

RESULTS FROM UK'S LARGEST CORPORATE REPUTATION STUDY REVEALS IMPORTANCE OF CORPORATE GOVERNANCE

- Corporate governance has a bigger impact on company reputation than ever before
- Dyson is rated most reputable company; Waitrose reaches top 10 for the first time
- Consumers 72% more likely to buy products from companies with excellent reputations vs. poor reputations
- Crisis handling pays off: Samsung maintains its excellent reputation in the UK despite Galaxy Note 7 in 2017 poll

LONDON — (Embargoed until 00:00 21 March 2017) – Dyson, Aston Martin and Lego top the UK RepTrak® 150 ranking of the most reputable companies among the UK general public, Reputation Institute announced today, based on more than 35,000 ratings collected in the first quarter of 2017 from members of the UK general public (ranking below).

A YEAR OF CHANGE

The research reveals that corporate governance – perceptions of fairness, ethics and transparency - has a more significant impact on company reputation than ever before; the below table reveals a shift in how much different factors impact a company's reputation according to the UK general public:

2017 composition of corporate reputation:	Change since 2016
Products & Services 19.7%	+1.4%
Governance – 17.2%	+1.5%
Citizenship – 15.8%	+1.3%
Innovation - 12.7%	-0.5%
Leadership – 12.3%	-0.2%
Workplace – 11.9%	-1.5%
Performance – 10.6%	-1.9%

James Bickford, Managing Director at Reputation Institute explains, *“The populist sentiment of 2016 that led to the Brexit vote and the election of President Trump has also impacted corporate reputation. People want to feel they are being treated with authenticity, transparency and fairness by the corporates they are spending their money with.*

“Products and services are of course always the most important factor in determining reputation, however, it is fascinating that we are witnessing such a surge in the importance of citizenship and governance. Having a positive influence on society is now the third most important attribute, behind

having high quality products and being value for money. In order to have an excellent reputation it is becoming imperative for businesses to successfully communicate societal value, openness and fairness.”

Interestingly, despite the importance consumers place on governance and citizenship, overall companies are weak at communicating these practices, with 67% and 71% of respondents respectively ‘unsure’ or ‘neutral’ on what UK companies are doing in this regard.

James Bickford comments: *“The general public’s increased uncertainty is a threat to corporate reputation. These ‘fence-sitters’ are vital in shaping future reputations, and can pose a real threat if tested in a time of crisis.”*

WINNERS

There has been significant change at the top of the rankings with 50% of the top ten changing in the past year. Entrepreneurially-led Dyson has stormed into the top spot with a score of 86.8. Waitrose has made its first top ten appearance, coming in at number six, with a score of 83.5.

The top 10 companies in the 2017 UK RepTrak®, who are all considered to have an “Excellent” reputation are:

- | | |
|-----------------|---------------------------|
| 1. Dyson | 6. Waitrose |
| 2. Aston Martin | 7. Intel |
| 3. Lego | 8. PayPal |
| 4. Michelin | 9. Samsung |
| 5. Sony | 10. Rolls-Royce Aerospace |

The RepTrak® system measures a company’s ability to deliver on stakeholder expectations on the seven key rational dimensions of reputation: products and services, innovation, workplace, governance, citizenship, leadership and performance.

Companies are ranked on a score from 0-100 based on their overall reputation, and are grouped as Excellent (80+), Strong (70-79), Average (60-69), Weak (40-59) or Poor (Below 40).

BIGGEST MOVERS

The following companies have seen the largest improvements from 2016 to 2017:

- Volkswagen (+13.1 points)
- MasterCard (+9.4 points)
- Waitrose (+9.1 points)
- Lloyds Banking Group (+8.8 points)
- Tesco (+8.1 points)

The below businesses have seen the largest declines from 2016 to 2017:

- Provident Financial Group (-16.0 points)
- Virgin Trains (-14.4 points)
- Merlin Entertainments (-13.0 points)
- Sports Direct (-11.3 points)
- ASOS (-11.1 points)

CRISIS HANDLING PAYS OFF

Samsung’s exploding Galaxy Note 7 phones caused a huge crisis for the tech giant in 2016. However, the Reputation Institute ranking sees the company maintain its ‘excellent’ reputation in the UK, even showing a directional improvement – from 81.8 in 2016 to 83.0 in 2017.

Having invested heavily in building their reputation prior to the crisis, taking early responsibility and a financial hit to compensate affected customers, the company has weathered the storm brilliantly in the UK.

The UK general public is 6% more likely to recommend Samsung products post-crisis than they were previously.

	RECOMMEND COMPANY	RECOMMEND PRODUCTS	BUY PRODUCTS	WELCOME TO NEIGHBOURHOOD	GIVE BENEFIT OF DOUBT
2017	60%	63%	64%	55%	48%
2016	57%	57%	62%	49%	44%

WHY REPUTATION MATTERS

Reputation Institute’s research reveals that reputation drives business results. The better the reputation the more support a company gets. For companies with an average reputation only 23% would buy the products; this grows to 39% if the reputation is strong, but increases to 77% if the reputation is excellent.

“The impact from reputation on the business is massive, which is why the leading companies in the world are managing this asset in a systematic way” says James Bickford.

In the UK companies’ reputations must be considered “excellent” by consumers to have more than 50% of those surveyed claim that they would say something positive about a company, recommend its products, trust it to do the right thing, welcome it into the local community, working for or invest in it:

2017 - Reputation drives supportive behavior



Download the full 2016 UK RepTrak® report here: www.reputationinstitute.com

ENDS

About Reputation Institute

Reputation Institute (RI) is the world’s leading consulting and advisory firm for reputation. RI enables many of the world’s leading companies to make more confident business decisions that build and protect reputation capital, analyze risk and sustainability topics, and drive competitive advantage. RI’s most prominent management tool is the RepTrak® model for analyzing the reputations of companies and institutions — best known via the Global RepTrak® 100, the world’s largest and most comprehensive study of corporate reputations, as well as Country RepTrak® and City RepTrak® studies that look at reputation across organizations within a given geography.

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