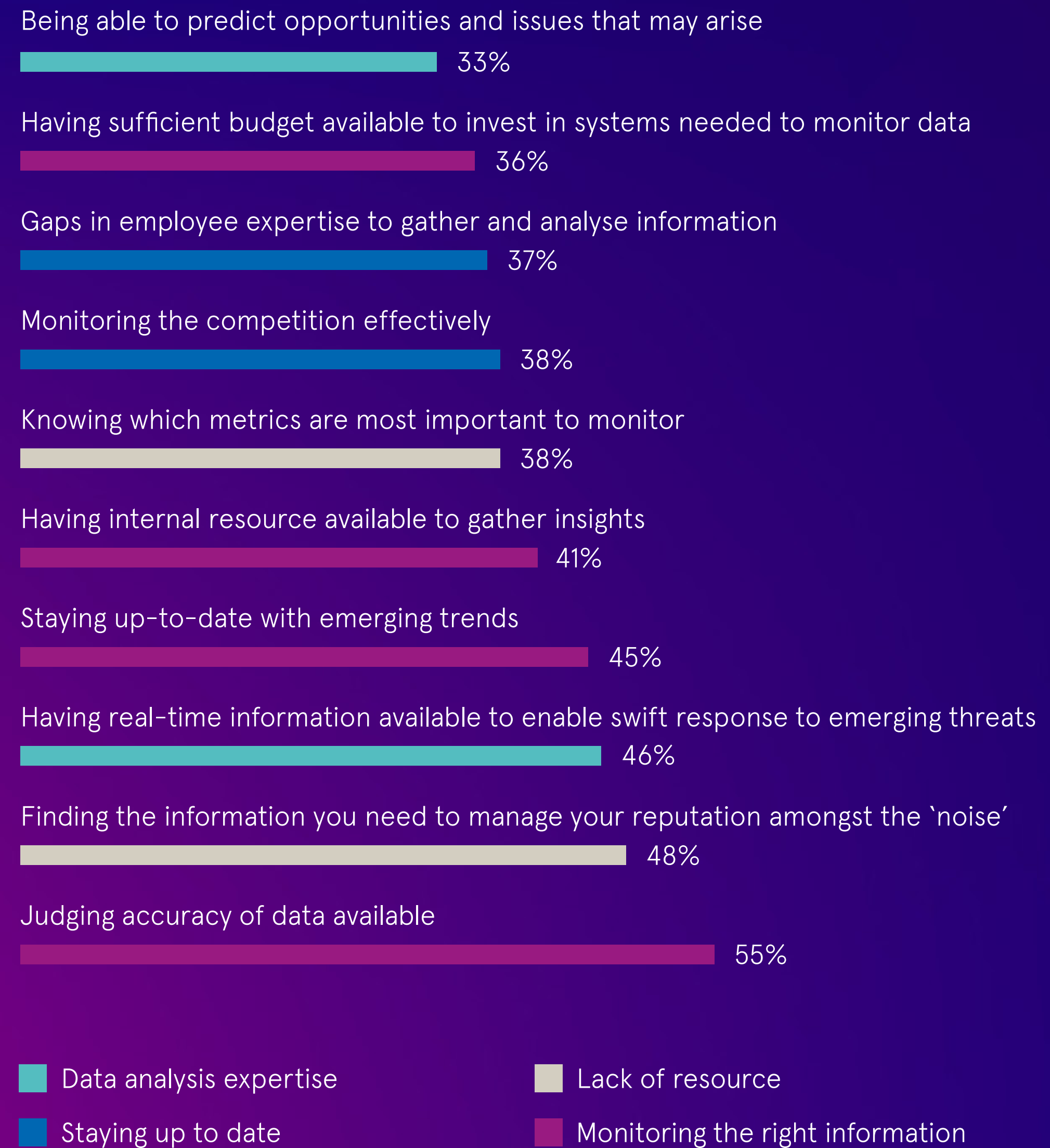
This ability to scan the horizon for reputation opportunities and risks was more of a focus in larger organisations. 71% of organisations with over 20,000 employees reported using this measure, compared to 49% of organisations with fewer than 20,000 employees.

## Challenges undermining reputation management success

**A lack of data:** Despite “the quality of reporting” being one major measure of success, 89% of reputation management professionals suffer from a lack of data to deliver enough insights.

55% struggle with trusting the quality of the data gathered and 48% cannot separate insights from ‘the noise’.

Distrust in the quality of data received can undermine any reputation management efforts that rely on it. Internal stakeholders will be less likely to act on insights if the data used is unreliable. Especially if those insights contradict their experience or ‘gut feeling’.



**Figure 5.** Key challenges in gaining value from reputation data as reported by survey participants.





## Insights quickly become outdated

A further challenge reported by participants was in gathering and delivering insights in a timely manner. As one individual noted, “The data changes almost daily so it is hard to keep up with the ever-changing landscape.”

Another added, “Sometimes we cannot share [reputation insights] quickly enough for it to have an impact when it would be most beneficial to have an impact”.

Real-time data insights delivered via a dashboard would resolve this issue, additionally surfacing information to other departments. However, only 49% of respondents are currently using this method.

The vast majority (79%) rely on PowerPoint presentations, with a further 61% on in-person briefings. This may explain the delay in internal stakeholders receiving timely insights.

## Difficulty pinpointing critical trends

Furthermore, some faced difficulty in understanding trends and potential risks or opportunities.

A respondent stated;

As the market can have abnormal interests for fleeting moments it can prove difficult to pinpoint what could actually damage our reputation if we were not to adhere to it, and what is just a passing phase.”

## Miscommunication between departments

As noted earlier, many reputation professionals are struggling to provide the right information to other departments, as-and-when they need it. A failure of communication between reputation and the rest of the organisation means that its influence is limited.

89% of reputation professionals report feeling challenged when sharing insights with others in their organisation.

Of these, 66% of respondents want clearer communication with their colleagues and 38% find it difficult to share data in an understandable format. Again, this could be due to an over-reliance on PowerPoint to deliver insights.

### Miscommunication includes

Unable to collect data needed to provide insights



Clear communication in what insights are needed for each department



Difficulties providing data in shareable formats



Lack of resource available to create the required insights



**Figure 6.** Respondents reported challenges in communicating with their colleagues in other departments, along with providing data in a shareable format, collecting data and getting enough resources to create and share insights.





┌ 89% of reputation professionals report feeling challenged when sharing insights with others in their organisation.



# Reputation insights are being wasted

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Ultimately, this means that reputation insights are not always being utilised to improve the organisation. 1 in 5 respondents have not seen any actions taken by their organisations as a result of the insights delivered. This causes obvious frustration in many participants, with several stating that they feel internal stakeholders “Do not listen”.

## How can this be resolved?

### Linking to the bottom-line:

Obtaining quantitative reputation data alongside qualitative information is key to gaining organisational buy-in. Directly tying the data to a relevant metric or bottom-line benefit will attract the attention of executives who are otherwise unfamiliar with reputation management measures.

Stock performance is another potential measure. As seen with many recent scandals, reputation and financial performance are often closely interlinked.

### Setting KPIs:

Defining clear KPIs will additionally help with tracking performance across various business areas – a step towards demonstrating the improvement delivered through effective reputation management.

### Presenting data in a clear way:

Likewise, an accessible and meaningful format should be used to surface important insights to relevant departments. Dashboards can be tailored to different stakeholders, containing information that is specific and interesting to them.

The board can see how reputation management is helping the organisation meet its business goals, for example. Meanwhile, marketing can see metrics that reflect how an improved reputation has resulted in greater customer engagement and retention. The information presented should be comparable to data that was surfaced previously, so that progress can be easily determined.

# The business value derived from reputation insights

Yet, when reputation insights are acted on, respondents report a wide range of strategic and bottom-line benefits.

## Protecting long-term reputation

By surfacing reputation data across the organisation in a timely and understandable way, one organisation was able to measure the reputational impact of ongoing litigation with a former employee.

In doing so, they realised that the continuing legal action was negatively affecting reputation through negative news coverage. Using these insights, senior management decided to end the legal process early to protect their corporate reputation.

## Informing sales and marketing

Other leading organisations have used reputation insights to inform sales and marketing campaigns.

Data has been used to develop a more targeted social media campaign that taps into the drives of a specific stakeholder group.

Another marketing department is using a dashboard to horizon scan for trends that will impact their marketing effectiveness and adjusting their materials to take advantage of potential opportunities. Sales scripts have also been edited to better reflect changing stakeholder opinions.

## Product development

Product development has been influenced by customer sentiment around certain products.

Notably on social media where many consumers often share their opinions about a new range or feature more openly than a customer feedback survey.

## Navigating supply chain scandals

Reputation insights have also been used by operations to make decisions about the supply chain.

Some suppliers have been changed due to negative press surrounding them. The importance of this strategy is not to be underestimated. Many global companies have come under fire recently for unethical practices in their supply chains. The pharmaceutical industry, for example, has come under increased scrutiny around the safety of medicines and vaccines developed in China<sup>[8]</sup>.

Industry bodies and consumers are concerned that substandard safety tests and reporting in China are endangering the global supply chain. Notably in the U.S. where it has been reported that the FDA (the Food and Drug Administration) doesn't have enough overseas employees in China to effectively test the Chinese-made medicines and vaccines that are exported to America.

[8] China drug scandals highlight risks to global supply chain. Available at: <https://www.ft.com/content/38991820-8fc7-11e8-b639-7680cedcc421>

## Key takeaways

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Polecat's survey has discovered that many organisations are greatly benefiting from using their reputation data, when:

- 1 They can gather reputation data in near real-time, across all stakeholder groups and sources.
- 2 Insights are disseminated across the company, tailored to each department's needs and are available when needed.

### Trust is needed

To achieve this, more timely reporting and trust in data are needed. Building trust in data comes when other departments experience its value in their day-to-day work. For marketing, this can come in the form of increased ROI and marketing effectiveness. For sales, it may be converting more prospects.

### Multiple sources are required

That requires an in-depth gathering of data in near real-time that covers media, social media and online discussions.

Solely relying on one source, such as media monitoring, would not give the level of detail required for decisive and informed decision-making. Business value will not be fully realised.

### Platform and dashboard analytics

Reputation insights are being undermined by poor reporting. Many respondents rely on PowerPoint and in-person briefings.

This places additional pressure on reputation management teams that are often resource and time-strapped. Leading organisations have switched to dashboards which offer tailored insights on-demand to each department and enables reputation professionals to focus on acting upon insights and driving organisational change.

### Gaining from collaboration in-house and externally

Additional pressure is put on reputation teams when organisations solely create insights in-house. It also stops organisations from benefiting from the vast expertise available from outside the company.

Instead, we recommend a collaborative approach between in-house teams and external parties, gaining from the strengths and experience of both.





Reputation as a competitive differentiator and indicator of sustainable business performance is being realised by more organisations.

## Be empowered by reputation data

As Polecat discovered, leaders in this area are empowered by their reputation data and not struggling with managing or gaining insight from it.

Therefore, long-term reputation management success is built on gathering trustworthy data, delivering insights company-wide and building a team of external and internal experts who can generate value from the information.



where  
reputation  
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a risk.

Polecat is a technology company that provides reputation intelligence solutions to the world's leading organizations. We enable senior decision-makers with the ability to deliver effective management and monitoring of the key issues, stakeholders, geographies and markets that shape their corporate reputations.

Established in 2007, Polecat has offices in London, Bristol, Washington DC, New York and California.

[polecat.com](https://polecat.com)

