

CEO Reputation: Why it Matters

Special Report by

THE
STAGWELL
GROUP

&

 **The Harris Poll**



AGENDA

1. **Reputation and Environment:** Society in Transition and in Turmoil
2. **Reputation and Business:** More Expectations, More Risks
3. **Reputation and the CEO:** Expanding Authority, Expanding Obligations



Reputation Matters

“Your brand name is only as good as your **reputation.**” – **Richard Branson**



“It takes 20 years to build a **reputation** and five minutes to ruin it. If you think about that, you’ll do things differently.” – **Warren Buffet**



“The two most important things in any company do not appear in its balance sheet: its **reputation** and its people.” – **Henry Ford**





Reputation Matters

Reputation is a measure of what all stakeholders think about a company

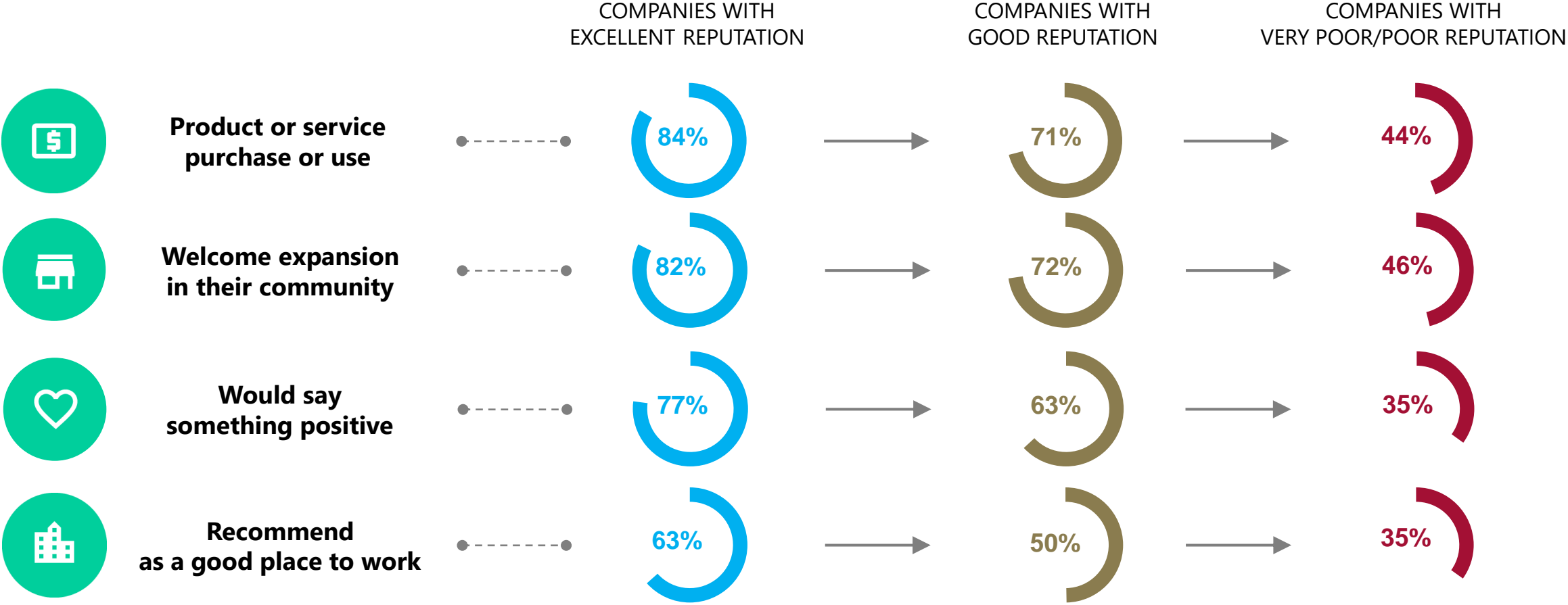
- Brand measures a company's products and services, typically among specific customers
- You create a brand, but you *earn* a reputation

**PERFORMANCE +
BEHAVIOR +
COMMUNICATIONS =
REPUTATION**



Reputational builds business value, mitigates risk

Companies with excellent reputations are more likely to garner positive outcomes, such as advocacy, community expansion and purchase intent





1. Reputation and Environment: Society
in Transition and in Turmoil

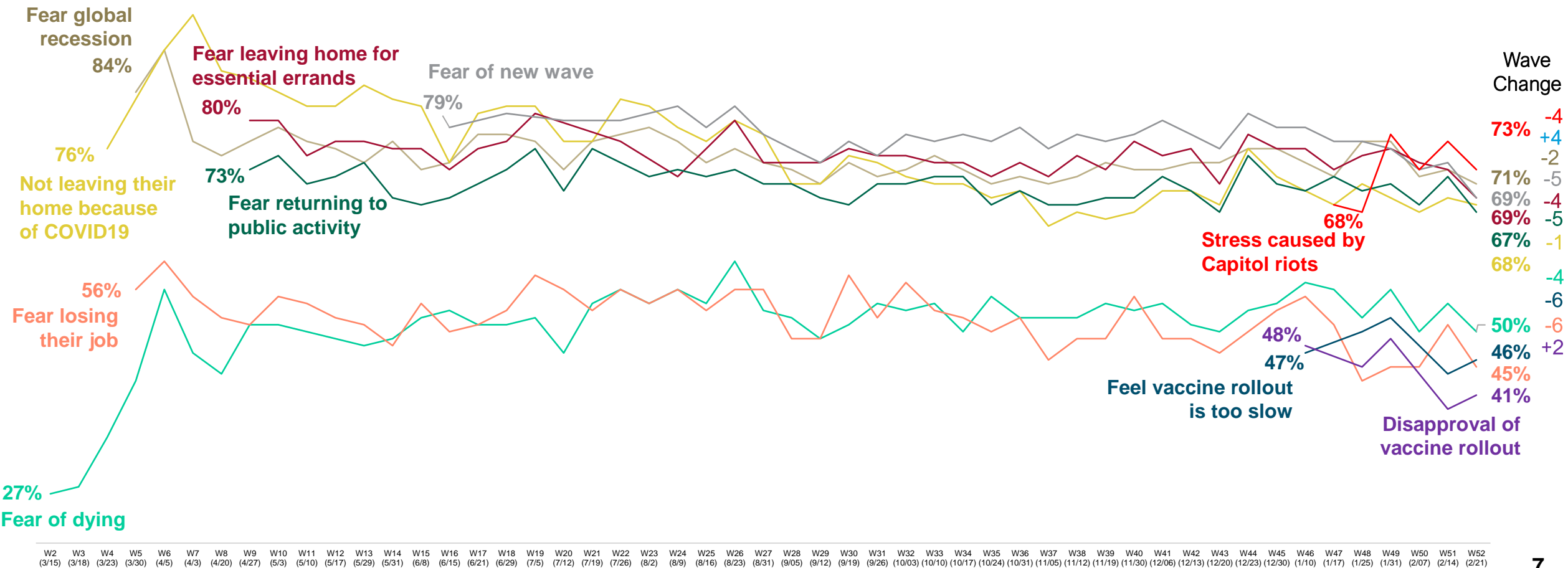
2. Reputation and Business: More
Expectations, more Risks

3. Reputation and the CEO: Expanding
Authority, Expanding Obligations



Year of fear is slowly abating in American society

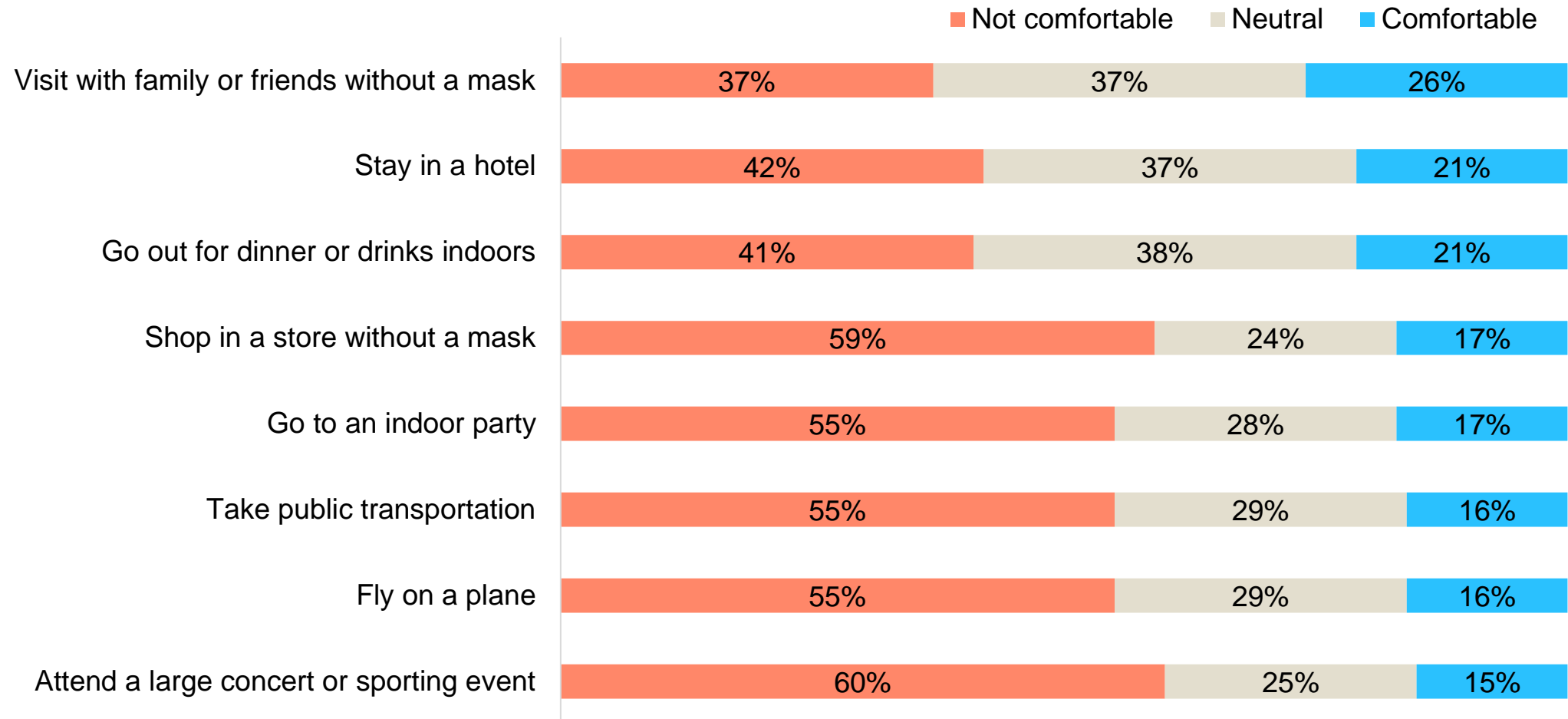
Trended Fear Curves During COVID19





Yet today, majority still don't feel comfortable returning to 'normal'

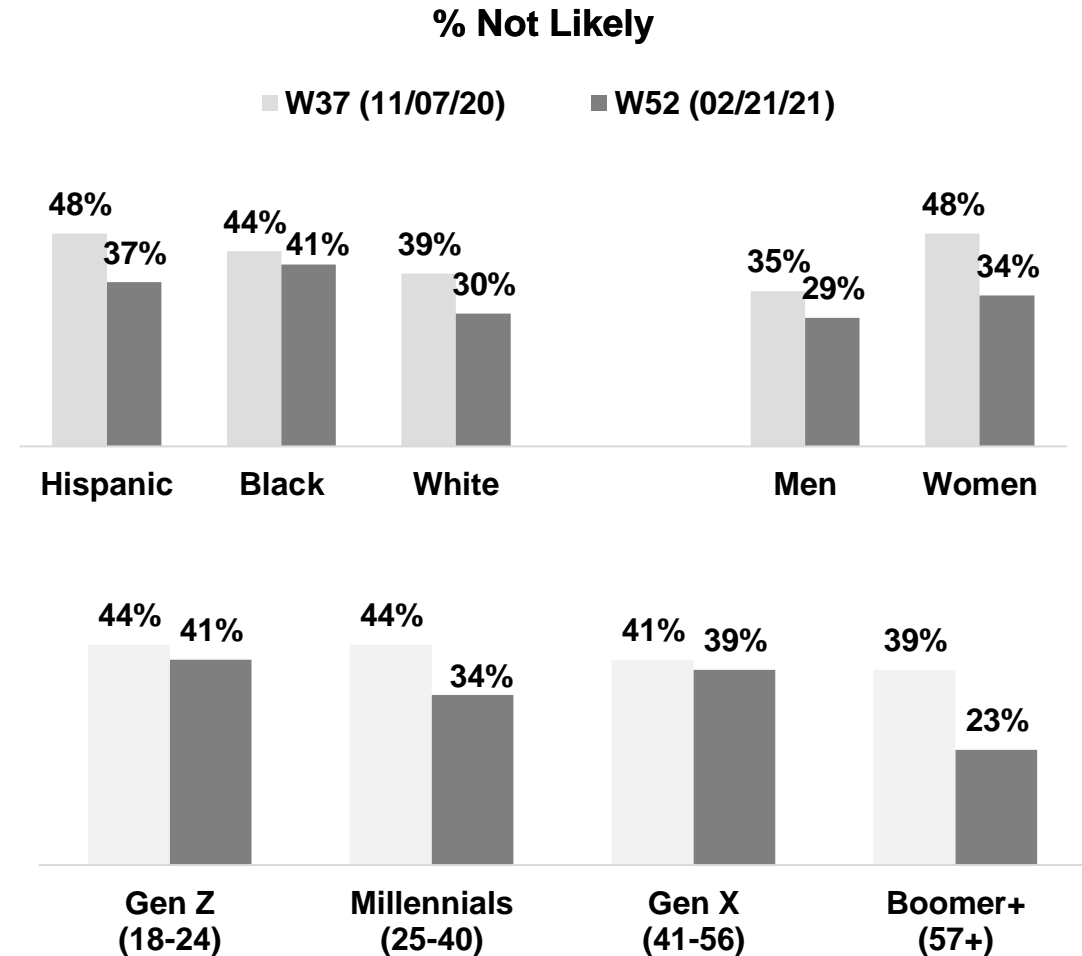
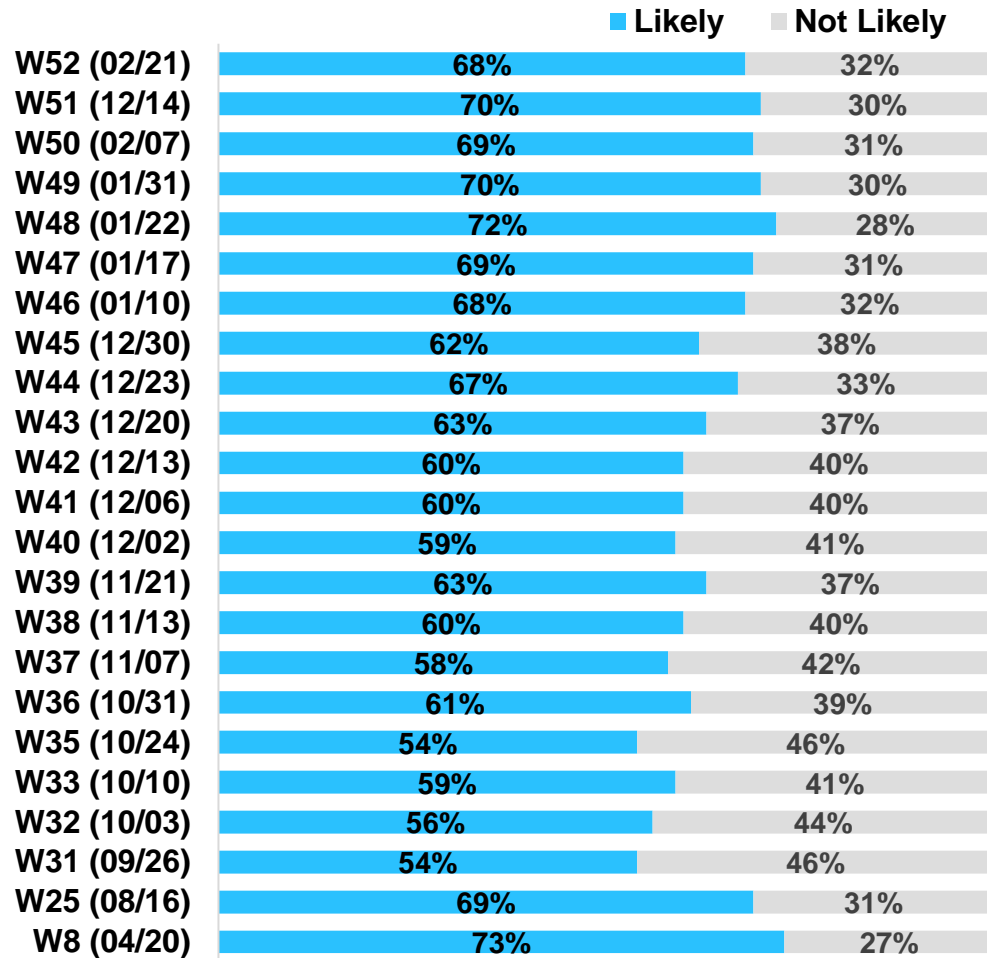
Generally speaking, how comfortable would you be to do each of the following today given the COVID-19 pandemic?





Vaccine acceptance grows – but not universally

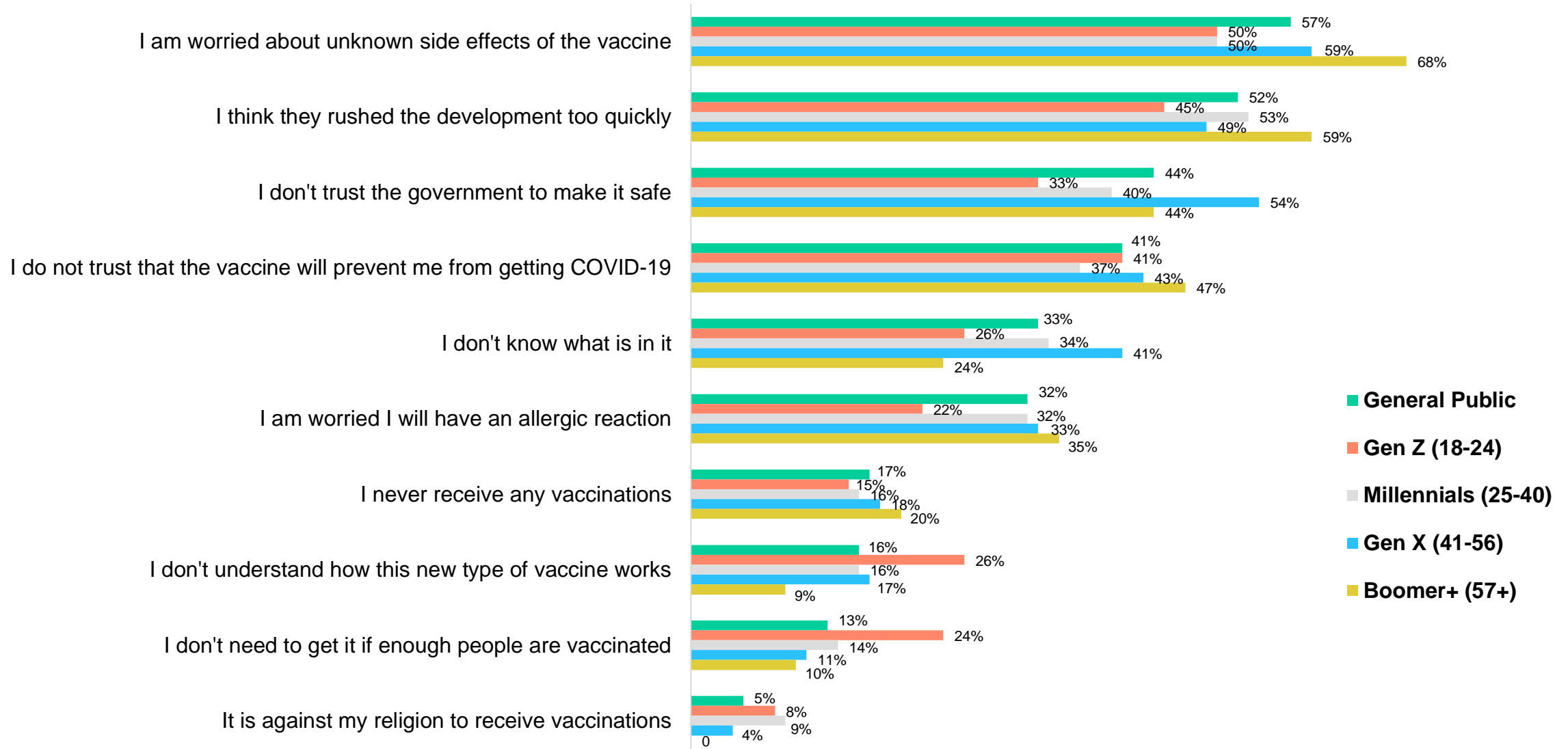
How likely are you to get a COVID-19 vaccine as soon as it becomes available?





Vaccine skepticism driven by legitimate questions and concerns

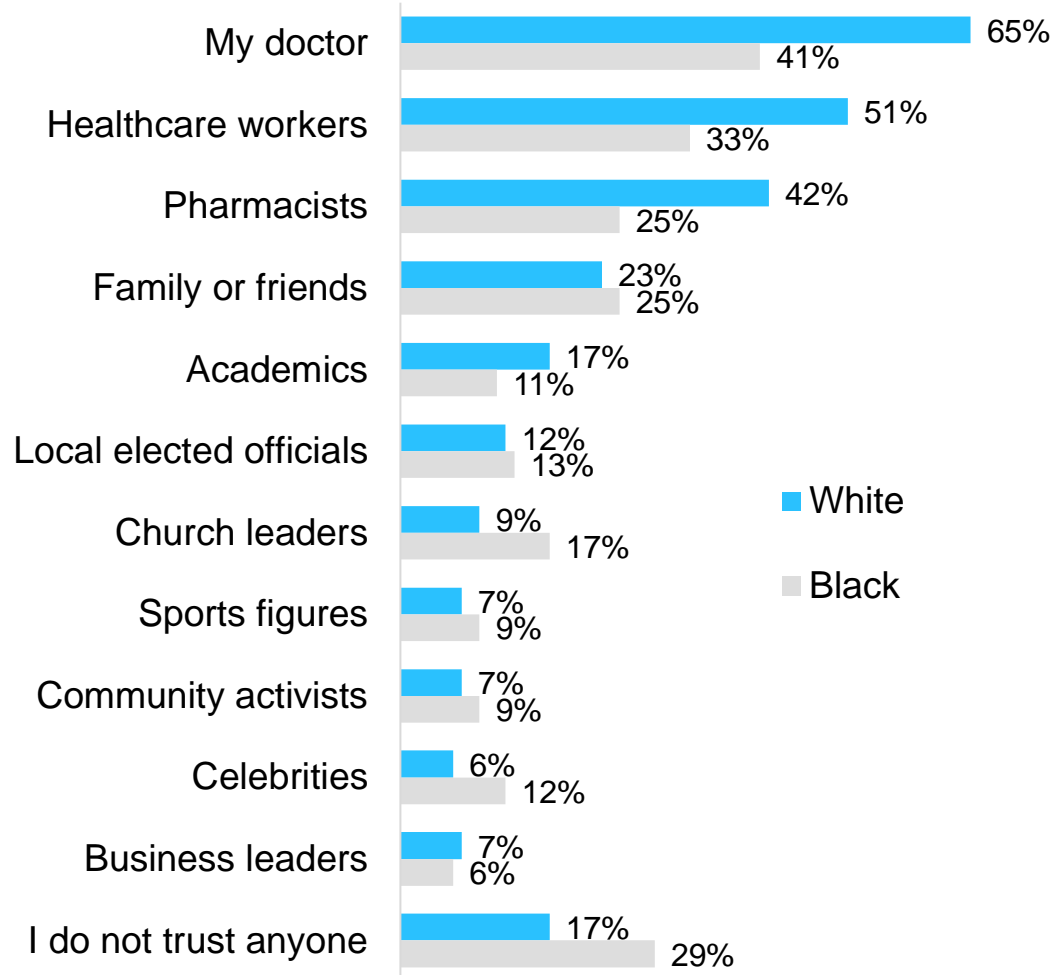
Which of the following are reason(s) why you are not likely to get a COVID-19 vaccine as soon as one becomes available?
Among those not likely to get a vaccine



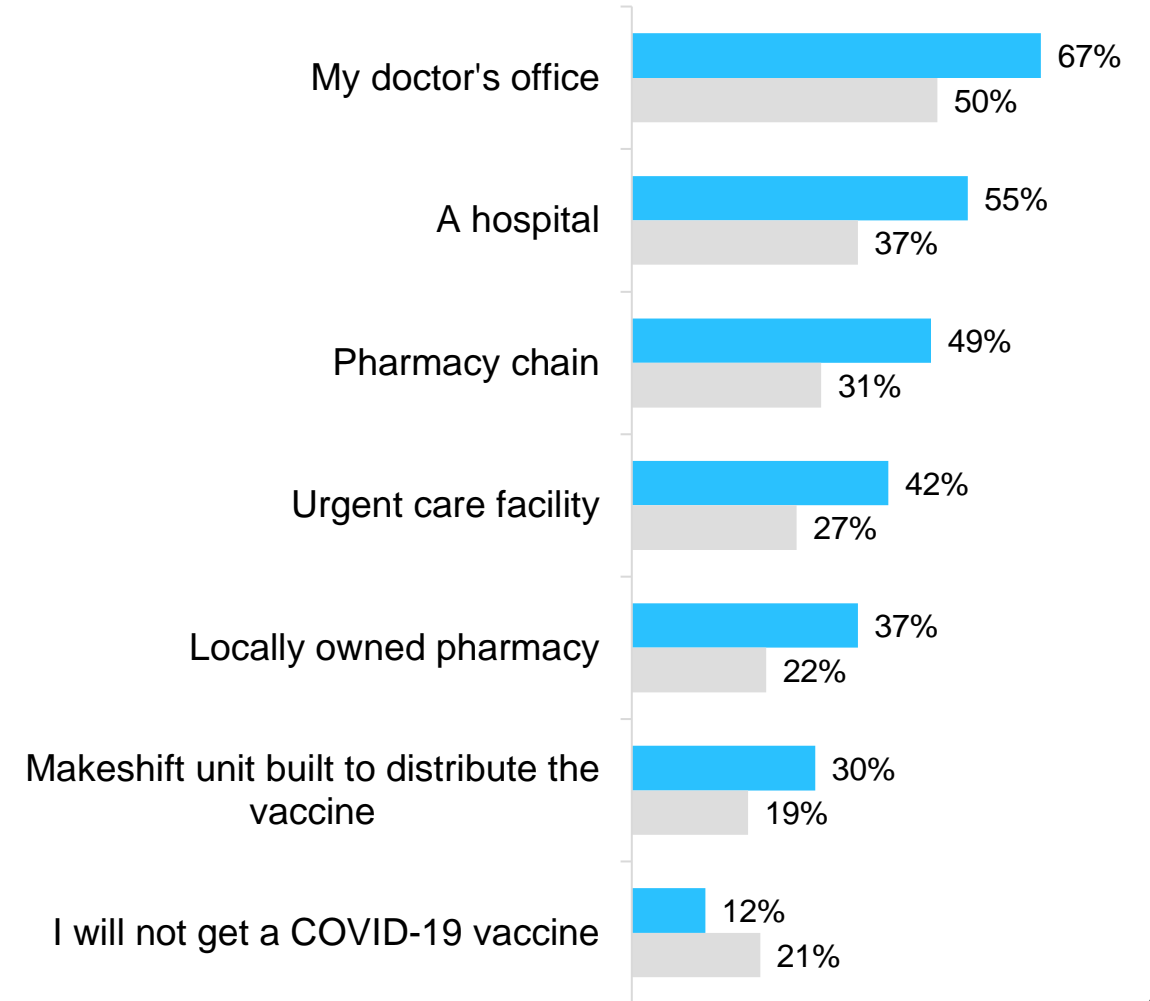


Racial mistrust in healthcare is another byproduct of systemic injustice

How much do you trust the opinions of the following people when it comes to the COVID-19 vaccine?

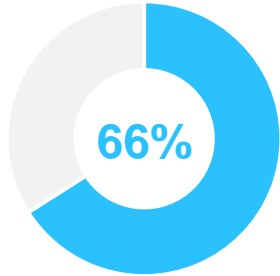


Which of the following places would you feel comfortable receiving a COVID-19 vaccine?

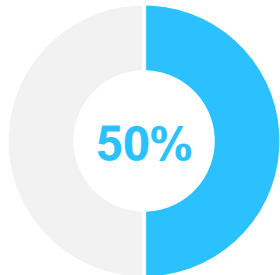




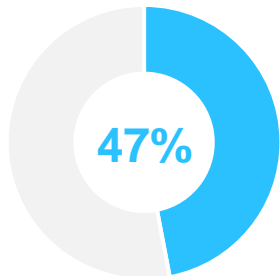
Mindsets are being influenced in real time by fast-paced vaccine news cycle



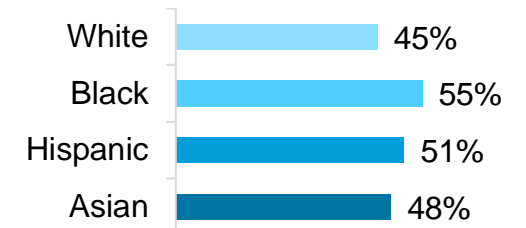
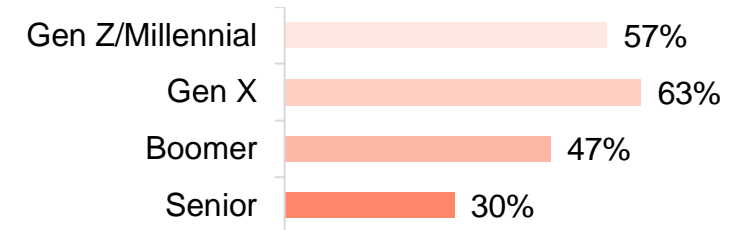
Seeing people I know get the vaccine first makes me more comfortable to get the vaccine myself.



Hearing about the new strain of COVID-19 makes me consider waiting to take the vaccines currently available.



Hearing about others who are skeptical of the COVID-19 vaccine safety is making me rethink if I should get the vaccine myself.



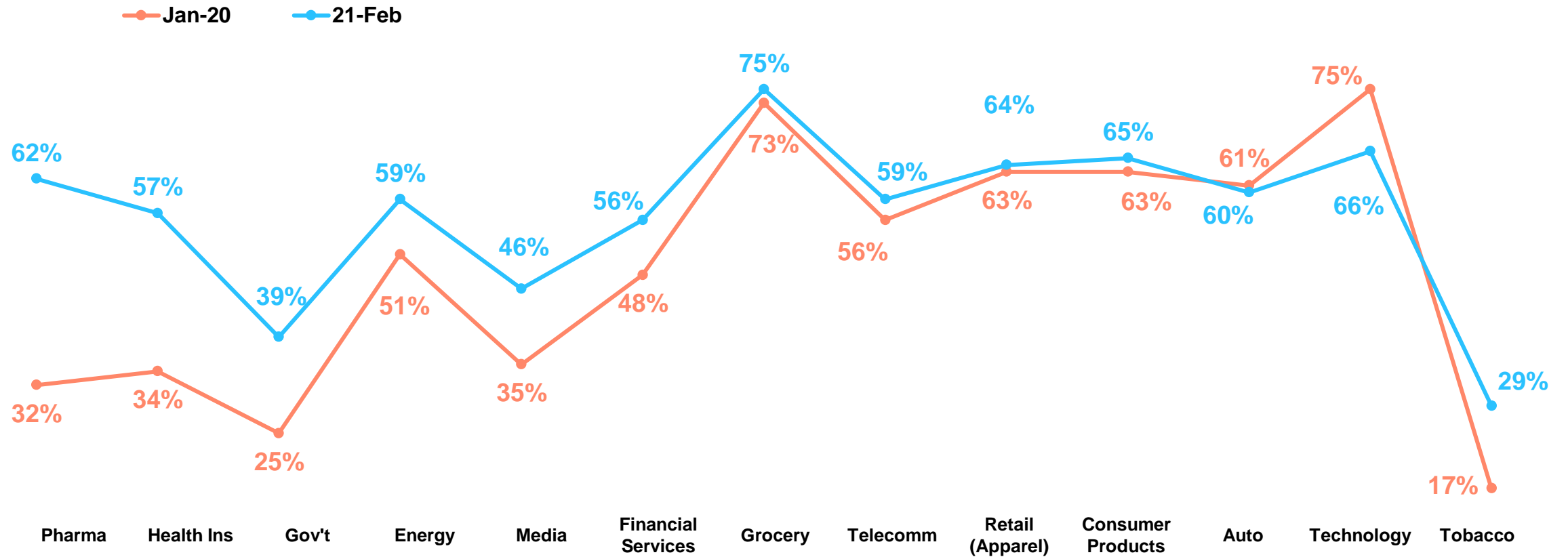


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Nearly every business sector enjoying reputation gain after year of COVID



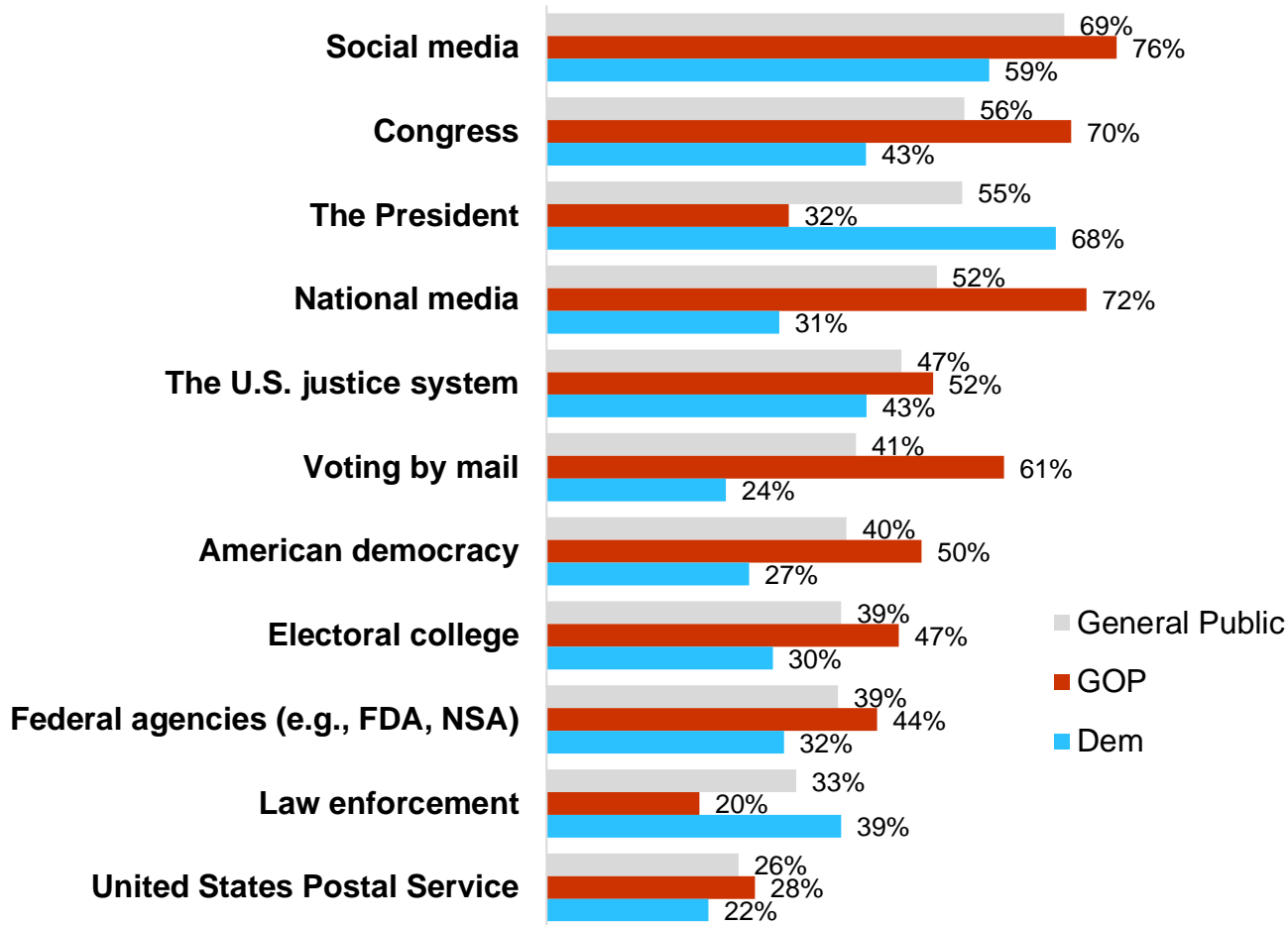
How would you rate the overall reputation of the following industries?
 % Positive Reputation (Top 3 on 7-point scale)



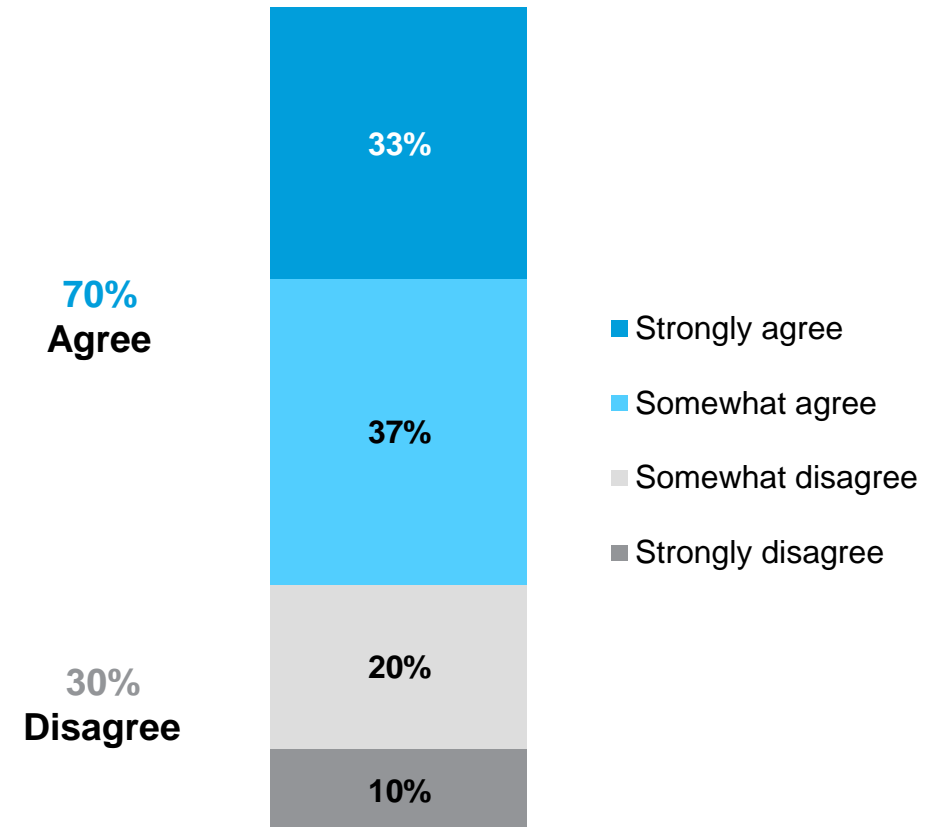
Business thrives amid other institutional mistrust; social media under fire



Do you distrust each of the following American individuals or institution?



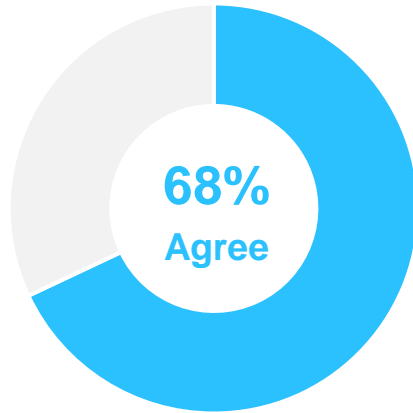
How much do you agree/disagree that American companies should unite to urge Congress to take steps to regulate social media companies here to limit their misinformation and hate speech?



Americans are looking to business to lead on COVID, national division

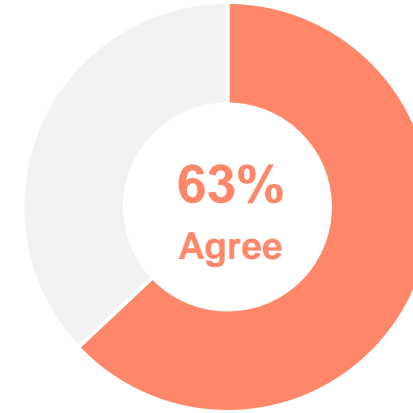


How much do you agree or disagree with each of the following statements?



The nation needs our business leaders now more than ever to help lead us out of COVID, racial injustice, and other inequities.

70% White
68% Black
59% Hispanic



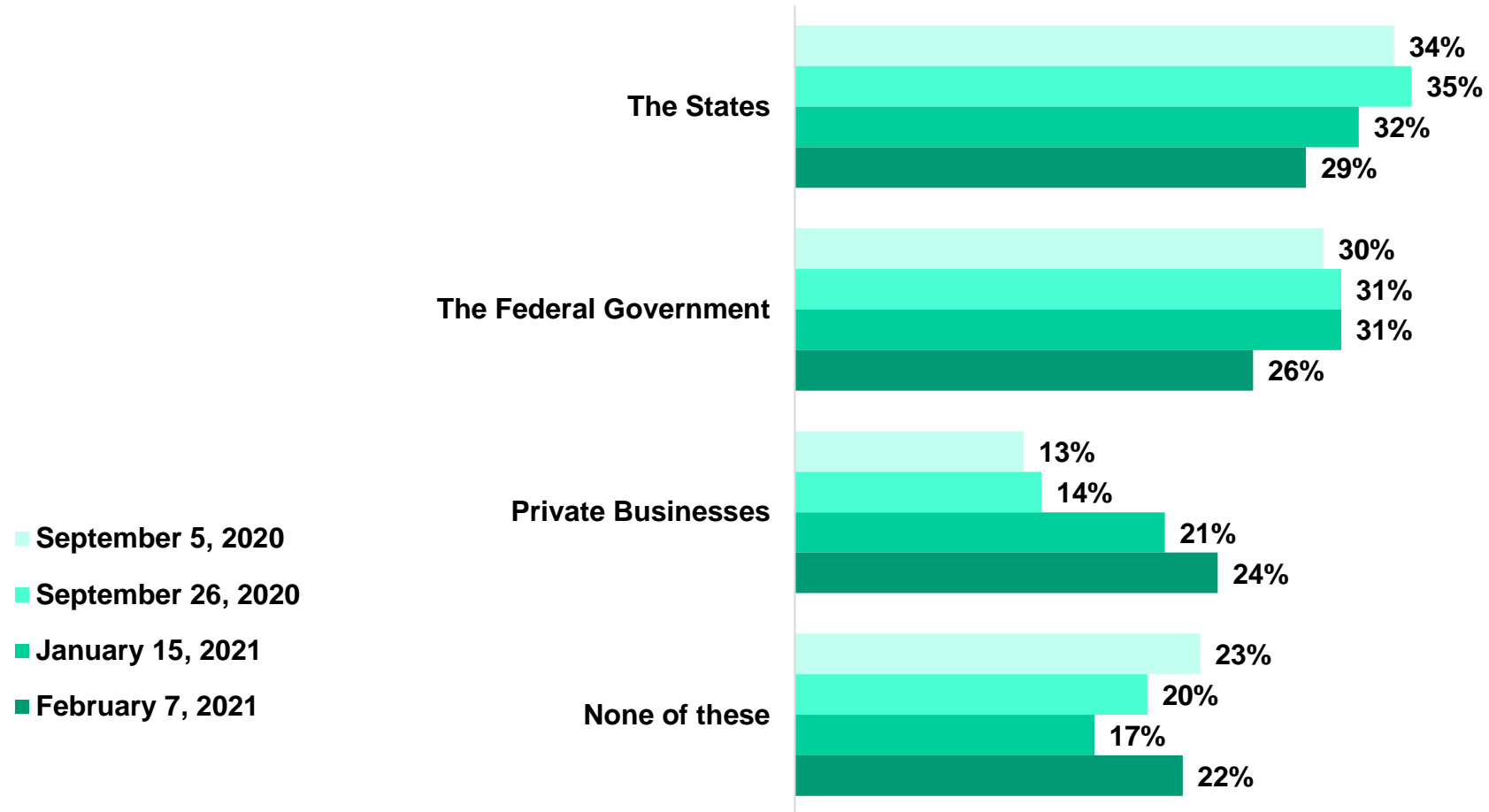
This is a moment of unprecedented national division and strife where the nation lacks leadership and company CEO's can step into the void with clear voices and plans to help the country heal.

70% Millennial
54% Gen Z

Americans increasingly say business best prepared to distribute vaccine



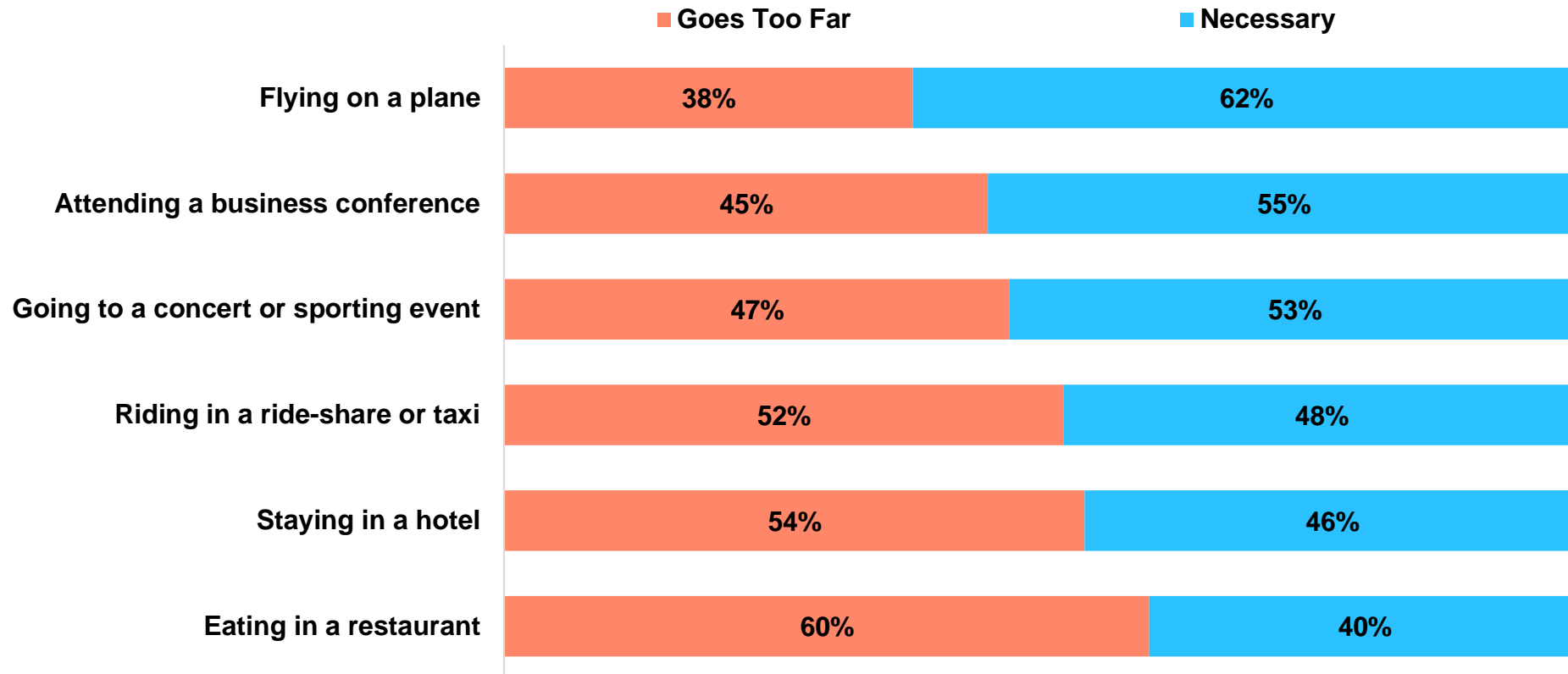
Who do you think is best prepared to distribute the coronavirus vaccine?





Many industries have public permission to require ‘vaccine passports’

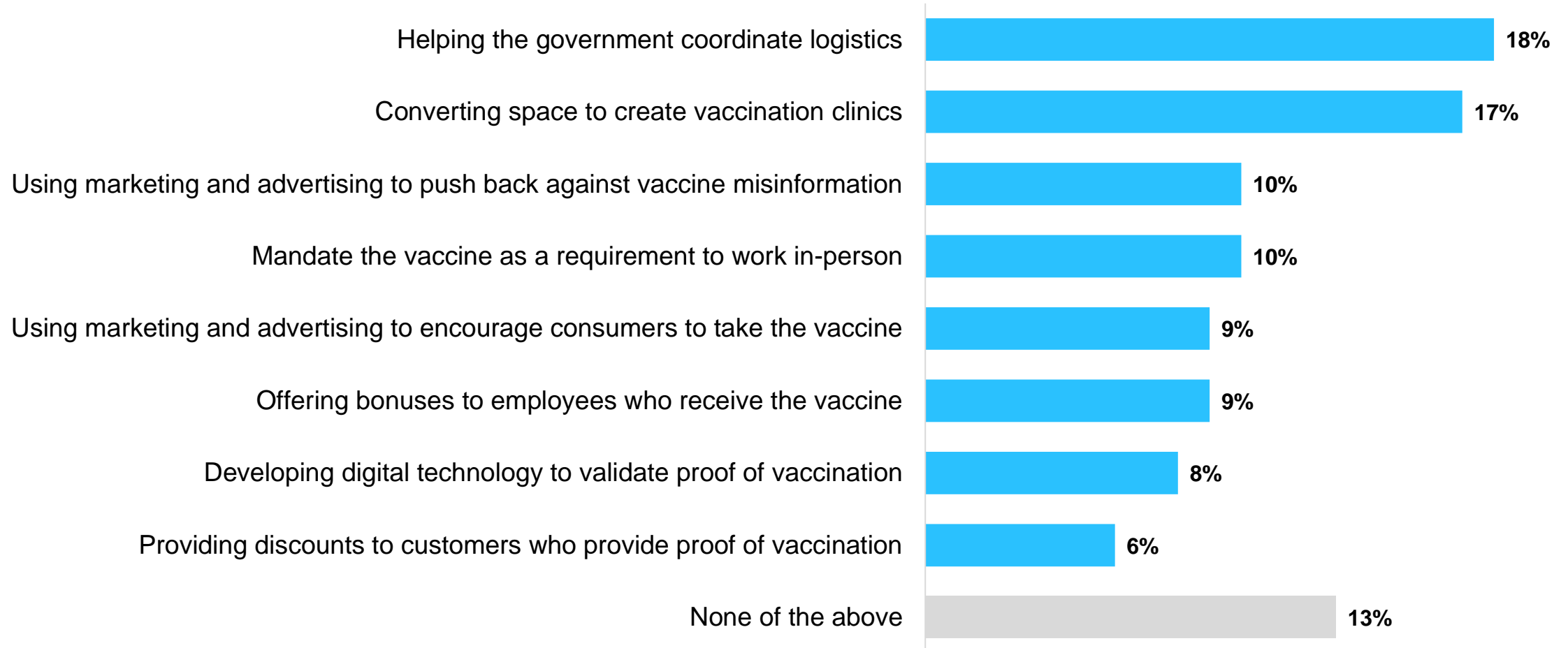
Once a vaccine is available to the general public, do you think requiring proof of receiving a COVID-19 vaccination to do each of the following activities is necessary to protect the public or is it going too far?



Helping government coordinate logistics is best use of resources



Which one of the following do you think is the best use of resources for companies to assist in the rollout of the COVID-19 vaccine? Please select one.



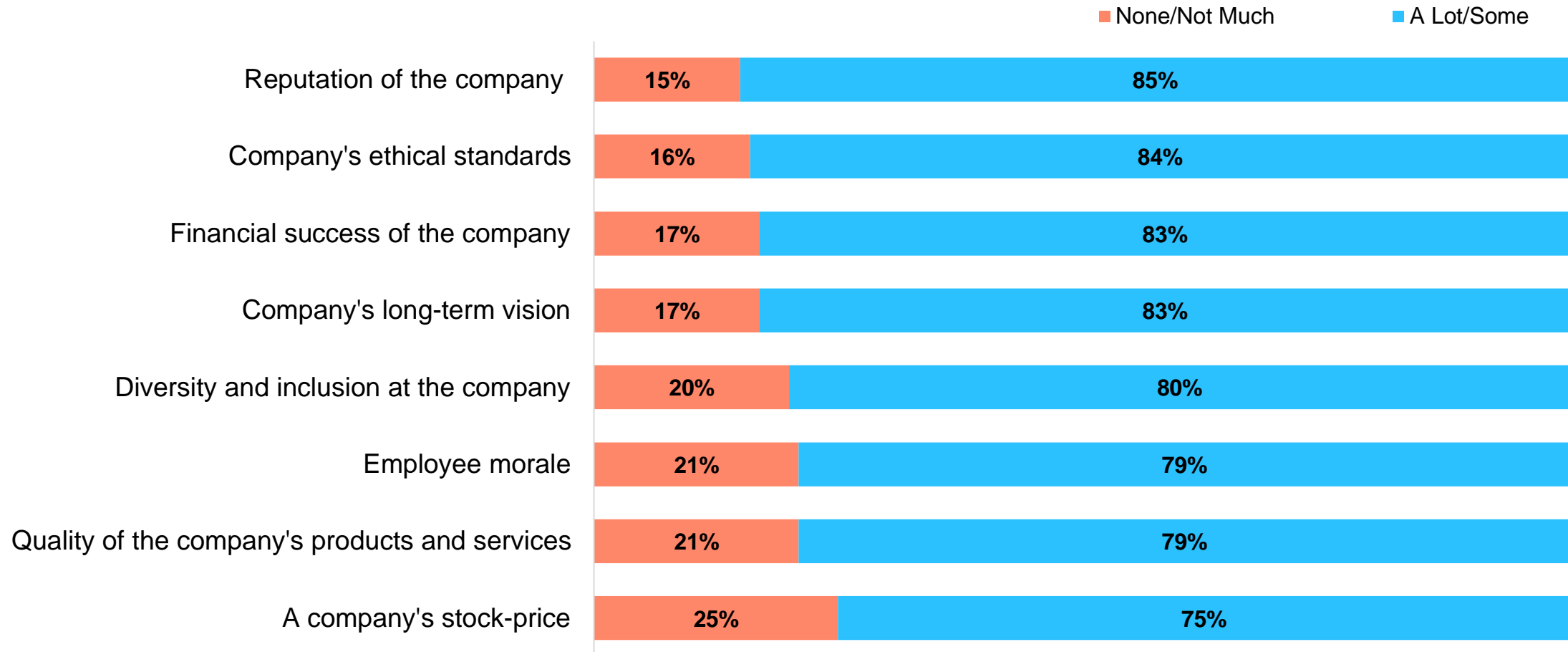


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Americans say CEOs most affect reputation, ethics, financial success



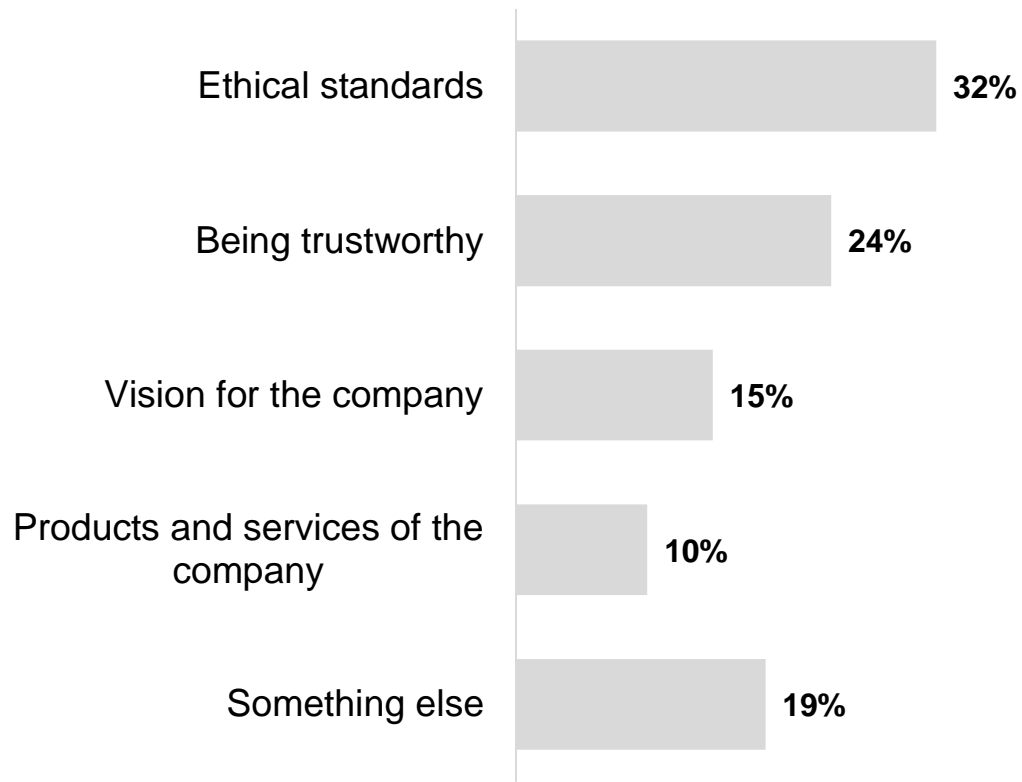
Generally speaking, how much of an impact do you think the CEO of a company has on each of the following aspects of a company?



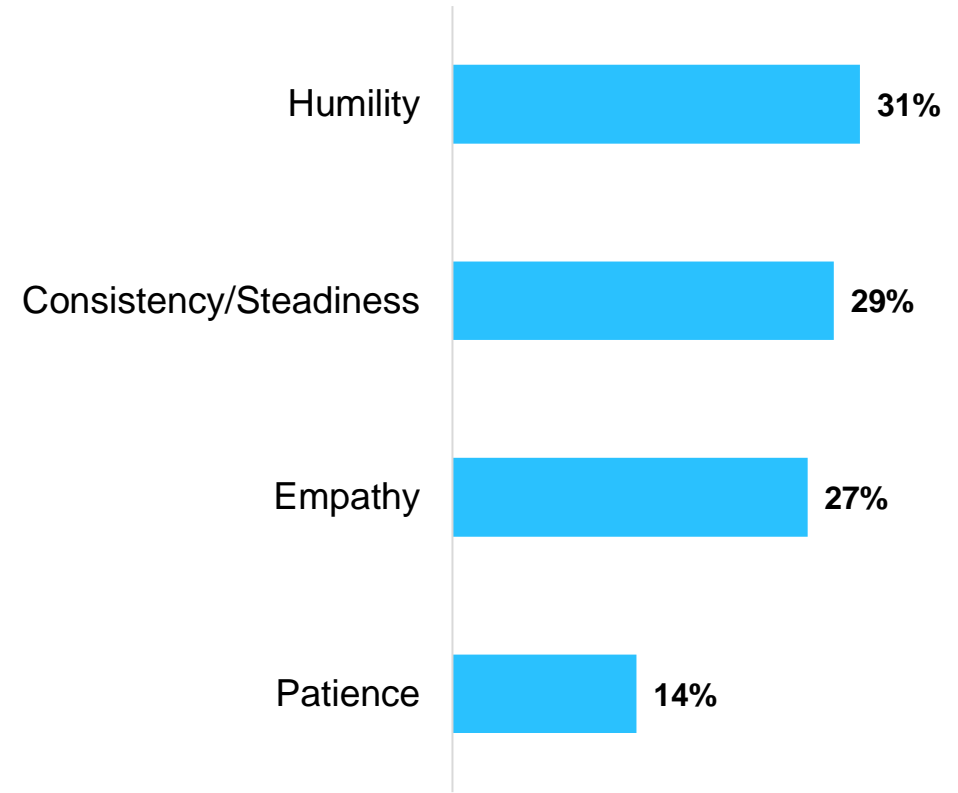
Character, humility and steadiness are overlooked CEO virtues



What is the attribute you most admire in a CEO?
Select one



Which qualities are most overlooked or undervalued in a CEO today?
Select one



Americans would go to business with Bezos, Musk, Cook versus Zuck, Dorsey

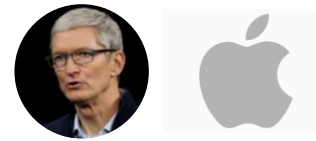
If you were starting a company today, which of the following current or former CEOs would be among top choices to go into business with?



#1 Jeff Bezos
Former CEO, Amazon (46%)



#2 Elon Musk
CEO, Tesla (36%)



#3 Tim Cook
CEO, Apple (32%)



#4 Mark Zuckerberg
CEO, Facebook (26%)



#5 Mark Cuban
Owner, Dallas Mavericks (26%)



#6 Reed Hastings
CEO, Netflix (22%)



#7 Bob Iger
Former CEO, Disney (21%)



#8 Sundar Pichai
CEO, Google (20%)



#9 Howard Shultz
CEO, Starbucks (17%)

- 11. Mary Barra, CEO, GM (14%)
- 12. Meg Whitman, former CEO, eBay (13%)
- 13. Marissa Mayer, former CEO, Yahoo (13%)
- 14. Jack Dorsey, CEO, Twitter (13%)
- 15. Corie Barry, CEO, Best Buy (10%)
- 16. Mark Benioff, CEO, Salesforce (8%)
- 17. Gail Boudreaux, CEO, Anthem (7%)
- 18. Someone Else (16%)

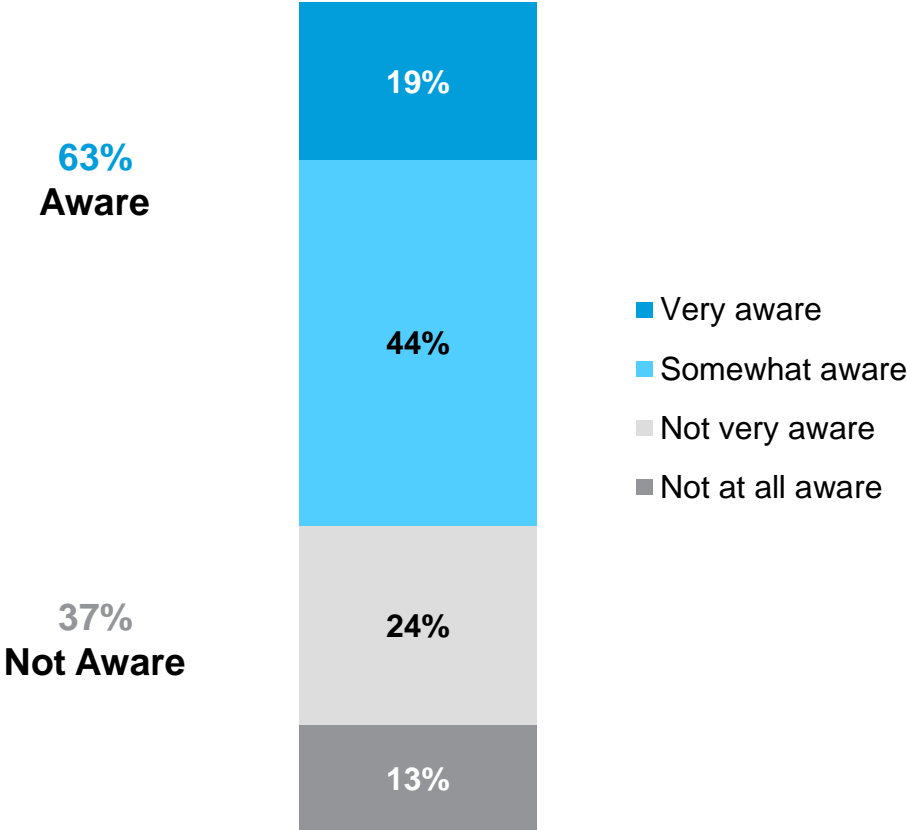


JPMORGAN CHASE & CO. #10 Jamie Dimon
CEO, JPMC (16%)

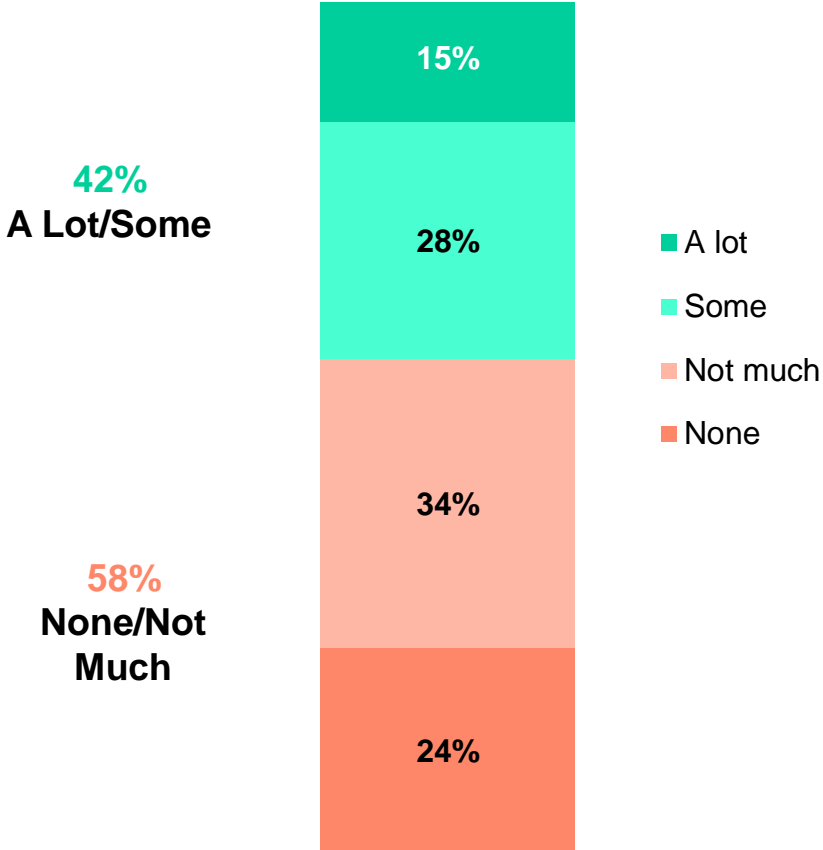
CEOs also have growing public awareness, influence on consumer sales



How aware are you of CEOs in the business world today?



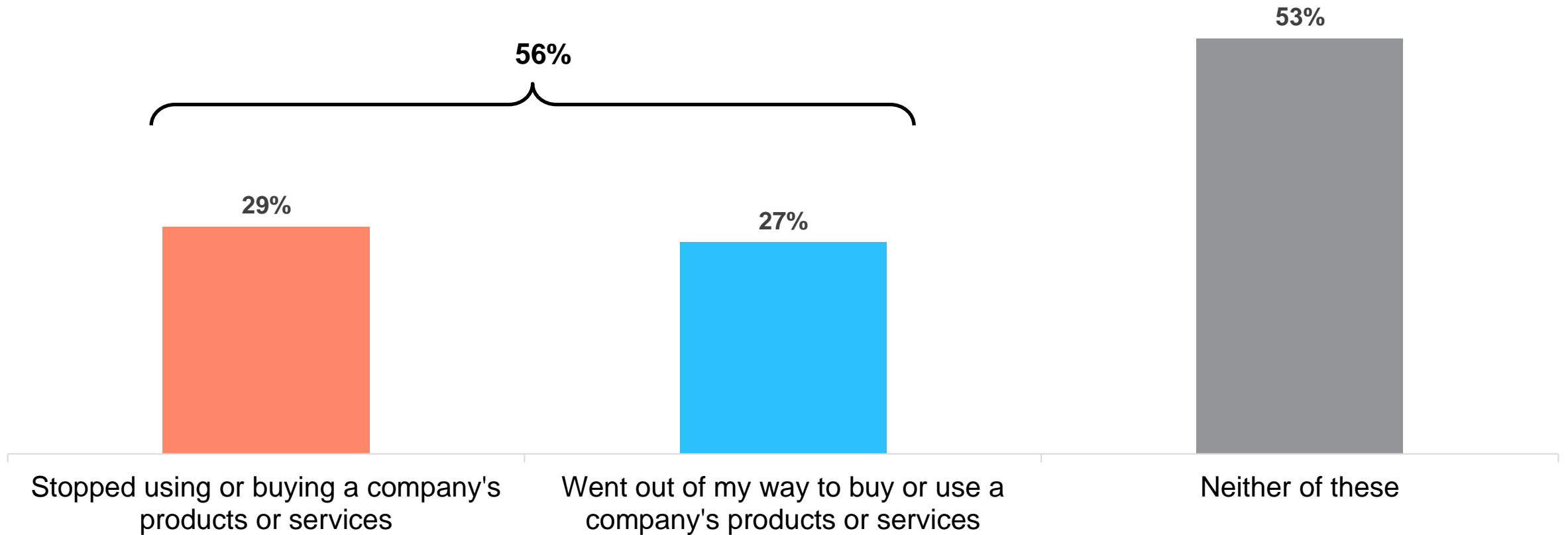
How much are your decision to buy/use the products and services of a company is influenced by who the company's CEO is?





In fact, half of Americans have changed buying habits due to CEO actions

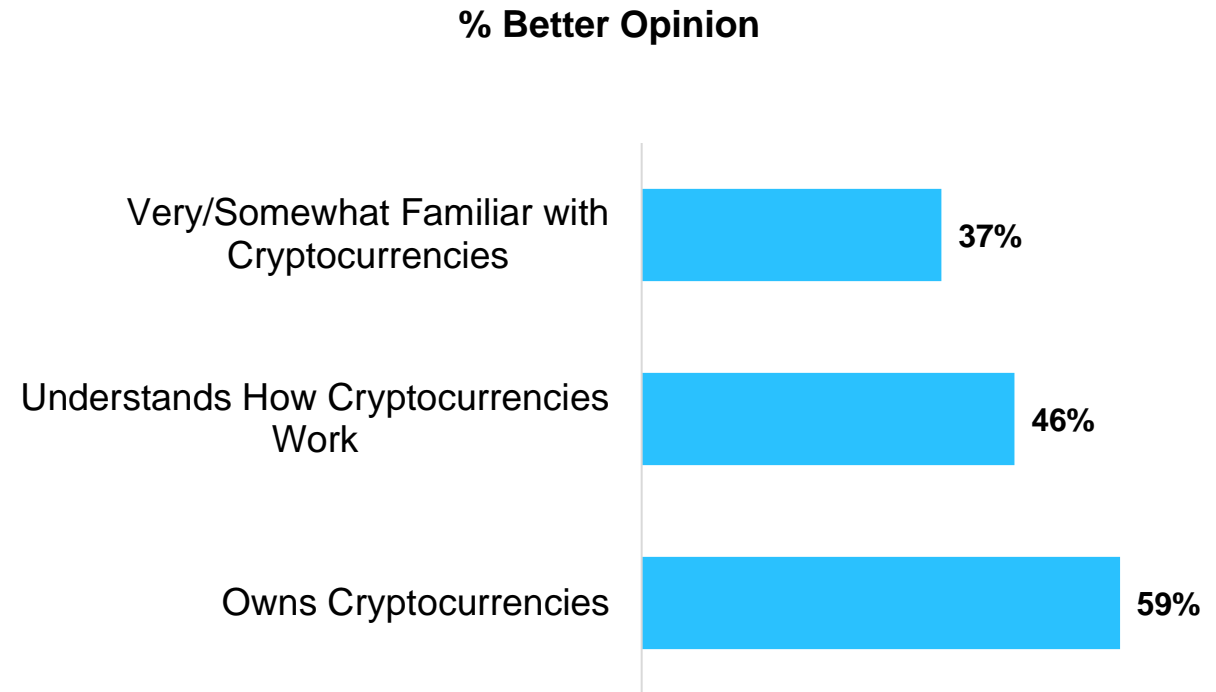
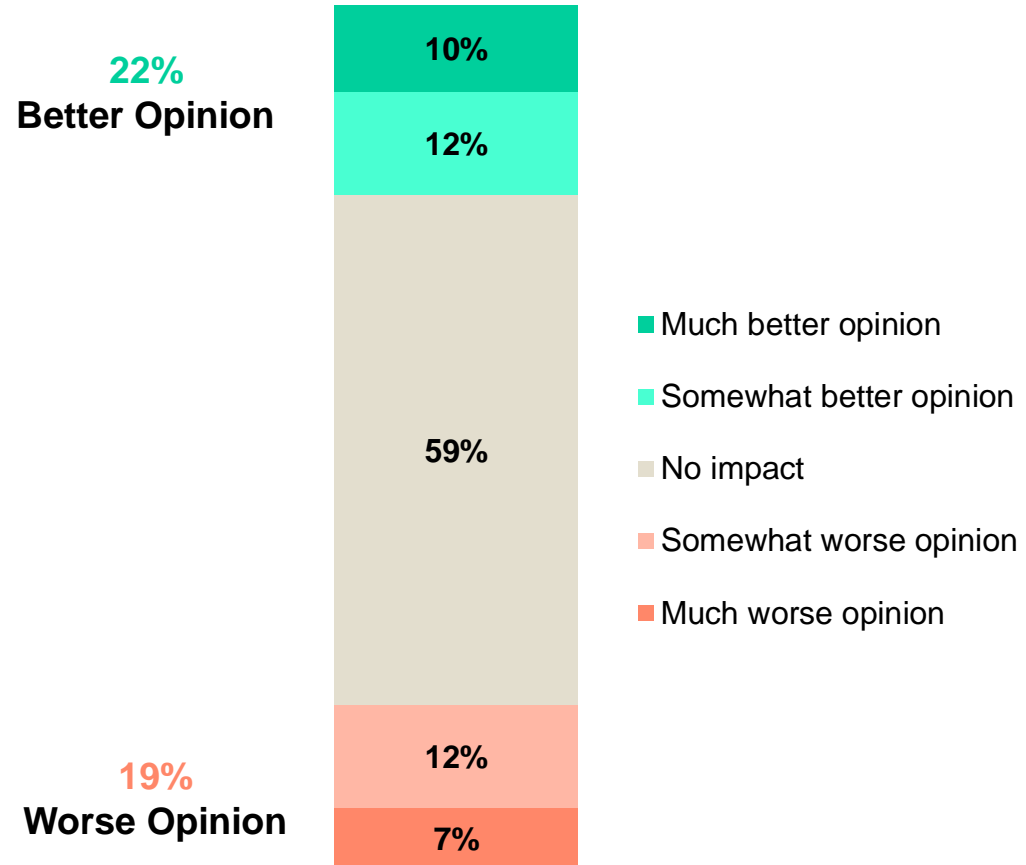
Have you done either of the following due to the words or actions of a company's CEO?
Please select all that apply.



Example: Musk's Bitcoin investment brought credibility to crypto currencies



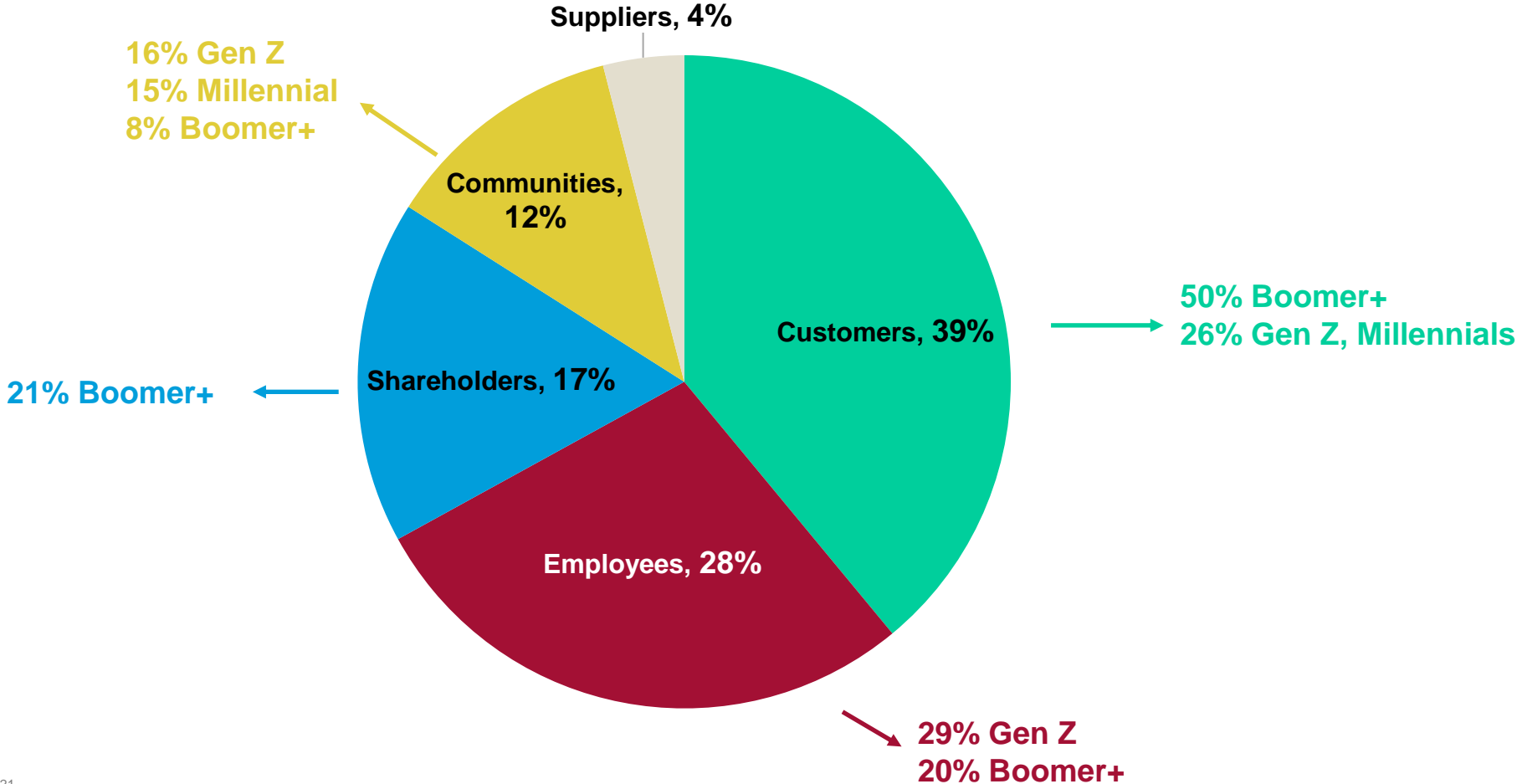
Do you have a better or worse opinion of companies which accept Bitcoin as payment?



Shareholders, customers come first to older Americans; employees to youth



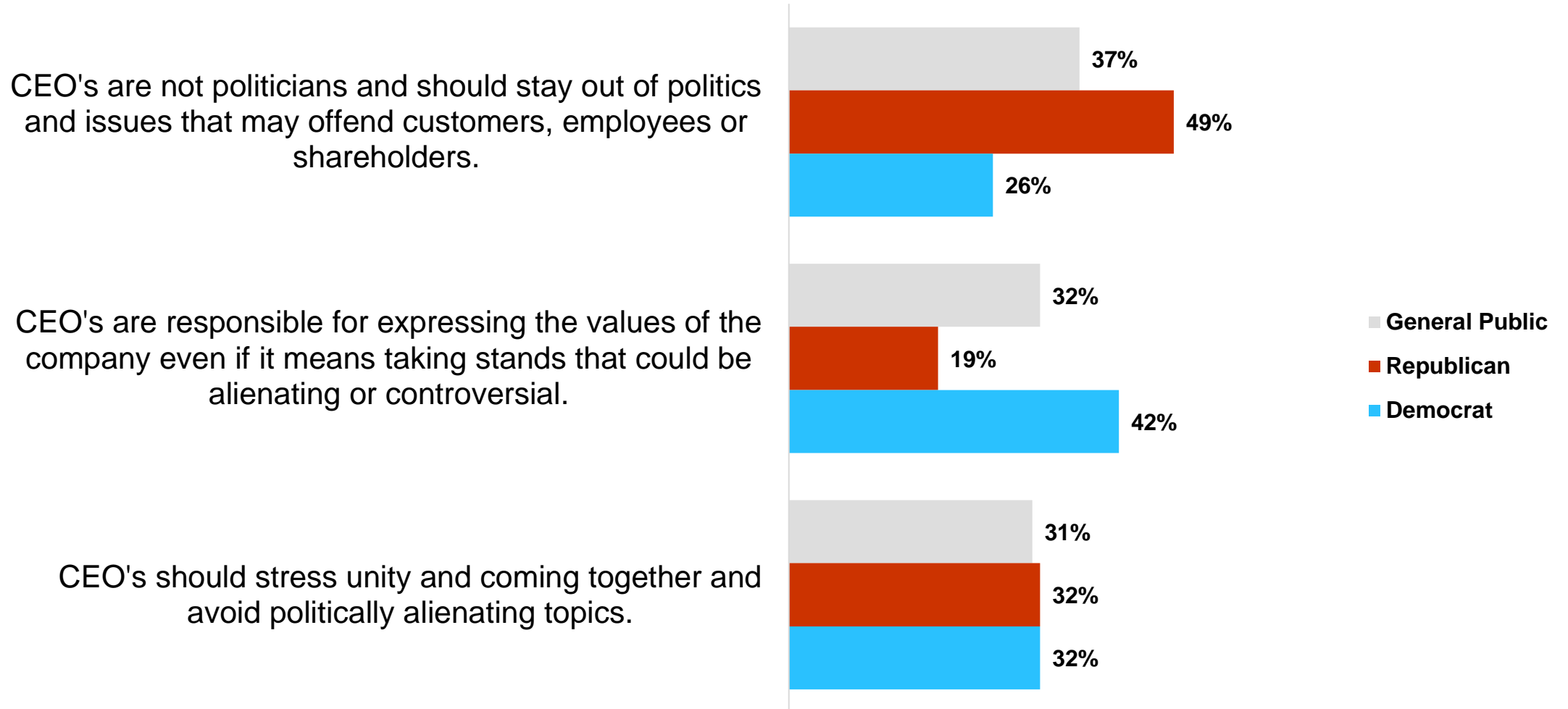
Which stakeholder should a CEO listen to most?
Please select one.





Democrats say stand on values; Republicans say stay out of politics

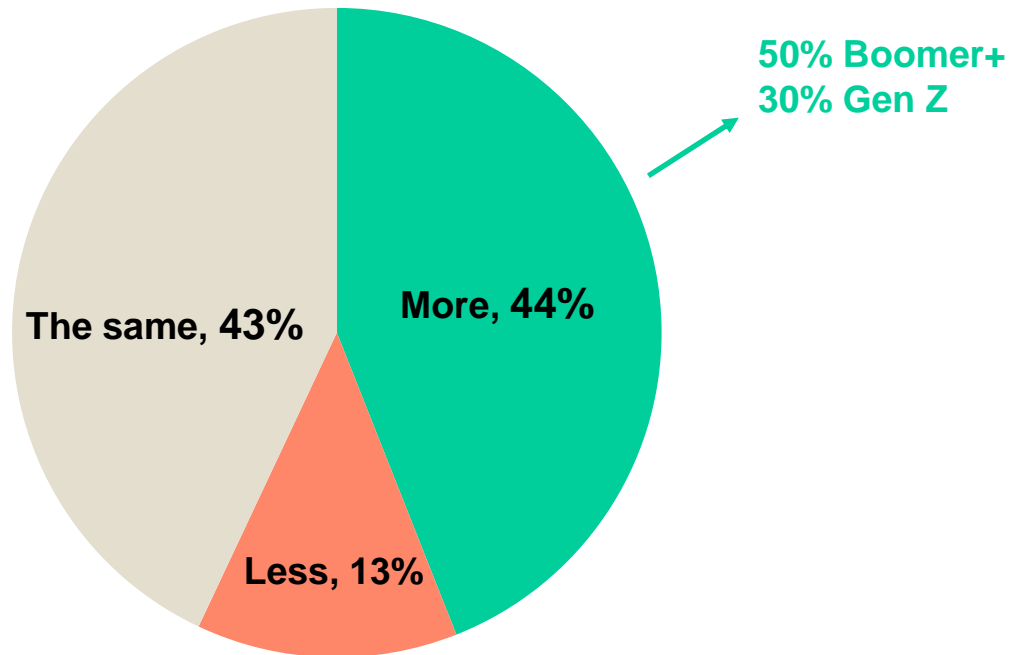
What is the role of a CEO amid today's divisive political environment?



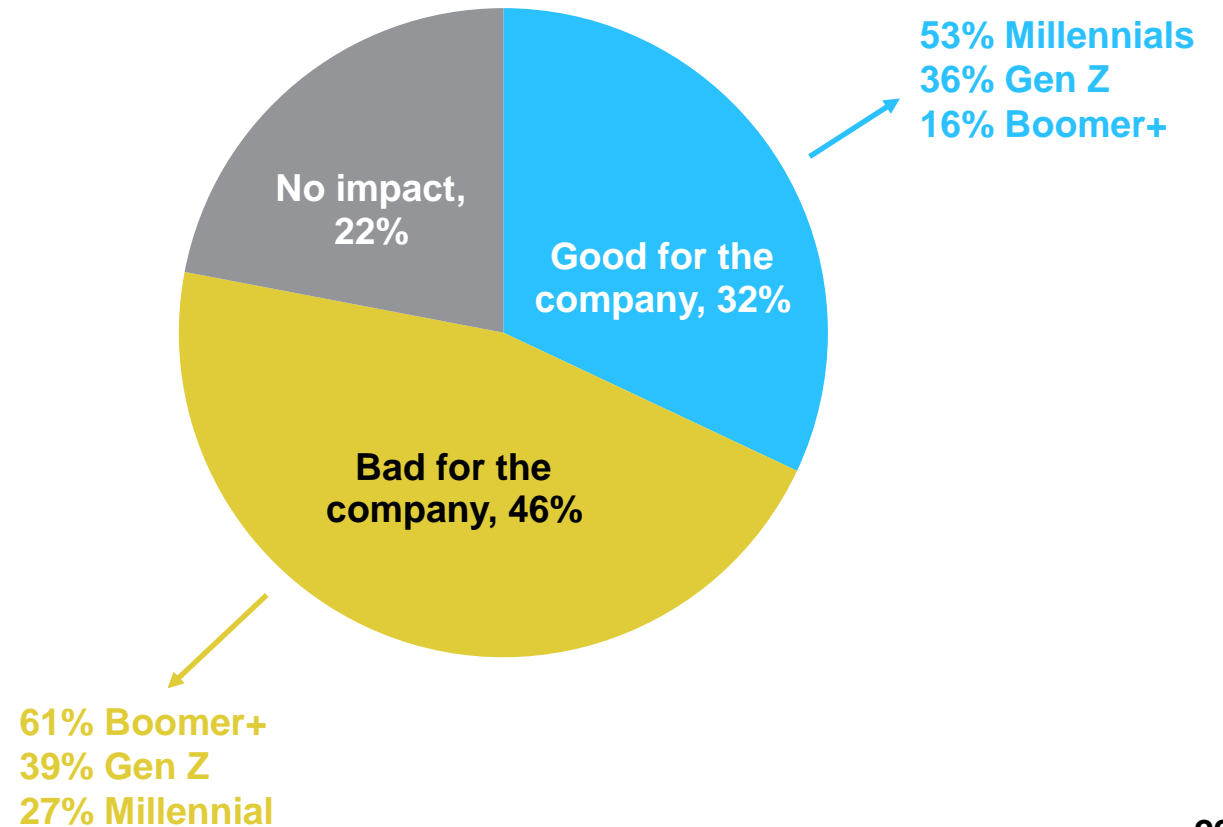
Americans say CEOs are now more political; younger like this but older don't



Do you think CEO's have become **more or less active** in expressing their political views or that of their company?



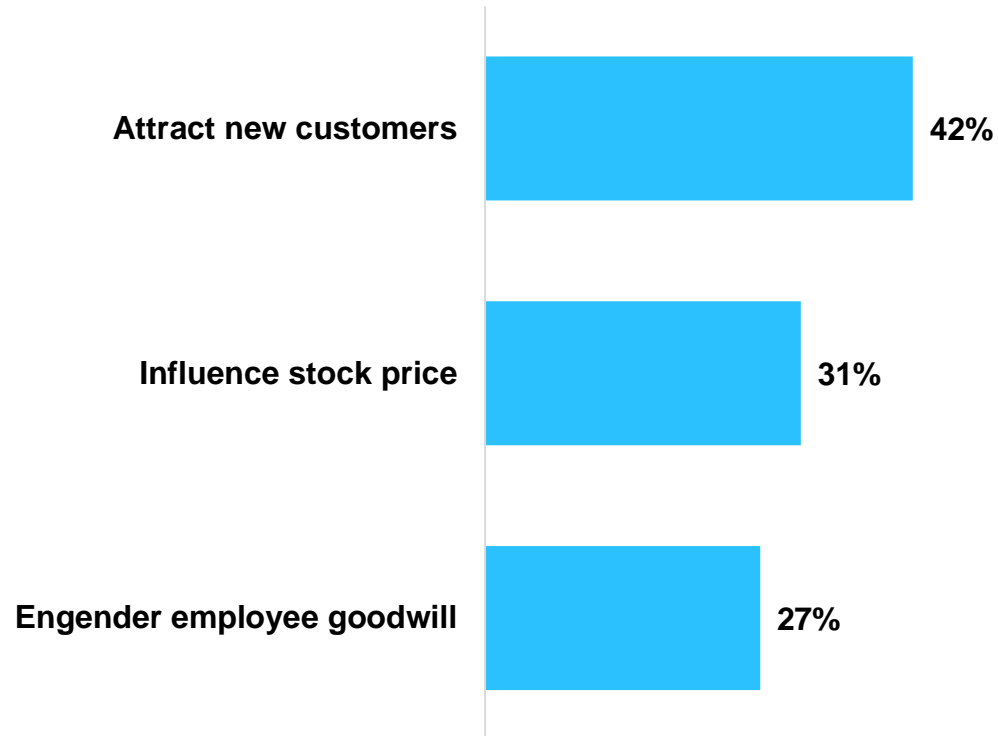
Do you think CEO's being more active in expressing their own political views or those of their company is **good or bad for the company**?



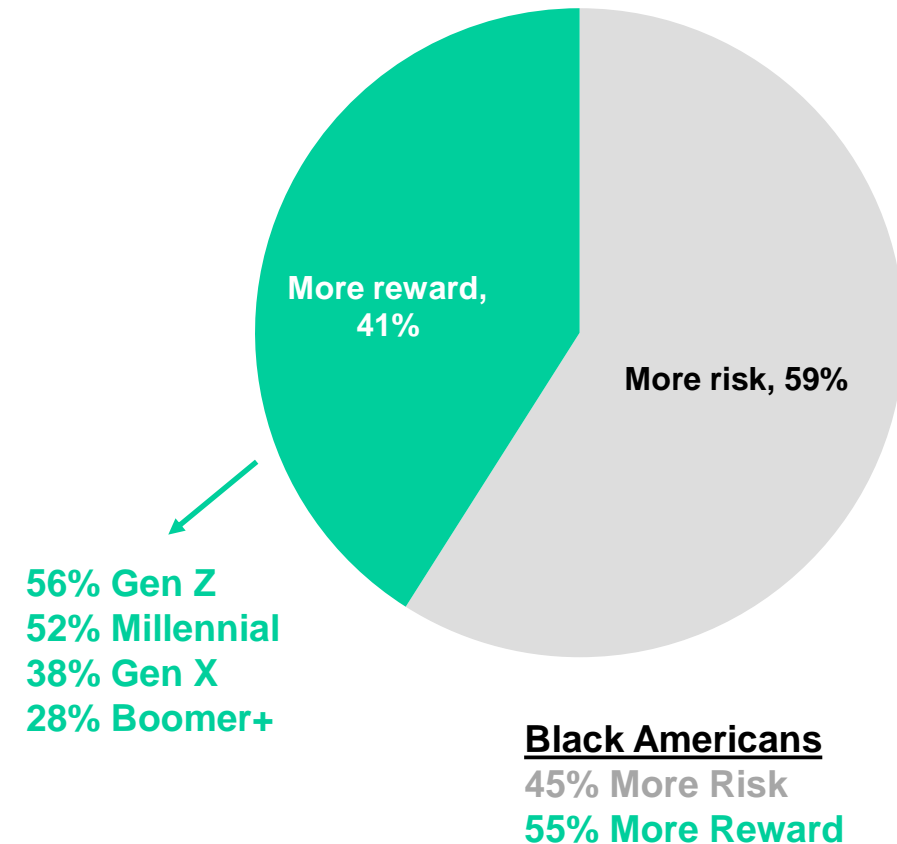
Social activism carries less risk and more reward among younger people



When CEO's speak out on social issues, **what do you think they are trying to accomplish most?**



Generally, **is there more risk or reward** in a CEO speaking out on social issues?



Younger, Black Americans say there's also risk in not speaking up



When faced with a situation like the above, what is the bigger long-term risk to the company's reputation?



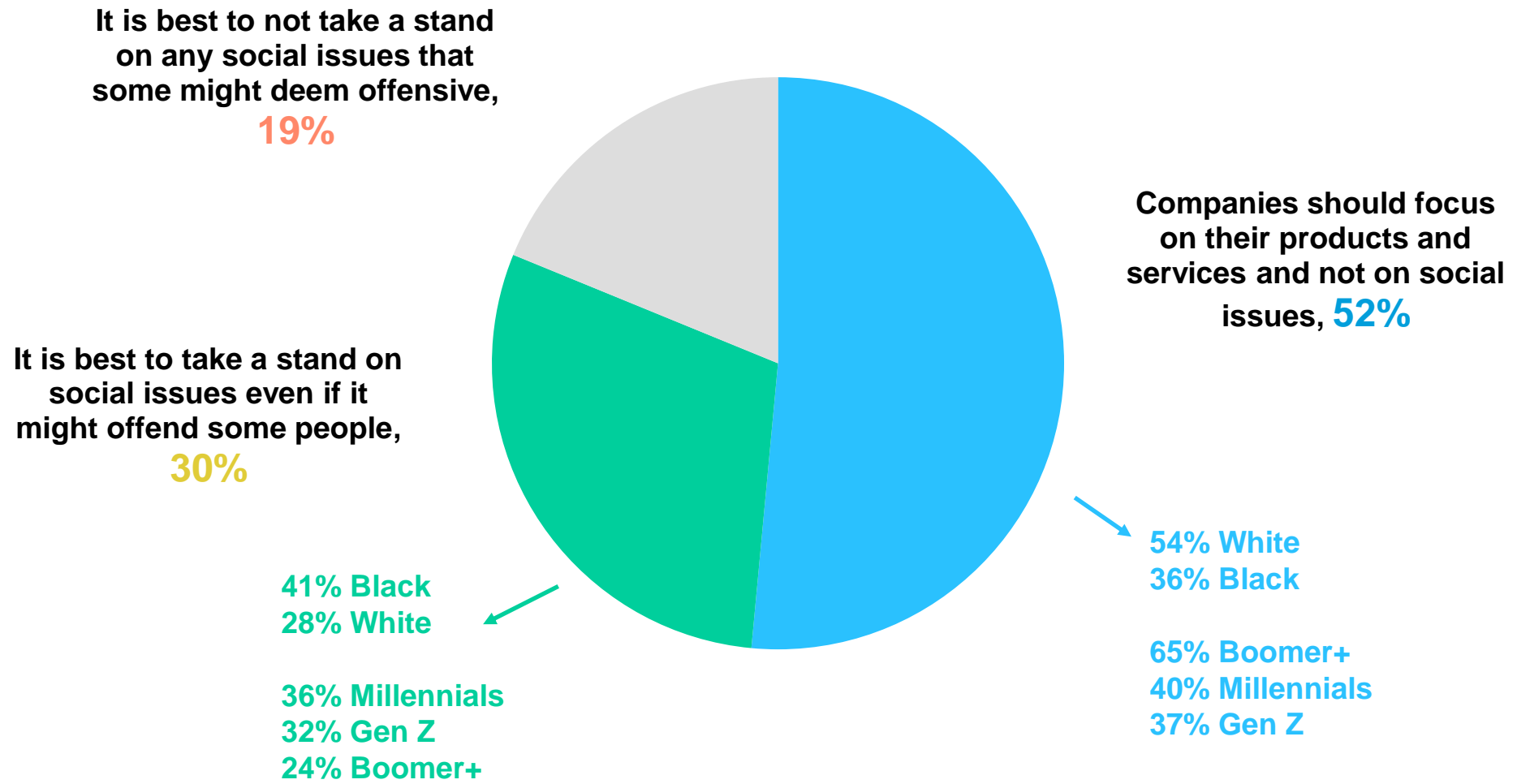
In not speaking out, the company has **signaled its indifference** to some stakeholders who might see conflicts between their values and positions.

In speaking out, the company has **inserted itself into a political issue that is unwinnable** and bound to alienate and frustrate some stakeholders.

Black and younger Americans say addressing social issues is a principle



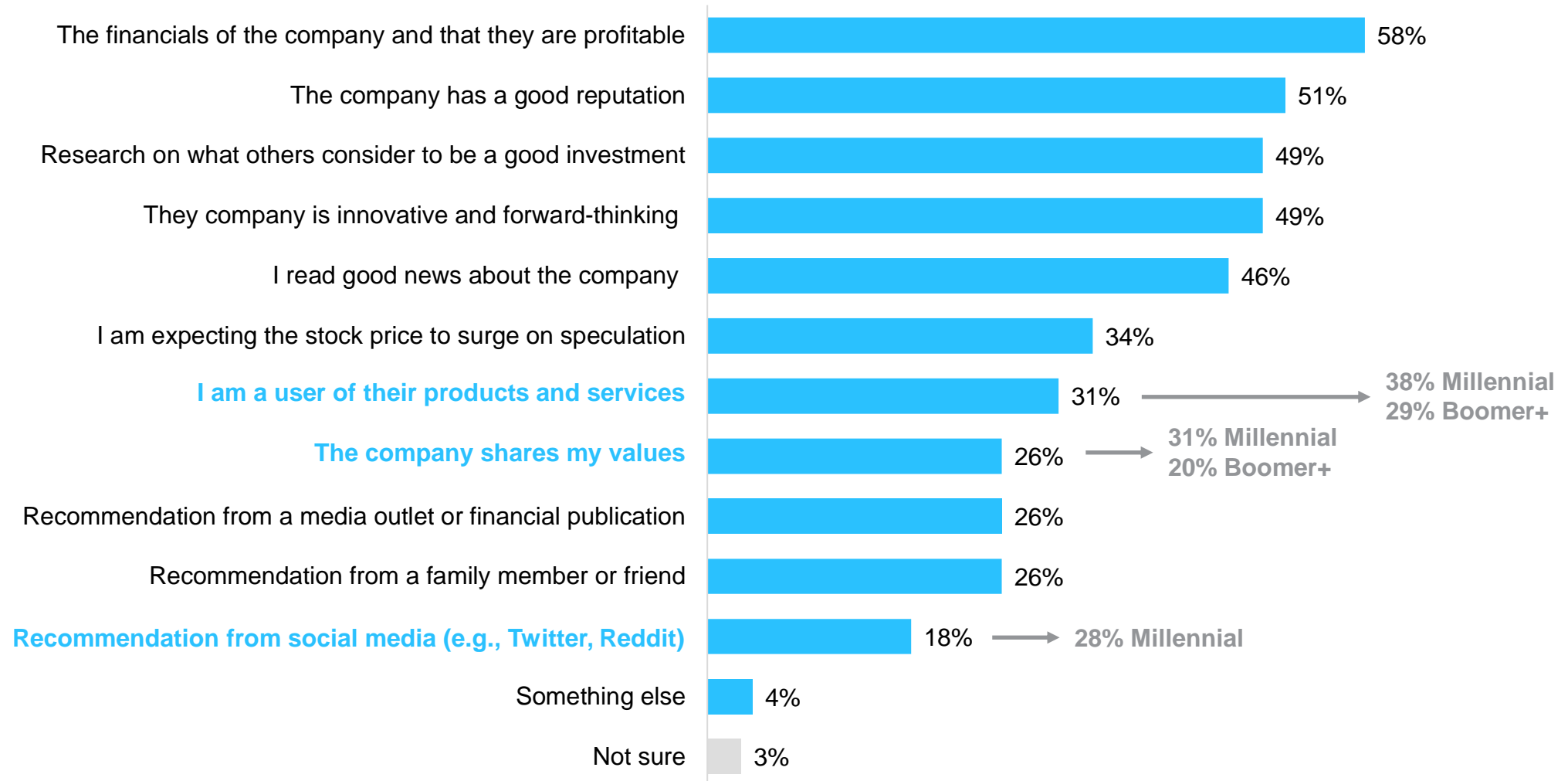
With everything so divisive today, which of the following is best for companies?



Millennial investors more apt to invest in companies they use, share values



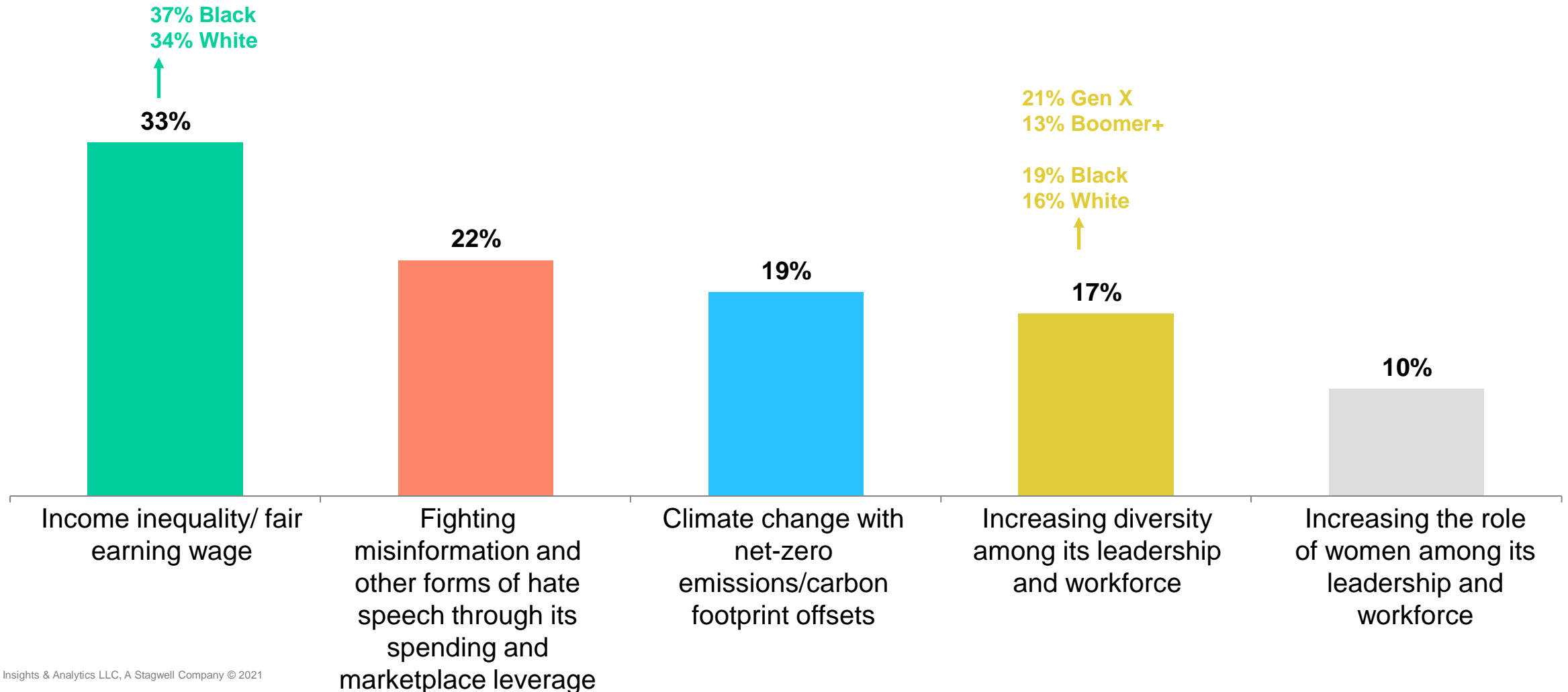
When you purchase stock in an individual company, which of the following would you say influences your decisions?





Americans want companies to address fair earning and income inequality

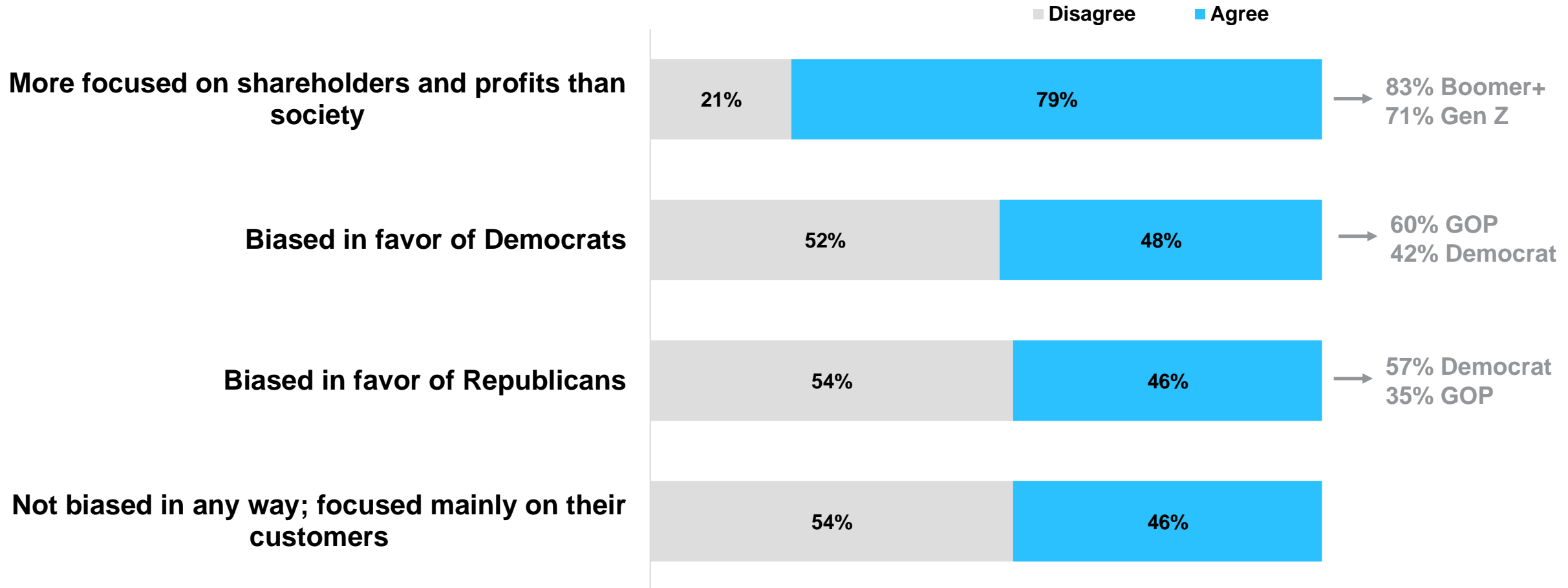
Which of the following do you think American companies should most address in order to make the biggest contribution to society?



Americans say companies still more focused on shareholders than society



How much do you agree or disagree with the following statements?
“American companies in general are...”



Summary



Today, corporations have greater permission from the public to address complex social issues. CEO reputation today means more than mastery of the marketplace, but a leader's commitment to serve society.



With that comes the burden of leadership: The public believes CEOs should stand on issues where they have credibility and constituency and be wary of wading into issues where they don't have a voice or authority. **Ultimately, core values should be the navigator of social issues.**



Alienation is a risk in a highly polarized society, but so too is the risk of stakeholders who perceive CEOs as indifferent or in conflict with the company's principles. This is especially true among younger and Black Americans. **While standing down is expedient, a generational and cultural divide is growing that will make decisions more difficult and polarizing.**



Today's CEO has reputational capital: She or he influences sales, perceived product/service quality and signals the strength of culture. As CEO reputation extends ever-outward, *when* to exert influence in society becomes more calculated and more important.



Thank you

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