

# Beating the Decline

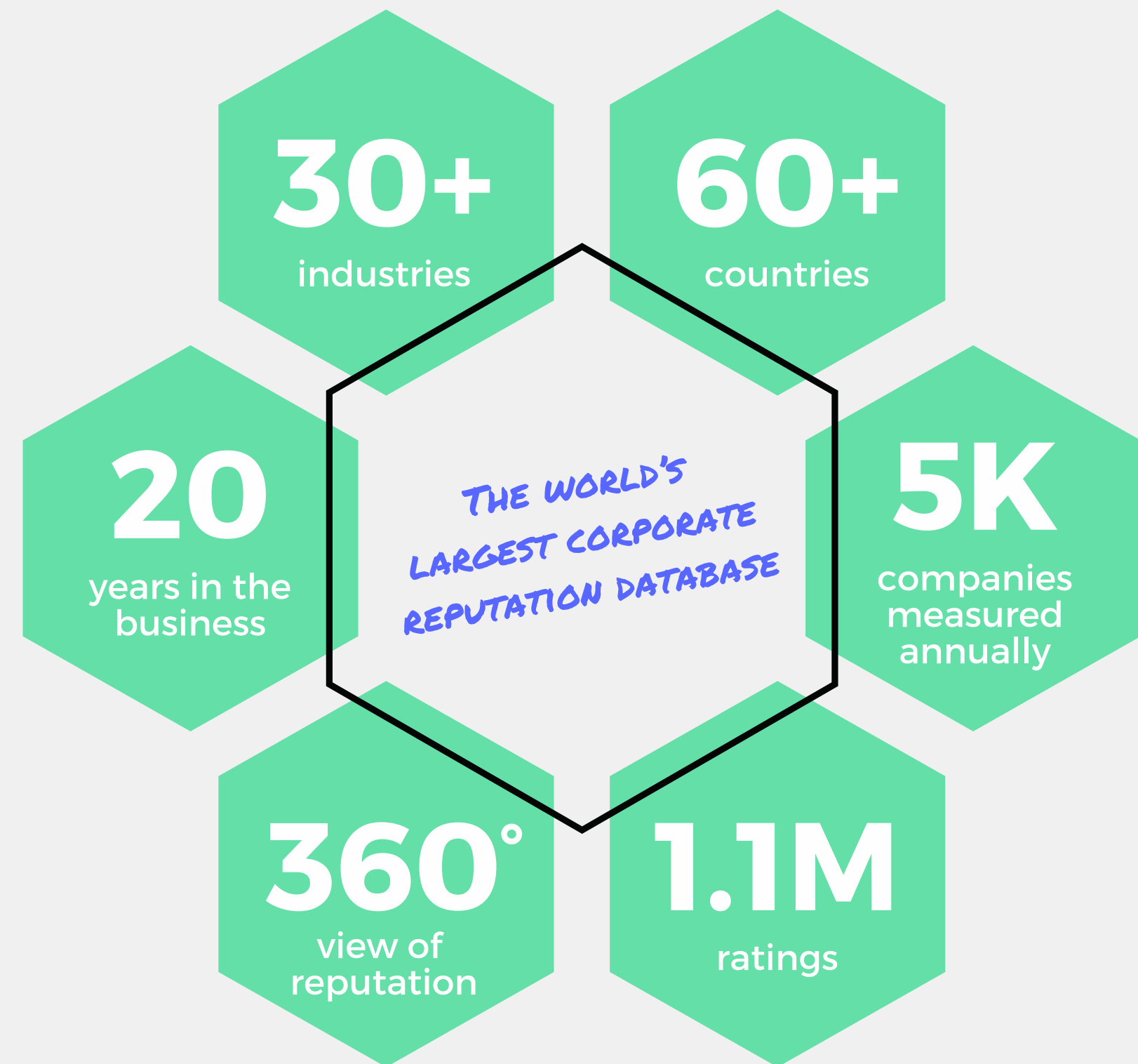
Navigating the U.K.'s Corporate Reputation Crisis

# Reputation Matters

**Corporate reputation** is a constantly changing reflection of broader stakeholder sentiment. And in today's economic climate, thoughtfully meeting the public's needs isn't just a good deed, it's a better business practice that requires strategic planning and accurate metrics.

**At RepTrak**, we're dedicated to transforming stakeholder perceptions into measurable reputation insights, equipping every part of your business with the right metrics needed to build a resilient corporate reputation.

**Reputation is dynamic** in nature. Our proprietary corporate reputation model breaks reputation into elements — so you can understand how stakeholders feel, think and act towards your company. What started as academic rigor grew into the world's largest corporate reputation database. Our data is rooted in scientific standards, so our clients can accurately report on their reputation metrics with absolute confidence.





Managing your corporate reputation has **measurable business impacts.**

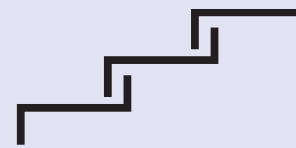
### Accelerate your sales and brand loyalty.



A 5-point lift in reputation can increase the overall propensity to **buy** and **recommend** by up to +6% pts.

+6%

### Elevate your employer status.



66% of the general public is **willing to work for** a company with an excellent RepTrak Score.

66%

### Enhance your “license to operate.”



Companies with an excellent RepTrak Score are 3 times more likely to **be trusted in a crisis.**

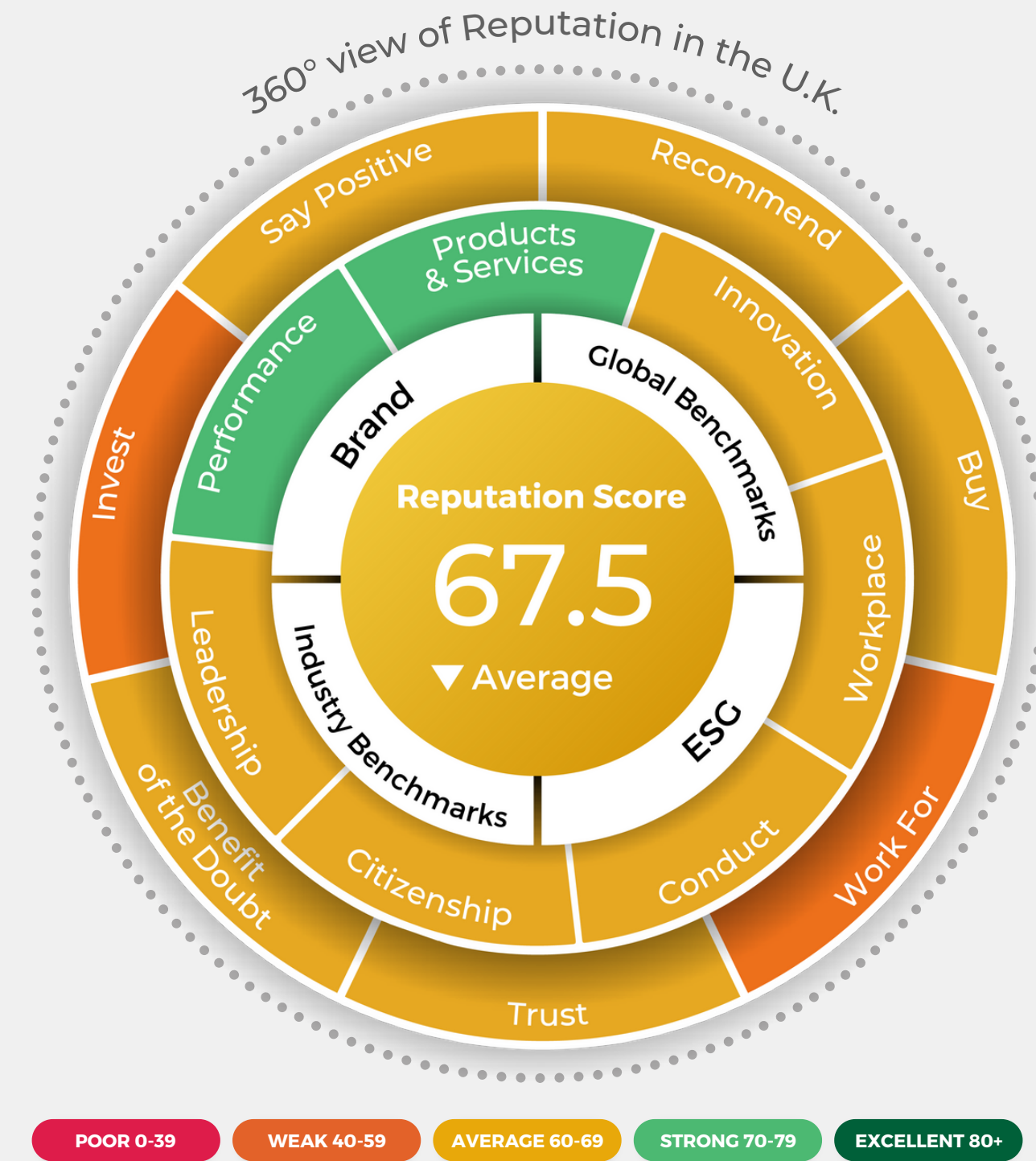
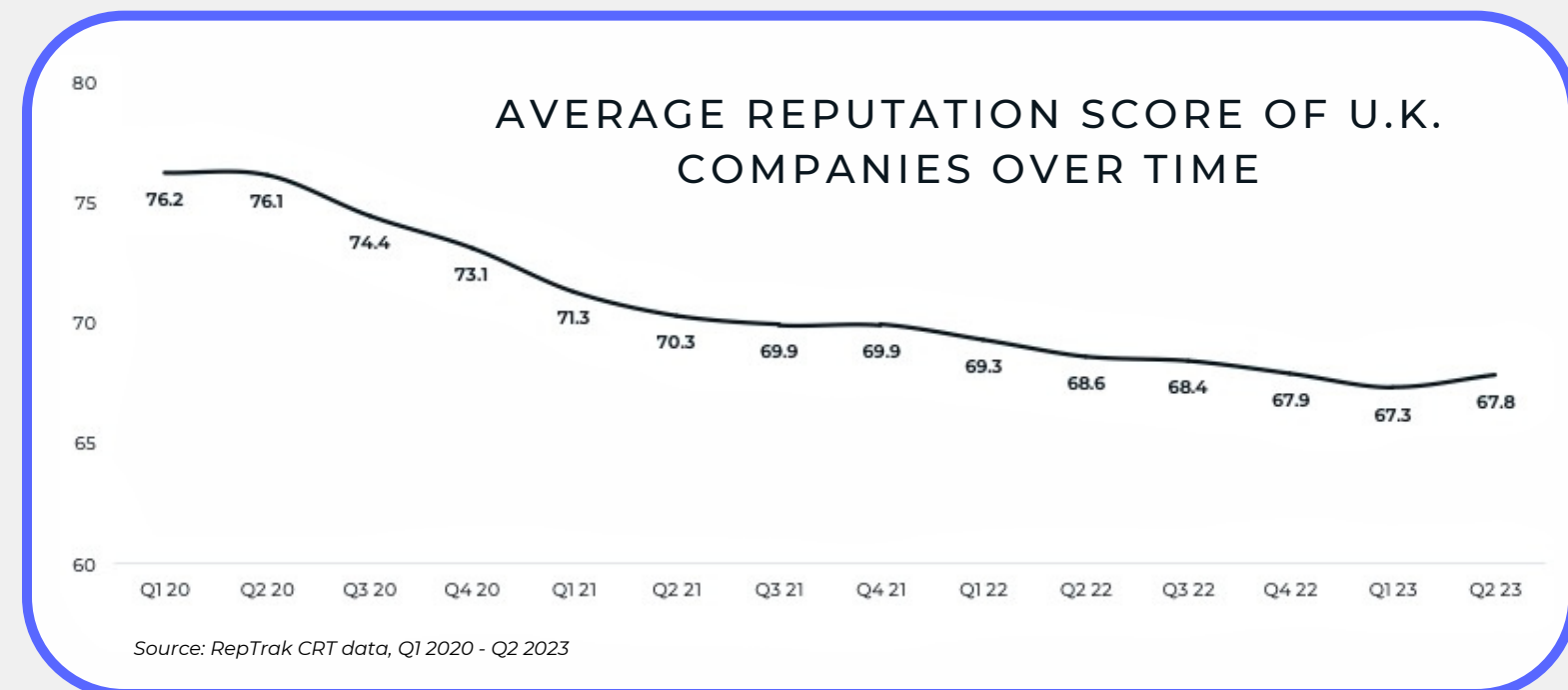
3x



# Is the U.K. in a Reputation Crisis?

**The U.K. is experiencing a distinct downturn in corporate reputation.** Before the COVID-19 pandemic, U.K. businesses held a Strong Reputation Score of 76.2. In the first half of 2023, however, the Score has **plunged nearly 9 points** into the Average range.

The country's declining reputation paints a bleak picture for commerce. Historically, British businesses held their own, often outperforming other major European economies and even the U.S. The retail sector in the U.K., a vivid example, witnesses a reputational fall for previously trusted brands like Debenhams, Made.com, and most recently Wilko.

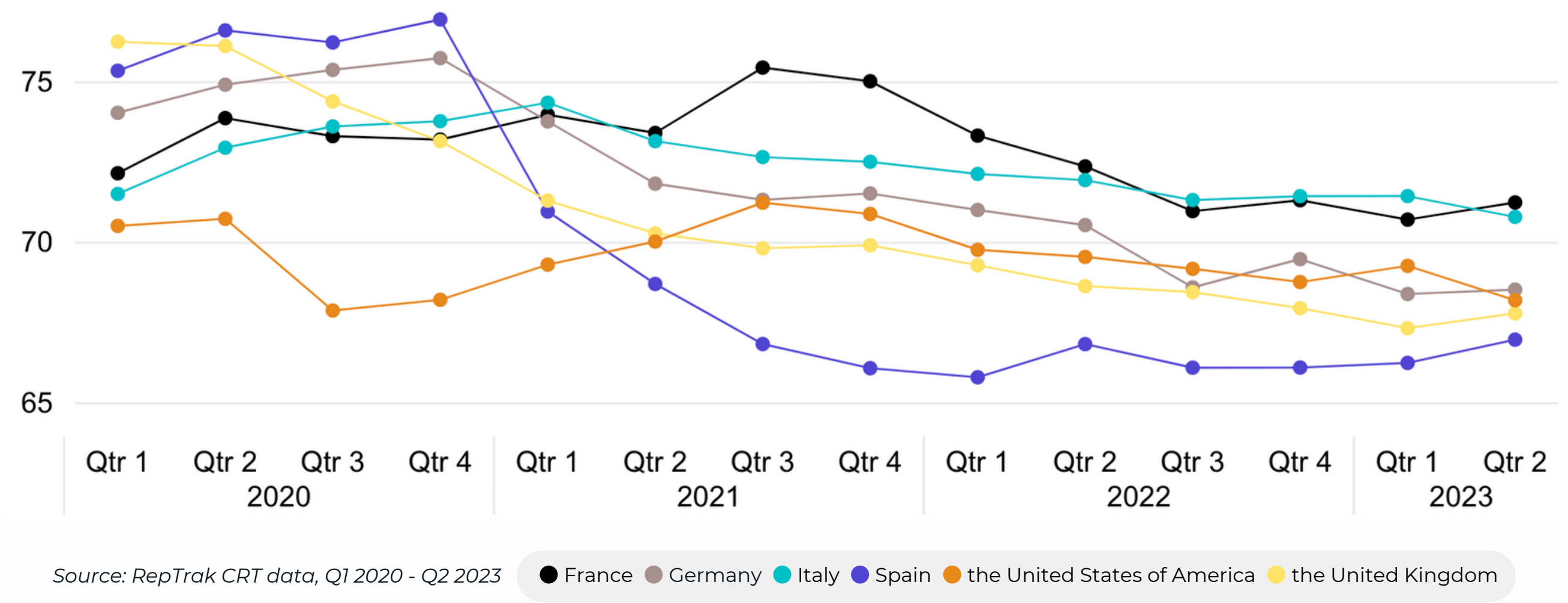


Source: RepTrak CRT data, H1 2023



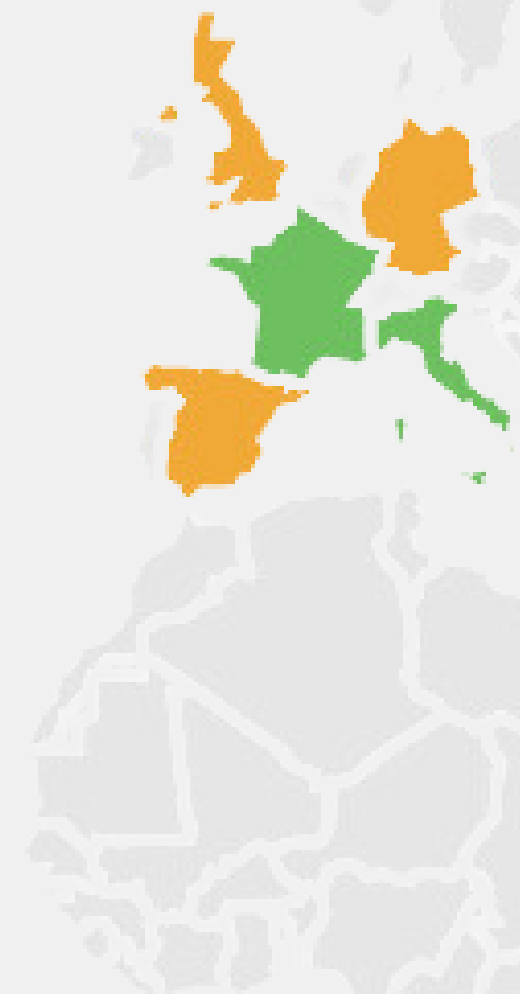
The U.K. isn't unique in seeing declining Reputation Scores, but they are declining faster and further than elsewhere. **The U.K. lags** behind nations like France, Italy, and the U.S.A. — Spain is currently the only country that registers a weaker average corporate reputation than the U.K.

### REPUTATION SCORE OVER TIME BY COUNTRY



Source: RepTrak CRT data, Q1 2020 - Q2 2023

● France ● Germany ● Italy ● Spain ● the United States of America ● the United Kingdom



# What's driving the U.K.'s Corporate Reputation?

Reputation is rooted in *feeling*, it's a publicly developed general opinion or judgment of your organization. Our **Drivers** offer tangible rationale for why people *think* that way about you.

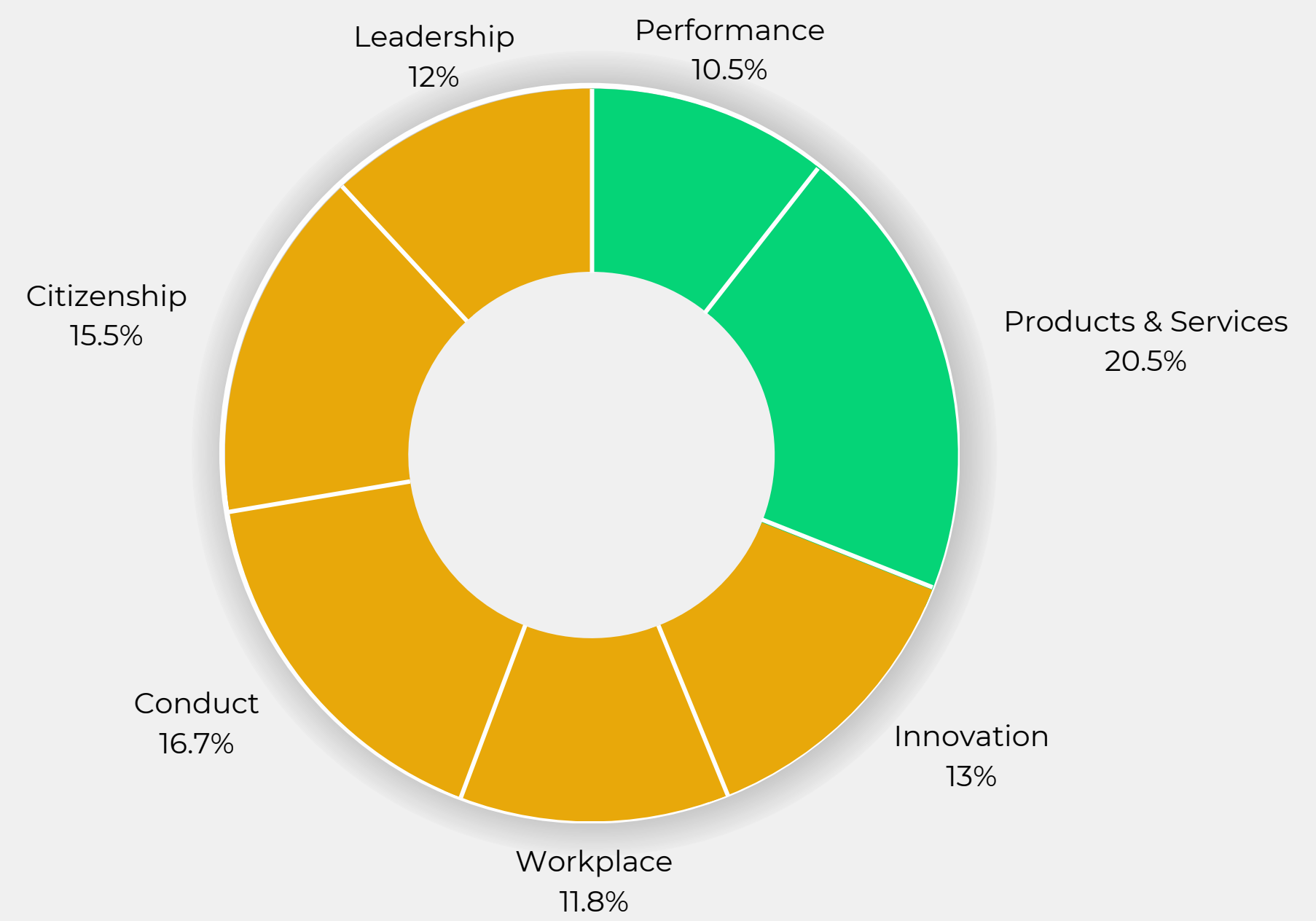
**In the U.K., Products & Services is the most heavily weighted Driver.** However, the key to a thriving corporate reputation is not to focus on one area. Reputational elements are delicately interconnected. If high quality products are most important for U.K. stakeholders, communicate that you make them from recycled materials, or how they're sustainably produced to boost your Conduct, Citizenship, and Innovation Scores.

**Reputation shifts by sector and audience.** Each business will have different reputational priorities based on their stakeholder needs. Paying attention to your unique nuances will help you adapt strategies quickly — especially in a time of crisis.



[LEARN MORE ABOUT REPTRAK'S DRIVERS](#)

WEIGHTED IMPORTANCE OF EACH DRIVER ON REPUTATION IN THE U.K.

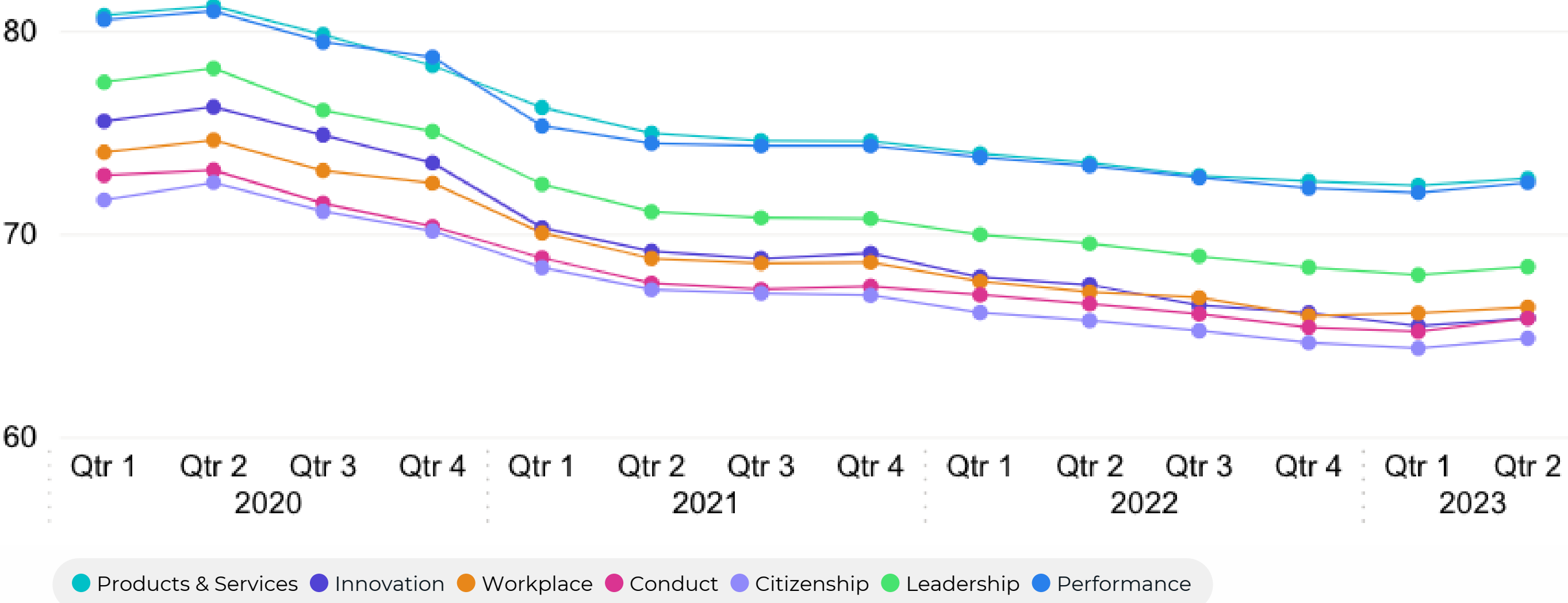


Source: RepTrak CRT data, Q3 2023



Every Driver has been on a steady decline in the U.K. since 2020.

### U.K. DRIVER SCORES OVER TIME



Source: RepTrak CRT data, Q1 2020 - Q2 2023

# Comms Teams in Crisis

At the outset of the COVID-19 outbreak, **U.K. businesses initially stood resilient**. Yet, the prolonged effects of the pandemic (disrupted supply chains, Russia's invasion of Ukraine, the “great resignation,” and shifting health guidelines to name a few) took a toll on both the general public and business operations at large.

The U.K.'s economic scene was additionally jolted by inflation. Coupled with the complexities of Brexit and political shifts, U.K. businesses faced increased scrutiny with shrinking marketing funds. To put the cherry on top of growing uncertainty, an emphasis on ESG-related issues prompted “greenwashing” checks by the U.K.'s Advertising Standards Authority.

While these issues facing U.K. businesses may change over time, they highlight a shifting corporate standard that is here to stay. As stakeholder power continues to increase, when (not if) the U.K. faces another crisis, your track record as a business operating there will inspire response.

## REPTRAK CAN HELP YOU MANAGE YOUR REPUTATION IN A CRISIS.

One set of RepTrak’s reputational elements is [Business Outcomes](#). These are the actions stakeholders are willing to take when considering, supporting, and engaging with a company. One of those Outcomes is Benefit of the Doubt — measuring willingness to assume the best of a company if they were facing a crisis.

In the first half of 2023, the U.K.’s Benefit of the Doubt Score was the third lowest Score of seven Business Outcomes — sitting at an Average 63.0 (▼0.7 compared to H2 2022).

Read our [2023 Benefit of the Doubt Report](#) for more on managing your corporate reputation in the wake of a crisis.

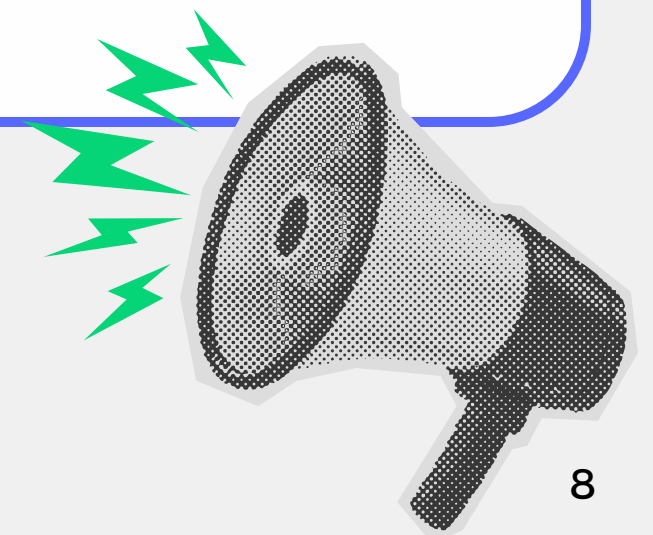
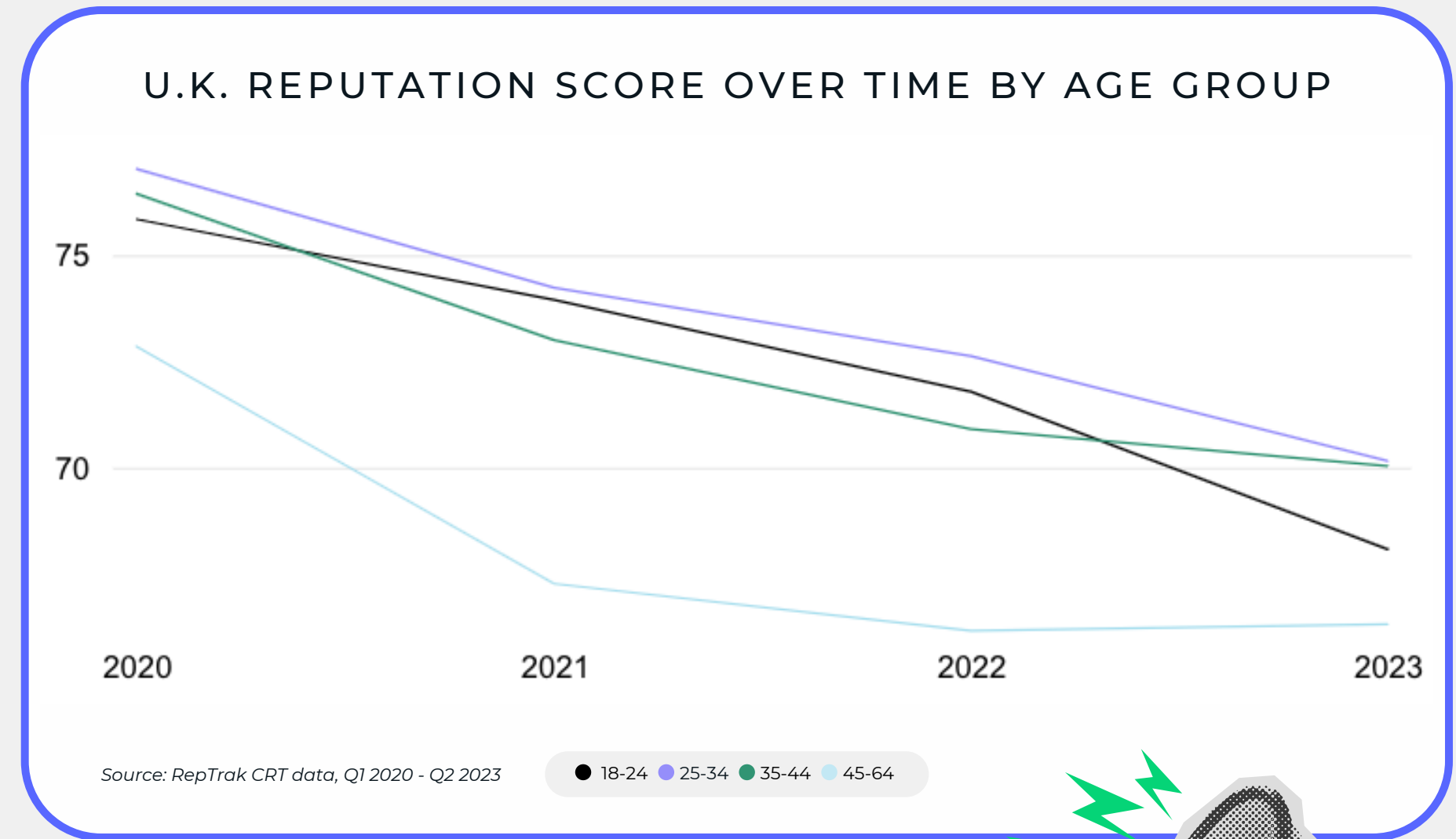




# Gen Z is Making Corporate Reputation Waves.

In the U.K., Reputation Scores amongst Gen Z (ages 18-24) stakeholders show a distinct trend for younger consumers. Gen Z's expectations diverge significantly; they place higher value and have high standards on **corporate social responsibility, ESG, and DEI**. Additionally, their deep exposure to the COVID era and limited savings heighten their vulnerability to economic strains — like inflation. However, the influence Gen Zers wield extends beyond economic considerations. The dynamic power of their voice and purchasing intent allows them to make significant waves in the market.

Traditional corporations who solely rely on standard corporate communication channels may struggle to connect with Gen Z — even if they're making great strides to improve their corporate reputation. It's not enough to do good work in business, you have to communicate your efforts to your stakeholders. **Pay attention to where and how Gen Z is communicating** to address their concerns head on and nurture your relationship with them.

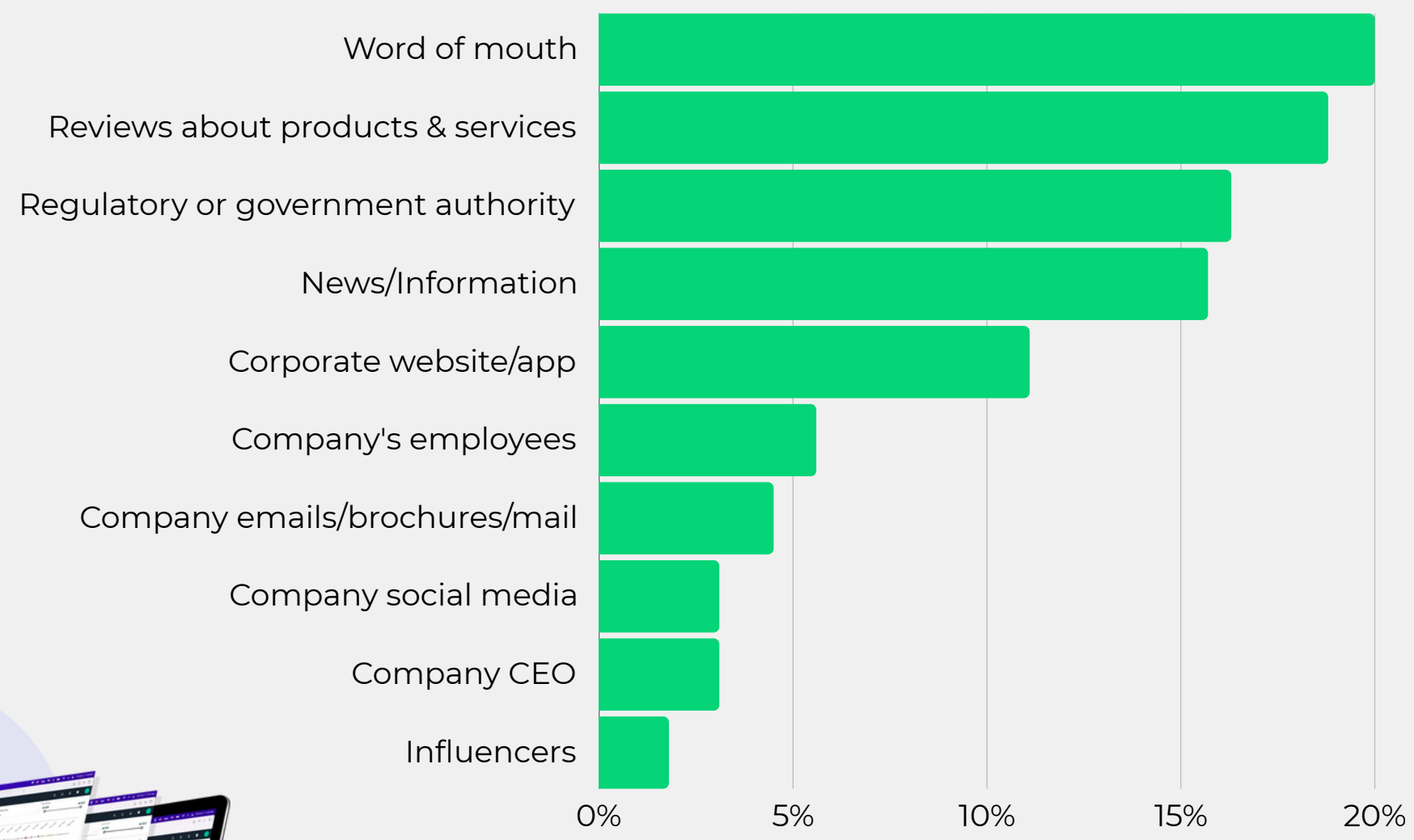


# Not all Communications Tools are Trusted Equally.

Whether you're communicating with Gen Zers or targeting stakeholders in another market, knowing how to most effectively get your word out is imperative to a successful comms strategy.

RepTrak data shows varied trust levels depending on the source. Word of mouth, reviews, and endorsements from regulators are the most trusted in the U.K. In contrast, influencers and CEOs rank lower due to perceived biases. Your choice of communication channel will significantly impact trust with stakeholders.

MOST TRUSTWORTHY SOURCES OF INFORMATION IN THE U.K.



Source: RepTrak CRT data, Q2 2023

RepTrak's latest monitoring tool shows you how your brand campaigns are impacting your corporate reputation. Discover how [Campaign Impact](#) can transform your approach to both a comms strategy and reputation management.





# Who is Beating the U.K.'s Corporate Reputation Decline?

**Next**, a mainstay of the U.K.'s High Street, has bolstered its reputation since the early 1990s. Few retailers have blended High Street and online as effectively as Next with its "bricks and clicks" model. Their approach is so refined, they offer their technology to other retailers, mirroring Amazon, thus opening new revenue channels. They've revitalized brands, like Cath Kidston and Joules, leveraging their brand value and optimizing supply chains. While newer brands might navigate reputation-building more easily, Next shines as a legacy brand that continually innovates, evolves, and strengthens its reputation.



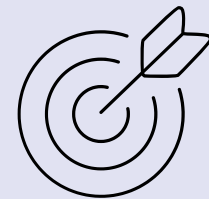
**IKEA**'s reputation consistently improves, countering industry decline trends. Their success lies in aligning with consumer demands, emphasizing value, customer needs, and innovation. The retailer highlights its societal impact and introduces pioneering products, such as the ÅBÄCKEN tap nozzle on their Innovation and Technology site, which reduces water use by 95%. This innovation showcases IKEA's commitment to enhancing daily life, blending cost-saving, environmental care, and novelty.





You can be *(like)* Next.  
**Here's how you can start.**

## Establish your reputation goals



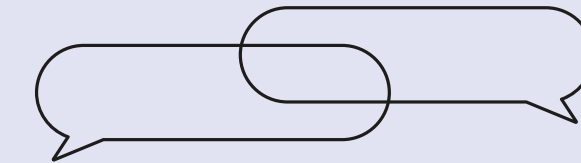
**Define clear goals for improving your corporate reputation.** Building a reputation to attract and retain talent is different from building one for a “license to operate.”

## Align on your strategy



**Focus action on those areas which matter most to your goals.** What matters to one audience or market doesn't always matter to another.

## Communicate with stakeholders



**Use the right channels for the right audience.** Those channels that have worked in the past may not be the most appropriate or cost effective now.



Of course, we also recommend finding a reputation monitoring tool.

## Our clients choose RepTrak for:

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### **Strategic Communication Planning**

To inform and refine communication strategies, ensuring they align with stakeholder perceptions and expectations.

### **Internal Communication**

To identify and correct any misalignment between internal and external perceptions, fostering a cohesive brand image.

### **Brand Messaging and Positioning**

To craft compelling narratives that resonate with stakeholders, reinforcing brand values and purpose.

### **Benchmarking & Competitive Analysis**

To compare the company's reputation with competitors, identifying areas of strength and opportunities for improvement.

### **Crisis Management**

To understand impact on perceptions during crises, and identify levers for effective responses that protect reputation.

### **Navigating Social Issues**

To guide communication on sensitive social issues, ensuring authenticity and consistency.

### **Campaign Tracking**

To measure the impact of communication campaigns on reputation — refining strategies.

### **Risk Management**

To proactively identify potential reputation risks and vulnerabilities within your organization and the external market.

### **Review Portfolio of Channels**

To understand the reach and impact of communication touch-points — including paid, earned, and owned media.



## Issues are at the center of stakeholders' ecosystems.

**Not companies.** In a landscape where companies believe they're central, remember that for your consumers, larger issues take precedence in their everyday lives. This requires a wider perspective to understand the broader impacts of your business decisions.

With **U.K. Reputation Scores declining**, companies will need to deliver on evolving stakeholder needs. Not with a story, with real company action and communication. Corporate reputation is inherently formed by outside chatter, world events, and public perception — but with dedicated efforts, you can strongly position yourself on both business and reputation fronts. ●

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READY TO BEAT  
THE DECLINE?

[SCHEDULE A DEMO](#)