

THE IPSOS REPUTATION COUNCIL

Exploring the latest thinking and practice
in corporate reputation management
from across the world



GAME CHANGERS



ABOUT

Established in 2009, the Ipsos Reputation Council brings together senior communicators from some of the most respected corporations in the world.

The Reputation Council's mission is to increase the understanding of the issues and challenges facing communicators in the corporate environment, as well as capturing expert views on key trends, issues and events in the wider world. Each sitting of the Reputation Council provides a definitive guide to the latest thinking and practice in the corporate communications world. The seventeenth sitting of the Reputation Council involved 135 senior corporate communicators based in 23 global markets.

Thank you to our Reputation Council members for contributing to our latest edition – without your participation this report would not have been possible.

135 interviews were conducted with Ipsos Reputation Council members globally between July - Sept 2023, either in person, by telephone or video call. Data may not total 100% due to rounding.

INTRODUCTION: REPUTATION COUNCIL 2024

Foreword by Milorad Ajder
Global Service Line Leader

At its heart the corporate affairs function has two fundamental objectives – to protect and to promote a company's reputation. And these imperatives are tested in a variety of ways, including the backdrop of rapidly evolving technology, the challenge of business acquisition and integration, the opportunities and potential pitfalls of corporate sponsorship, and getting the balance right between global and local communications in an increasingly fragmented world.

In this issue of the Ipsos Reputation Council, we gain valuable insights from Council members about the potential for Generative AI to transform the way companies do business and the way in which they engage with their key stakeholders. Potential benefits range from faster and more streamlined operations, to enhanced engagement strategies that need to be tempered with safeguards against data security and privacy breaches.

We also explore the evolving and increasingly important role of communications during mergers and acquisitions. Not that long ago, the corporate communicator would have been a relatively peripheral figure in relation to the

M&A team, however times have changed, and two thirds of Council members report that they are fully involved – developing communications strategies that encompass due diligence, public communication, and integration.

And there is little doubt that corporate sponsorship can be an effective way for a company to promote its values and purpose to a wide range of audiences, both internal and external. However, the corporate landscape is littered with companies for which sponsorship has led to controversy and negative publicity. We ask Council members about the risks and rewards of corporate sponsorship and how they go about assessing the right partner.

Finally, we talk to members about the challenges in determining the level of autonomy local communications teams should have when developing messages with their stakeholders. How is the right balance struck between relevant stakeholder engagement in individual markets and the need for consistent messaging through one corporate voice?

As ever, we are grateful to the senior executives who make up the membership of the Reputation Council and have contributed to this report. We hope you find it to be an interesting and illuminating read and please get in touch if you would like to explore these issues in further detail.

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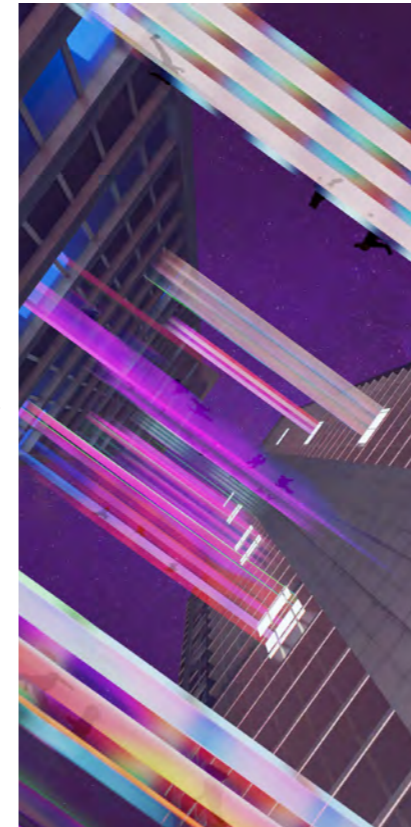
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WHAT KEEPS CCOS AWAKE AT NIGHT?

Given the demands of managing multiple stakeholders, evolving the comms function, engaging with GenZ and continually proving ROI – it's little wonder many Reputation Council members tell us that they 'sleep like logs'.

But there's still plenty to keep CCOs tossing and turning. Big, gnarly trends are demanding a response, both within and outside the business.

Expectations are getting higher and more polarised, new technologies are both an opportunity and a threat, and socio-political volatility and division have to be navigated.

Above all, it is the intersection of these issues – the polycrisis – that makes them more than the sum of their parts, and is giving Council members sleepless nights.

“A polycrisis is not just a situation where you face multiple crises. It is a situation... where the whole is even more dangerous than the sum of the parts.”

Adam Tooze, Professor of History,
Columbia University

Geopolitical uncertainty

Polarisation, politicisation & culture wars

Activist stakeholders & employees

Building reputation in a low-trust environment

ESG: proliferating standards, higher expectations

Balancing global & local

Supporting business transformation

Purpose, impact & social value

AI & digital evolution

High-profile CEOs

Information inflation

Net zero, greenwashing & greenhushing

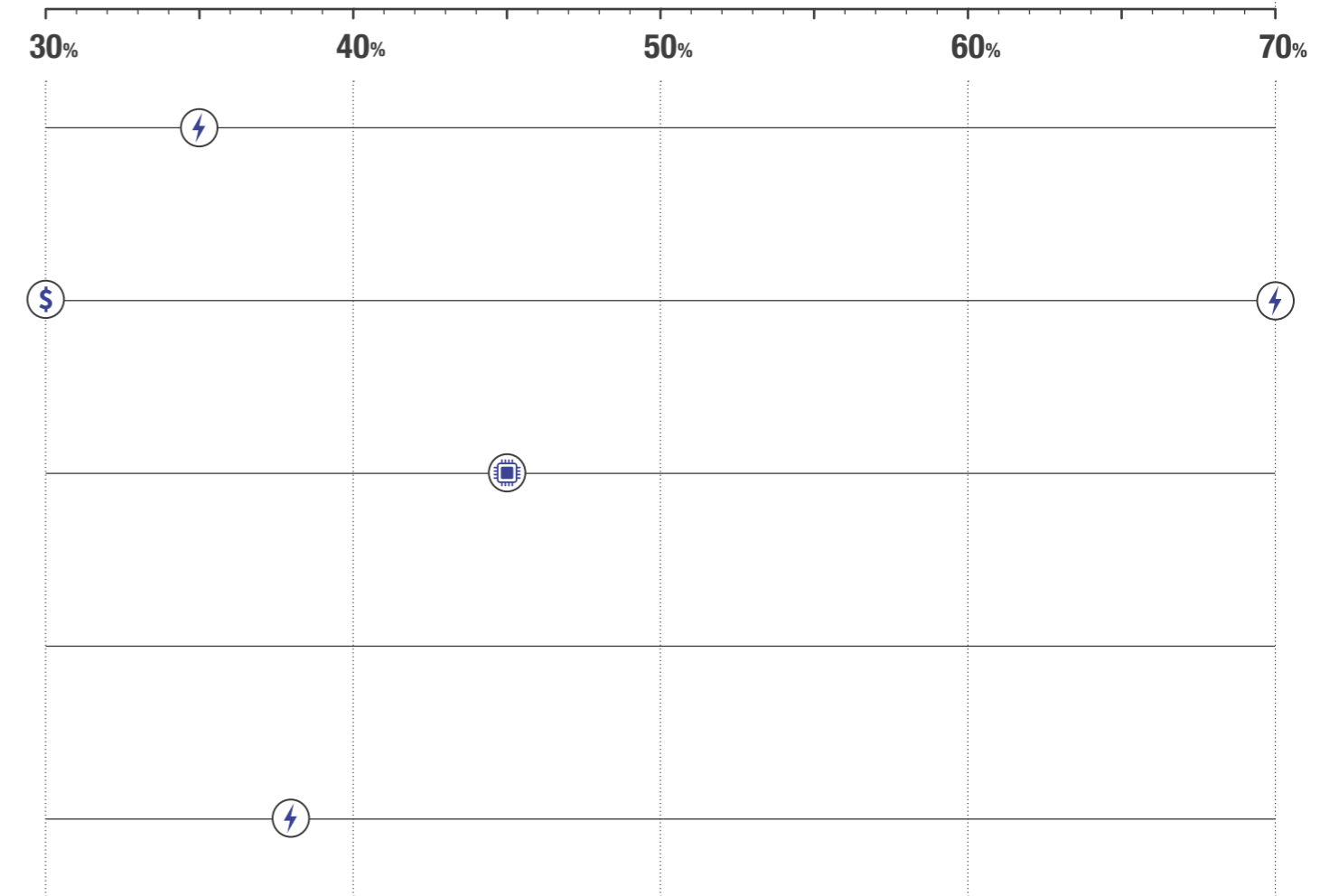
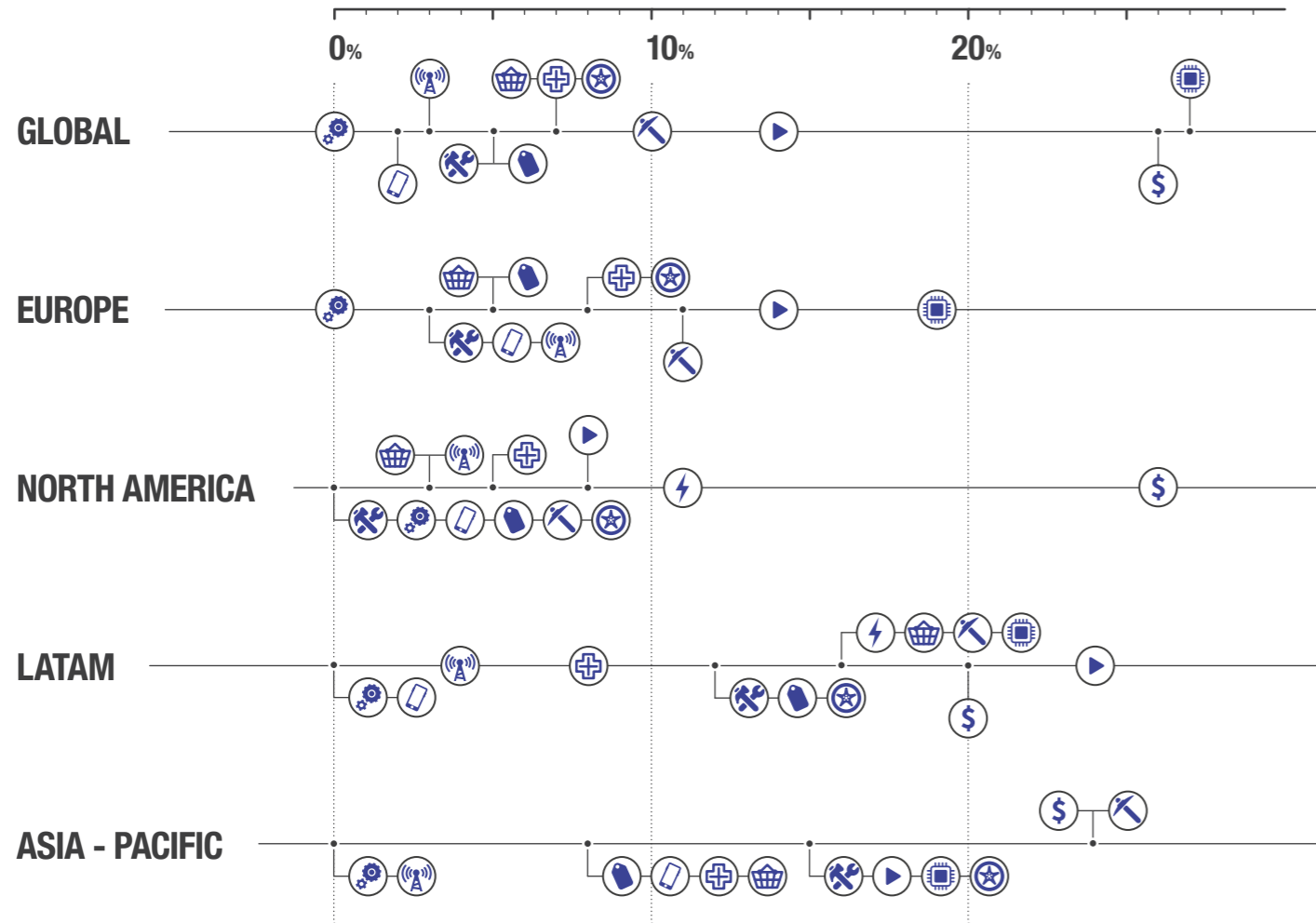
Inflation and the cost of living crisis

GLOBAL PERSPECTIVES ON SECTOR REPUTATIONS

Which of the following industries are facing the greatest reputation challenges at the moment?

- Automotive
- Construction
- Energy
- Engineering
- Financial Services
- FMCG
- Media
- Mining
- Mobile
- Pharmaceuticals
- Retail
- Telecommunications
- Technology




Percentage of Council members in each region who mention the industries facing the greatest reputation challenges



GLOBAL PERSPECTIVES ON SECTOR REPUTATIONS

Written by Elizabeth Crowley

Global




- 1  35% Energy
- 2  27% Technology
- 3  26% Financial Services

Whilst Council members recognise that a range of sectors face reputational headwinds this year, the energy sector remains in the eye of the storm. This is unsurprising given the ongoing war in Ukraine, cost of living crisis, and debates around net zero, energy security and windfall taxes - as we covered last year.

Over one third (35%) of Council members select energy as one of the industries that faces the greatest reputation challenges.




However, as businesses and organisations strive to push the boundaries of innovation and deliver cutting-edge products and services – this year Council members across regions select technology as an industry that faces increasing reputation challenges.

Europe

- 1  70% Energy
- 2  30% Financial Services
- 3  19% Technology



“Energy is the most challenged at the moment, there is nothing they can do right really. If they are going green then they are not going green enough. If they are going green they are told they are being fake and really not green. There is a fundamental debate in society about energy and what is in effect a change in technology from petrol engines to electric cars, to gas boilers to heat pumps. It’s about a technology change and we are trying to change the tech before it’s ready, which we haven’t really done before.”

North America

- 1  45% Technology
- 2  26% Financial Services
- 3  11% Energy




“Technology. This whole AI thing is a challenge for reputation. All of this stuff is great, until it is not. The internet was great until it wasn’t and social media was great until it wasn’t. AI is great until it is not. So all eyes are on them right now.”

LATAM

- 1  24% Media
- 2  20% Financial Services

“Communication in highly competitive markets is more complex. Companies in more competitive industries face reputational damage that affects the productive apparatus. Telecommunications companies and the media face the challenge of technological development and are the ones who have the most complaints and problems with consumers.”

Asia-Pacific

- 1  38% Energy
- 2  23% Financial Services
- 2  23% Mining

“The extractive industry has many challenges in terms of the environment and side effects in the communities where they are present.”

AI: FRIEND OR FOE TO THE COMMUNICATOR?

Written by Mark McGeoghegan

The public response to the arrival of consumer and business-facing generative artificial intelligence (AI) can be best summed up as ‘nervous anticipation’. 54% of the general public, from a 31-country Ipsos study, said that AI products and services made them ‘excited’ and 52% said that it made them ‘nervous.’¹

Dual attitudes towards the AI breakout extend to politicians and government officials in the world’s major regulatory powers. The Bletchley Declaration, signed at the world’s first ever AI Safety Summit by states including China, Europe, the United States and the United Kingdom, outlines the significant opportunities and risks AI poses.²

As President Biden put it, the key question is “how to harness the power of artificial intelligence for good while protecting people from the profound risk it also presents.”³

1. <https://www.ipsos.com/sites/default/files/ct/news/documents/2023-07/Ipsos%20Global%20AI%202023%20Report-WEB.pdf>

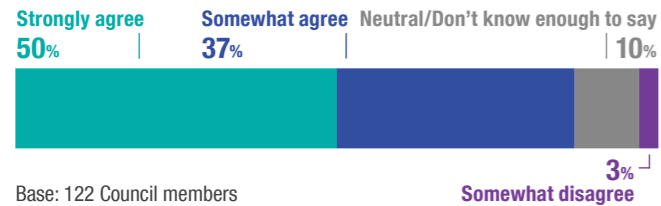
2. <https://www.gov.uk/government/publications/ai-safety-summit-2023-the-bletchley-declaration/the-bletchley-declaration-by-countries-attending-the-ai-safety-summit-1-2-november-2023>

3. <https://edition.cnn.com/2023/09/27/tech/joe-biden-executive-order-artificial-intelligence/index.html>

The questions communications professionals face at the dawn of the AI breakout mirror the concerns of the public, tech and AI experts, and global leaders. How, if at all, will AI change the corporate affairs function and how can communications professionals harness AI effectively while mitigating its risks?

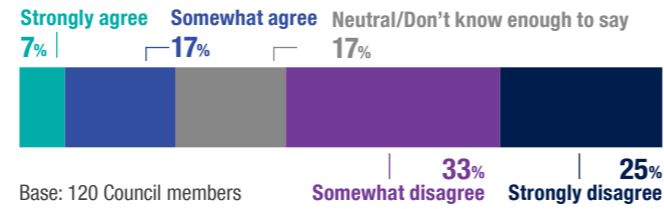
Reputation Council members agree with the public and global leaders on the transformational potential of AI as well as its potential existential risks. 87% agree that AI will fundamentally transform the way that businesses operate, and 78% believe that unregulated AI could pose a threat to humanity.

AI will fundamentally transform the way that businesses operate



Specifically thinking about corporate communications, Council members increasingly recognise AI's potential to transform their functions, streamline operations, and enhance their engagement strategies. However, the adoption of AI tools varies significantly across their organisations, and just a quarter (24%) of Council members say that they, personally, are using AI in their day-to-day jobs.

I am using AI meaningfully in my day-to-day job



While some Council members report that their organisations are regularly utilising AI in communications, it tends to be for routine or lower-value tasks, such as customer service chatbots or drafting and refining standardised communication materials. These applications free up time for corporate communicators to focus on more strategic and creative tasks, such as planning campaigns and managing stakeholder relationships.

“ [We use] our own internal equivalent of ChatGPT to propose model answers to consumer complaints. From a corporate affairs point of view, we are using it to refine some of our messaging.”

More organisations show a pronounced focus on using AI for data analysis – assessing trends, consumer behaviour, and media coverage, allowing for more informed decision-making and more efficient resource allocation.



“Our internal analytics insights team are using a plethora of different AI techniques to understand what consumers are saying and doing.”

“It has great potential, for example, the press release I mentioned, came out in two minutes and normally it takes us thirty minutes to do a press release. This gives you a lot of time to do much more creative tasks.”

But for the most part, Council members are only experimenting with AI, their optimism tempered by caution. They identify a range of potential reputational risks arising both from their own internal use of AI and the use of external AI to their organisation by others.

While some are testing AI applications for corporate affairs, such as generating press releases and even executive speeches, even in these cases there is consensus on the need for human oversight to ensure accuracy, authenticity, and alignment with corporate messaging.

Council members take seriously the threat posed by a loss of authenticity and human touch in communications, and the potential knock-on effects on their ability to build and maintain stakeholder trust.

Their measured approach to integrating AI is further informed by an awareness of potential risks to data security and privacy. AI systems that process sensitive corporate information without proper safeguards can inadvertently expose confidential data, leading to a loss of stakeholder trust and potential legal consequences.

The potential for their own use of AI in content generation to inadvertently lead to the proliferation of misinformation or inappropriate content, also plays on Council members’ minds. The use of AI without adequate judgement to filter out malicious information can perpetuate fake news or biased content, which ultimately reflects back on their organisation’s reputation.

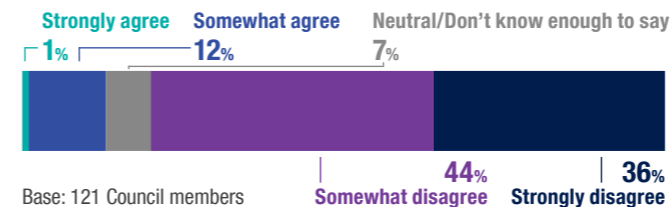
Council members consider the fact that issues of intellectual property and the proper attribution and remuneration for original creators are yet to be fully addressed.

Businesses must navigate these legal grey areas carefully to avoid accusations of plagiarism and the erosion of artistic and creative value.

“From our perspective, we are absolutely exploring how AI can help speed up processes and make decisions better, more quickly, more accurately. There is a lot more that can be done and will be done in due course. But we need to do that within a safe environment.”

The need for functional ethical guidelines is clear, but 80% of Council members do not feel that existing ethical policies in business are sufficient for the full adoption of AI. Establishing appropriate guidelines and processes to allow corporate communicators to feel assured that they are using AI in a safe, ethical manner will be critical for achieving the widespread adoption of AI tools in the corporate affairs function.

Existing ethical policies in business are sufficient for the adoption of AI



Externally, Council members focus on the risk of AI-generated or augmented misinformation and disinformation rapidly spreading and damaging their company’s reputation. AI-generated content, such as fake news or deepfakes, can present a company in a false light, leading to significant reputational harm before the truth can be clarified.

“I think the deep fake is a real issue; you can have a very believable video of my CEO and other senior leaders saying whatever you want them to say and that is a huge concern and risk.”

This is not a new threat, of course. Misinformation and disinformation are old threats recently intensified by the social media revolution. But the same gains in speed and productivity that new AI models are bringing to businesses as benefits can be deployed against them, by malicious actors significantly scaling up the quantity, quality, and effectiveness of disinformation campaigns.

And so, in addition to the need for ethical guidelines to steer the use of AI by corporate communicators, there is also an intensifying need for effective regulations governing the use of AI, investment in tools for detecting AI-driven disinformation, and development of rapid and novel crisis management strategies if corporate reputations are to be protected.

The CEO of Google and Alphabet, Sundar Pichai, argues that AI, is “the most profound technology humanity is working on. More profound than fire, electricity, or anything that we have done in the past.”



Conclusion

AI's potential to revolutionise the role of the corporate communicator is clear to Council members, but so are the risks AI poses because of potential misuse by communicators themselves, or malicious use by those who would seek to undermine companies' reputations. To allow AI to make its fullest contribution to the corporate affairs function, businesses must adopt ethical guidelines and processes that give communicators the confidence to use AI tools in their day-to-day work.

Simultaneously, to protect their reputations from malicious actors, they must account for AI-generated and augmented disinformation in their crisis management strategies and endorse and encourage the development of effective regulatory regimes to govern AI use.

AI is a genie that societies will not be able to put back in the bottle and will transform corporate communications as it will every other business function. The sooner businesses lead the way in making safe, effective, ethical use of this revolutionary technology, the sooner they can enjoy its benefits.

QUICKFIRE: FAKE NEWS AND DISINFORMATION

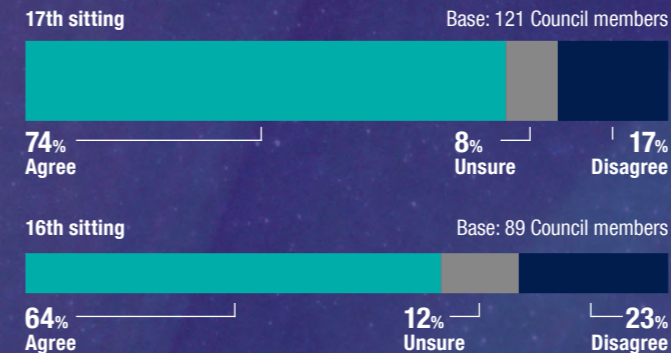
Since 2020 the perceived risk of fake news and disinformation has increased among Council members: three-quarters now rate the threat as material, up from 3 in 5 in 2020.

Council members are carefully watching the rise of AI – they know it can be a powerful threat in the hands of bad actors, but will it also provide businesses with the tools to protect themselves against disinformation?

“ Society in general must be prepared to face fake news, disinformation campaigns and proliferation of myths associated with any topic. These are risks inherent to the development of artificial intelligence.”

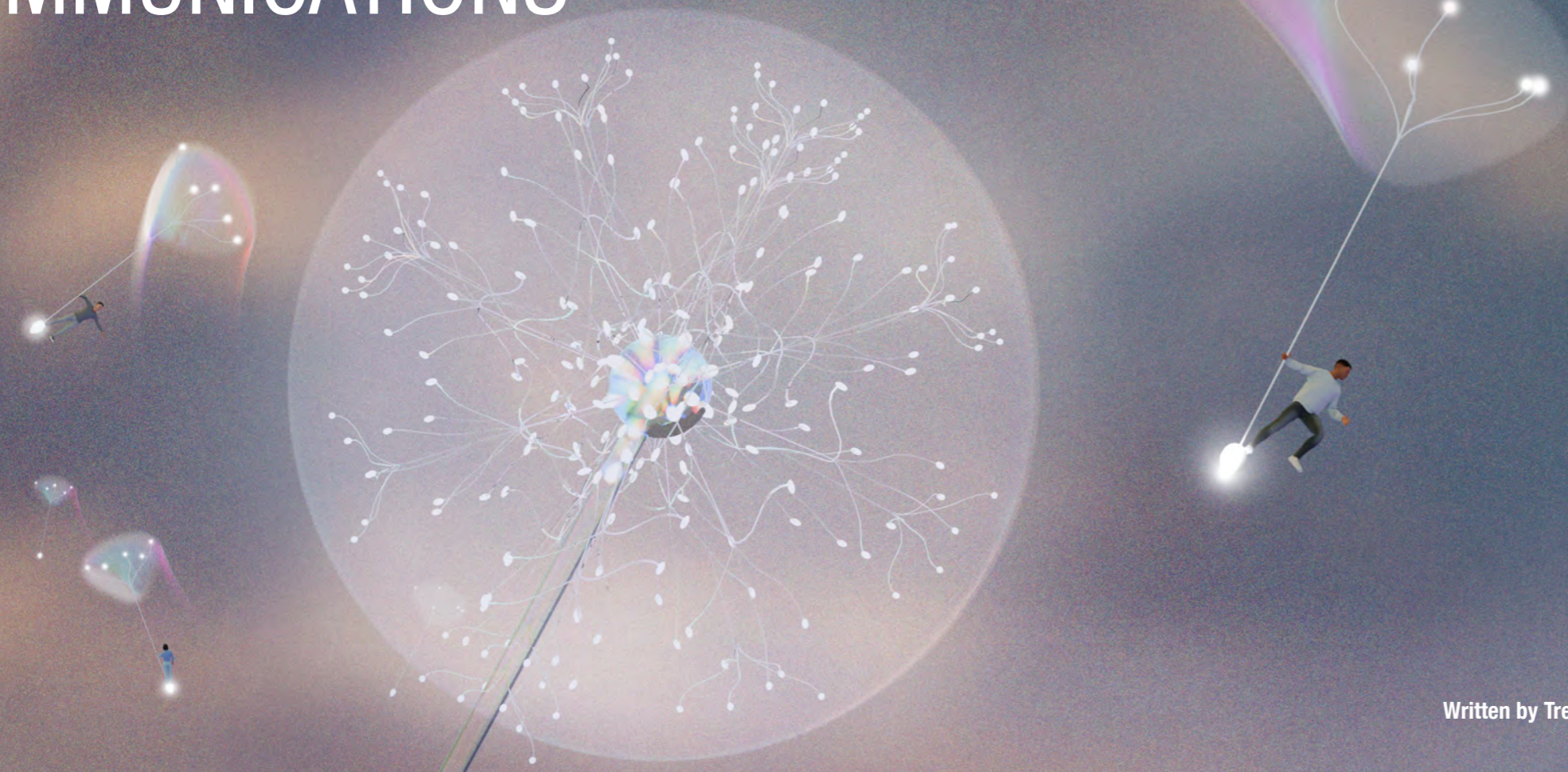
“ I think you could see reputational crises happen very, very fast based on fake AI generated activity and we just don't know, we won't know what we are dealing with.”

Fake news and disinformation pose a material threat to our business



“ We need to be better at identifying the risks quicker. Secondly creating greater awareness, knowledge and understanding, even within our own teams, to be able to identify and then have a process or protocol in place for corporate defence to quickly knock anything down that is not accurate, that is misinformation or disinformation.”

'GLOCAL': STRIKING THE BALANCE BETWEEN GLOBAL AND LOCAL COMMUNICATIONS



Written by Trent Ross

In our 2018 Reputation Council report we explored the role of communications in a world that was becoming increasingly global and interconnected.

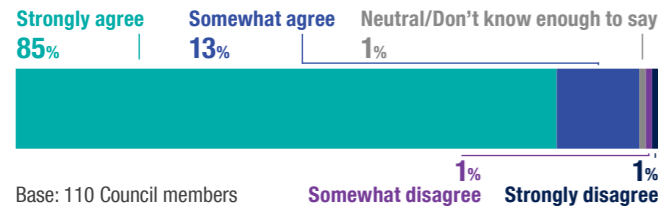
As we stated at the time, “the challenge for global businesses is therefore a simple, if paradoxical, one: to build a reputation that is globally consistent and at the same time locally relevant.” Our conversations in this year’s Reputation Council report continue to reflect this reality – a company’s global reputational positioning sets the overall tone and direction while there must be local flexibility to execute and adapt.

Businesses with international or global operations grapple with the challenge of maintaining a consistent, unified reputation across diverse local markets while at the same time addressing local market issues, cultural nuances, and regulatory environments – each of which can significantly influence a company’s reputation among stakeholders.

This challenge is brought further into focus with the impact of ESG and its central requirement for companies to bring consistency in the way they measure Environment, Social and Governance targets and performance.

Against this backdrop, the need to project a long-term commitment in each local market is a given for today's corporate communications professionals – although how this local commitment is expressed can well vary from one market to another.

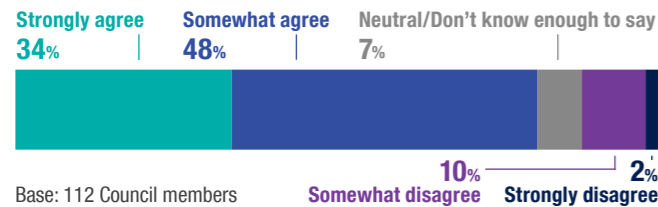
It's important for corporates to be perceived to have a long-term commitment to the local markets in which they operate



Base: 110 Council members

Reputation Council members endorse the principle that local communication teams need a high degree of autonomy or that they should be the first to respond to a crisis. However, strength of feeling is not as pronounced as it could be – reflecting an underlying view that local autonomy and crisis response still needs some form of high-level coordination.

It's important that communications teams have a high degree of autonomy at a local level



Base: 112 Council members

The concept of “Glocal” (Global + Local) is pivotal to this endeavour, as companies like Walmart, Nestle and Shell have

demonstrated. Adopting a glocal strategy allows businesses to maintain an international presence and project an overriding purpose while tailoring their messaging so that it resonates with local audiences. However, this requires a delicate balance of centralised global messaging and decentralised local execution.

“ We are very cautious these days, with the popular ‘Glocal’ approach. We have a global narrative, pillars and a clear communication strategy definition – but with ample flexibility for local to understand what makes sense, what the local moment is, what the local pressure is, and what we should potentially emphasise there.”

The group communications function typically leads in articulating the essence of a company, but the significance of local communication teams cannot be understated. It is crucial for communication (and strategy for that matter) to be adaptable; ensuring that they are relevant and resonate with local stakeholders without compromising the corporate narrative and its stated core values. Local autonomy therefore plays a critical role in this balance, enabling each market to adapt strategies to their unique cultural and economic contexts while still following the global corporate lead.

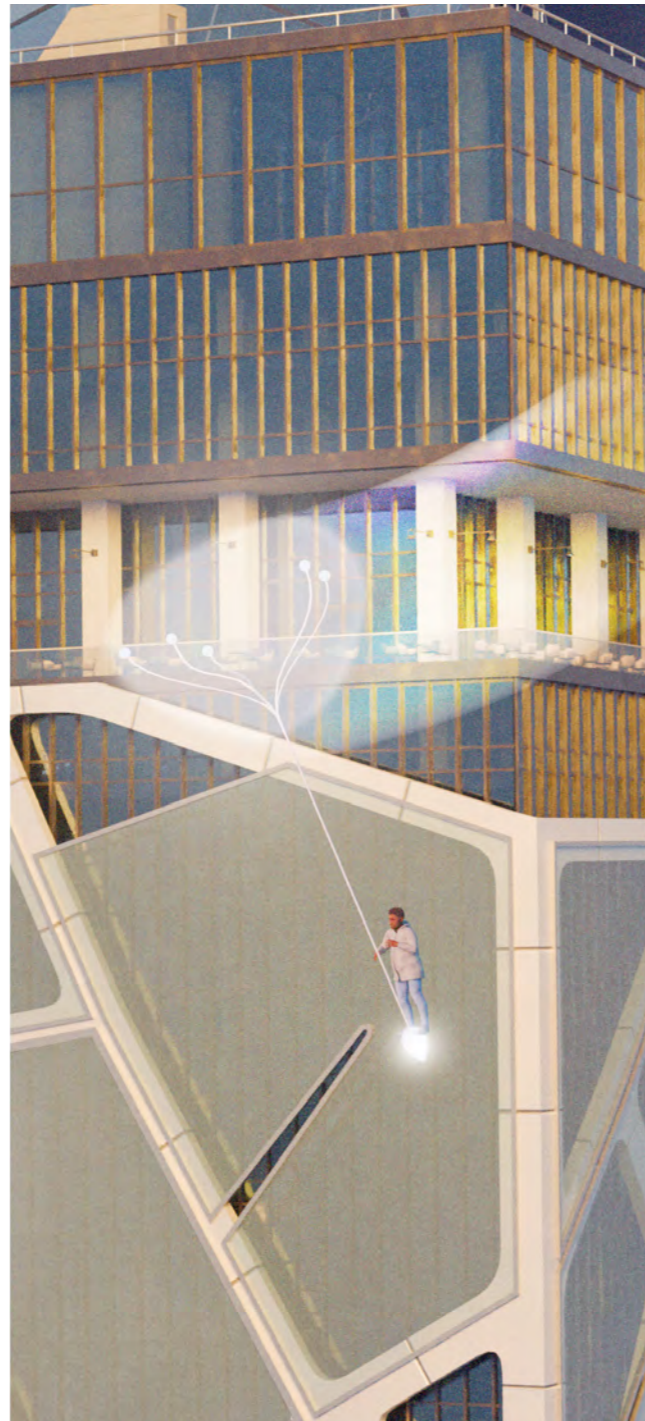


Unsurprisingly, effective communications and planning between central and local teams is vital to ensure this adaptability and responsiveness to local market needs. This involves regular communication, sharing insights, and aligning on strategies to ensure no market is left unprepared for unexpected events.

“ A business with international or global operations should expect to have a consistent or unified reputation across all its local markets to a certain extent. While local events and news can have a global impact and affect the business’s reputation, when it comes to planning communications and strategies, it is important for the global team to be aligned. This involves regular catch-ups and input from different teams to ensure that nothing comes as a surprise. If something unexpected does occur, there is a quick huddle with global counterparts to address the situation.”

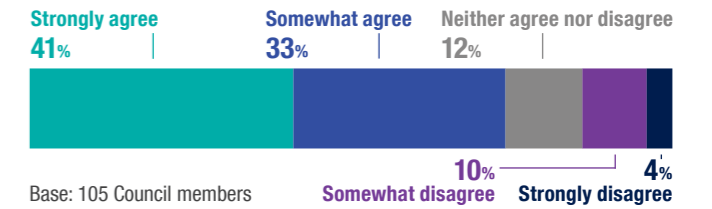
Communicators therefore must strike the right balance between the need for all markets to be aligned to the overriding group corporate communications strategy, with the ability to build localised communication plans that address indigenous communication issues.

At the heart of this approach is the understanding that, while the corporate headquarters may set the global direction, it is the local markets that add colour and context, making the message pertinent to their specific audiences. The essence of the company remains intact, but the expression of that essence must be flexible enough to engage and adapt to local nuances.



Crises and issues management also require this delicate balance. Executives must be agile, ready to respond to both global and local crises with strategies that are informed by an understanding of the global impact and the local significance of various platforms. Through candid information sharing between the centre and the markets, companies can learn from localised crisis response and apply such knowledge in the future to other countries with similar issues.

Local teams should be empowered to be the first responder when a crisis occurs at a local level



To achieve this information flow, it's essential to have a system that empowers local decision-making and action within the framework of global policies. Communication should be transparent and consistent, yet flexible enough to account for regional differences. Local communicators should feel that their knowledge of their own market conditions and issues provides them with a high degree of internal credibility – that they are trusted to be the first port of call in a crisis.

“Coherence, accuracy, consistency. But on the other hand, a lack of sensitivity to local contours, local culture and legislation can escalate a crisis. And it becomes very difficult to manage over time. It escalates very quickly if the global team isn't in tune with the local team and it can create a strange situation.”



Conclusion

Ultimately, while businesses should strive for a unified reputation, they must also acknowledge and embrace the unique characteristics of each market. Indeed, the formation of a company’s central narrative and purpose cannot be built in a vacuum. It is in many ways a reflection of the local activities and perspectives that exist wherever it operates.

By acknowledging this, a company can build a strong, adaptable global reputation that is both respected and relevant, no matter the location. It can be consistent and congruent with its core values and messaging while being mindful of the local perceptions and regulatory environments. The end goal is to establish a reputation that, while it may feature local accents and colours, is fundamentally consistent across all markets, reflecting the company’s global standards and ethos.

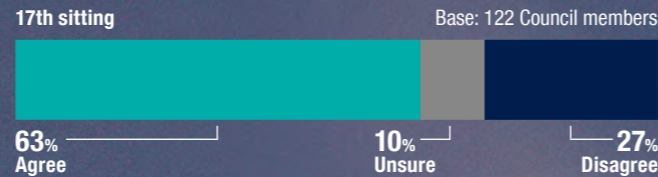
QUICKFIRE: ESG

In the face of the ‘anti-woke’ backlash against ESG commitments, nearly 2 in 3 Council members double-down and say that these commitments are fundamentally changing their businesses – up on 2022.

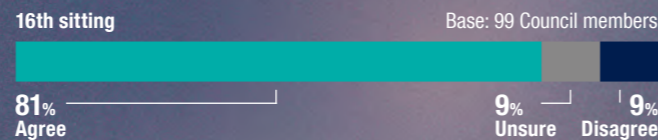
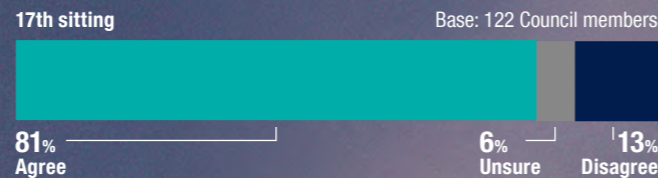
4 in 5 Council members also say poor ESG performance does have material consequences – in line with last year’s figures.

“People in the public arena think that it’s just a tick and flick, that you’re not really serious about, that it’s just a report that you create each year. That’s a potential challenge for anyone in corporate comms that we take it seriously. It’s not something that we just do because it makes us look good.”

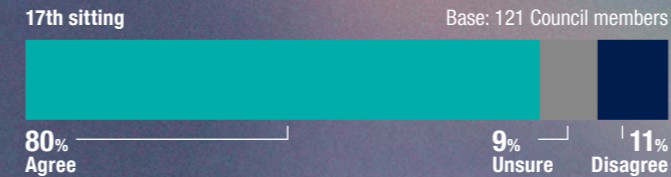
ESG has fundamentally changed the way my business operates



Poor ESG performance now has material consequences



Too many businesses use the language of social purpose without committing to real change



Since we first asked Council members in 2020, a consistent 70%-80% have said that corporate greenwashing and woke-washing are too prevalent.

Especially on hot-button social issues, they say that too many companies are still bandwagon-jumping and failing to match their words with actions.

“Some organisations absolutely are spot on and they live it, but there are an awful lot of people who go ‘oh, it is Pride month, so we had better change our logo’ but they have no representation anywhere.”

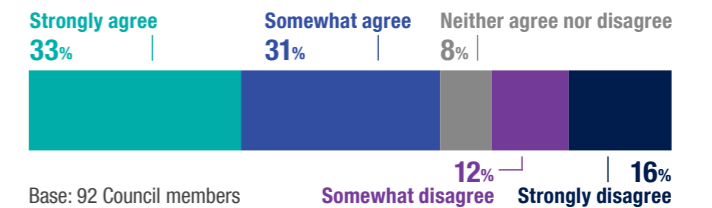
ACQUISITIONS: THE PINNACLE OF STAKEHOLDER COMMUNICATION

Written by Sally Braidwood

Few events can be as impactful on corporate reputation than either making a major acquisition or being acquired. Legal, finance, investor relations and government relations are the usual suspects at the table; however, the involvement of corporate communications is not always a given.

65% percent of Reputation Council members tell us that they are a part of the acquisition leadership team in their business, while the role of corporate communications is less clear for the remaining 35%.

I am a part of the acquisition leadership team

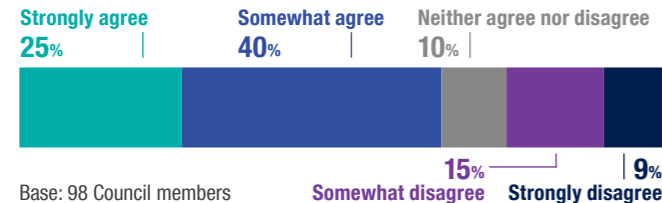


History is littered with examples of failed acquisitions which can be argued to have a critical element in common; poor stakeholder management. And complex stakeholder management is the natural playground of corporate communicators – a skillset which is increasingly being recognised as invaluable as stakeholder needs become ever more acute and complex during an acquisition.

Communications activities activated during an acquisition

Council members frame acquisitions as significant business events which are typically bound by a highly structured process and often prioritised over other business activity.

Communication linked to an acquisition will temporarily displace other communication activities



Ideally, there is involvement of the corporate communications function across the three major phases of an acquisition:

- 1 Pre-acquisition scoping and due diligence
- 2 Execution and public communication
- 3 Integration

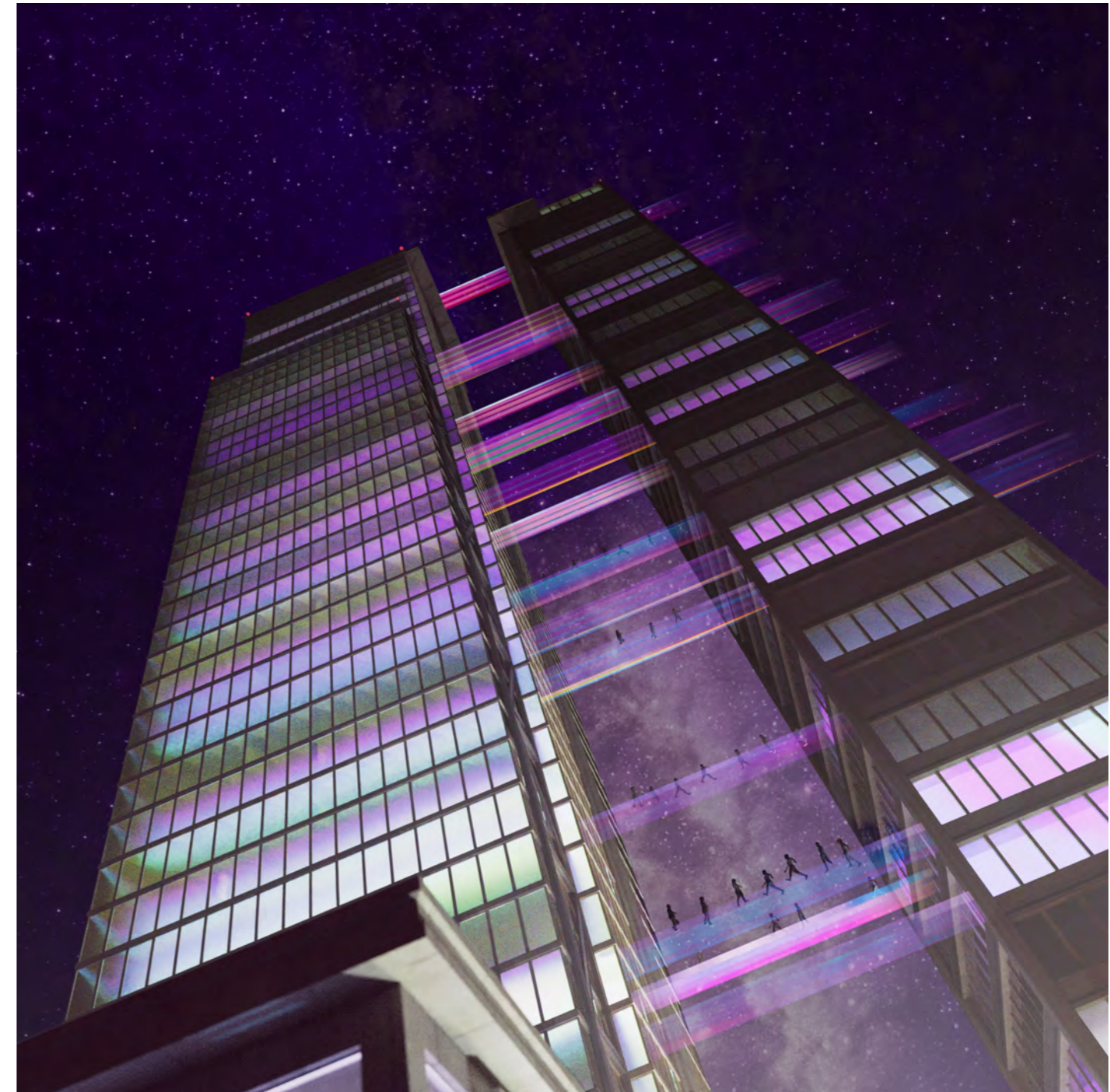
However, Council members' experience suggests that the execution and integration phases are where their expertise is most commonly leveraged.

“Comms is more involved once the deal is done. If you're fortunate, communications is involved from the beginning. Sometimes comms is the last to know which is kind of ridiculous when you consider that the first thing that happens when you complete the acquisition is communication.”

While involvement in due diligence is less common, where involvement is formal and early, a range of benefits can be realised:

“I think it's critically important that at least reputational corporate affairs have a seat at the table. I was involved in the evaluation of the strategic rationale with any M&A, there was always a reputation workstream for evaluating the benefits or risks around it.”

Council members also acknowledge that each acquisition is unique and requires a highly customised communications approach. Complexity is often driven by size and geography, influencing the communication plan and the involvement of regulatory authorities. However, the first step in developing this tailored approach is usually the same; developing a detailed stakeholder map and a deep understanding of stakeholder needs across the key stages of the acquisition.



Priority stakeholders are typically employees (existing and new), investors, regulators, media and, as well as consumers, the broader community. They all need to see the deal as being fundamentally good for them and better than the status quo.

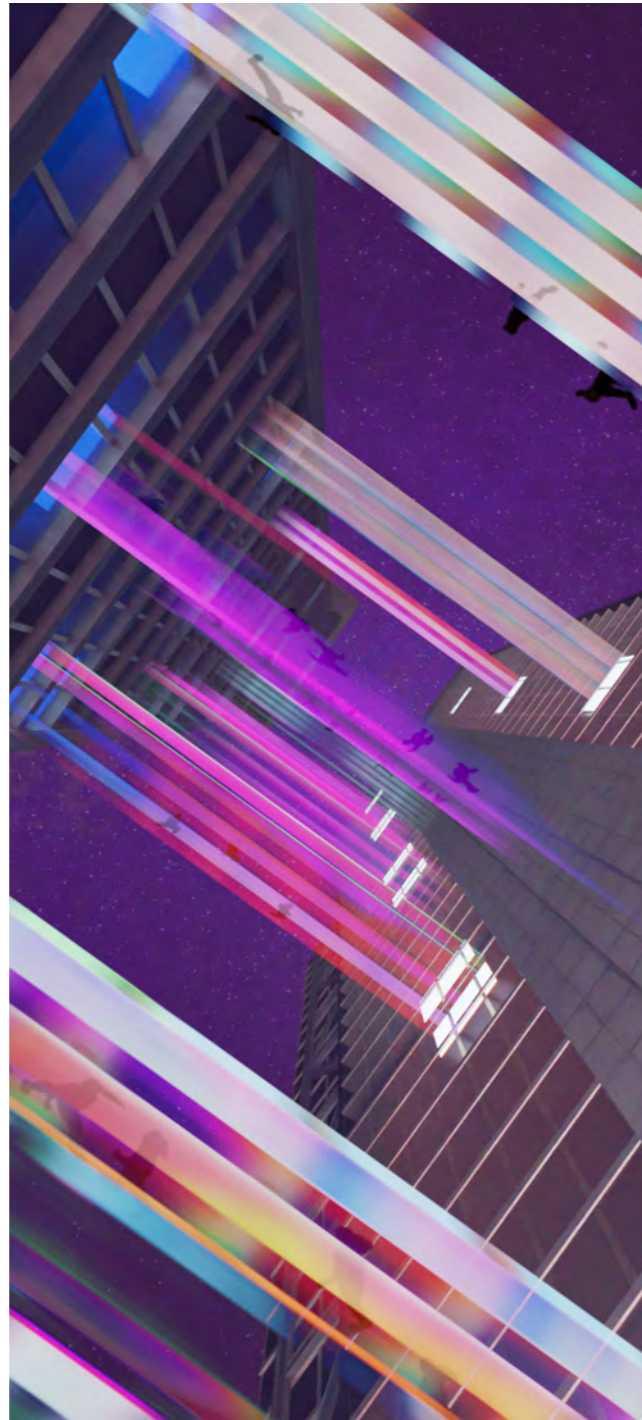
“ Looking at your audiences, first and foremost it is people impacted by the transaction.”

With this understanding of stakeholders in place, the corporate communications function then sets about developing a legally compliant and nuanced communications plan that builds a clear narrative, identifies when each stakeholder group is communicated with and adapts messaging to different platforms.

“ First, we have to communicate it to the stock exchange as a relevant event and this has to be the first communication we make. Second, an internal communication so that our employees are immediately aware of it and do not find out about it externally. And third, external communication, and here we use different tools.”

This process of establishing and maintaining stakeholder confidence and support is fundamental across the acquisition lifecycle.

“ You have to have a really clear comms plan in place, outlining all of your stakeholders, a timeline and making sure that you’re not just fulfilling your market obligations or regulatory requirements, but you are also helping all company stakeholders understand the value of the transaction.”



Communications challenges during key phases of an acquisition

Council members identify distinct challenges across each phase of an acquisition, all of which require a blend of confidentiality and transparency.

Pre-acquisition, there is a strong focus on discretion and ensuring information that could destabilise the deal is not leaked prematurely. This phase demands vigilance and preparation, with scenario planning and the development of pre-prepared responses for any inadvertent disclosures.

“ Lots of acquisitions, especially for bigger companies, leak during the process so the communicator’s role is often starting well in advance of an acquisition with a leak strategy.”

Simultaneously, this pre-acquisition phase involves the crafting of a compelling narrative that highlights the benefits of the deal to stakeholders while addressing the risks.

As the deal progresses and becomes public, this focus on confidentiality needs to be balanced with aligning communication across the merging parties to present a unified front that clearly demonstrates the value of the deal. This means releasing that carefully crafted narrative into the world and responding in real time as it either works or needs recrafting.

“ Beforehand you worry that the news will leak and afterwards you hope that everybody will agree that you have done the right thing but some may not.”

Critically, the acquisition landscape is dynamic meaning a ‘set and forget’ approach to communications will not work.

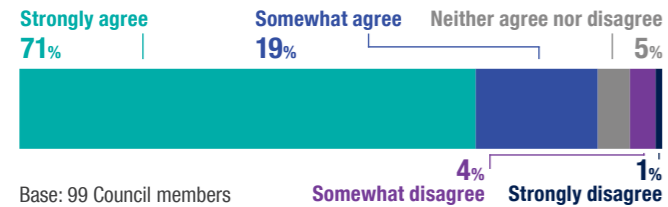
“ We gather the information, create the plan and then there is constant monitoring of what is happening outside and inside... I mean literally constant, it’s like we’re in a vigil.”

Post-acquisition, the spotlight shifts to internal coordination – integrating teams, aligning cultures, and managing the transition of brands and retention of talent. It is here that there must be an environment of trust and clarity, guiding employees through the new landscape, addressing their concerns, and pre-empting corridor chatter with proactive communication.

More strategic involvement also sees a key focus in the post-acquisition phase on ensuring the anticipated value of the acquisition is realised. Corporate communications will engage in passive (digital listening) and active (primary data collection) research to monitor stakeholder sentiment and manage any potential negative perceptions and associated reputational fallout.

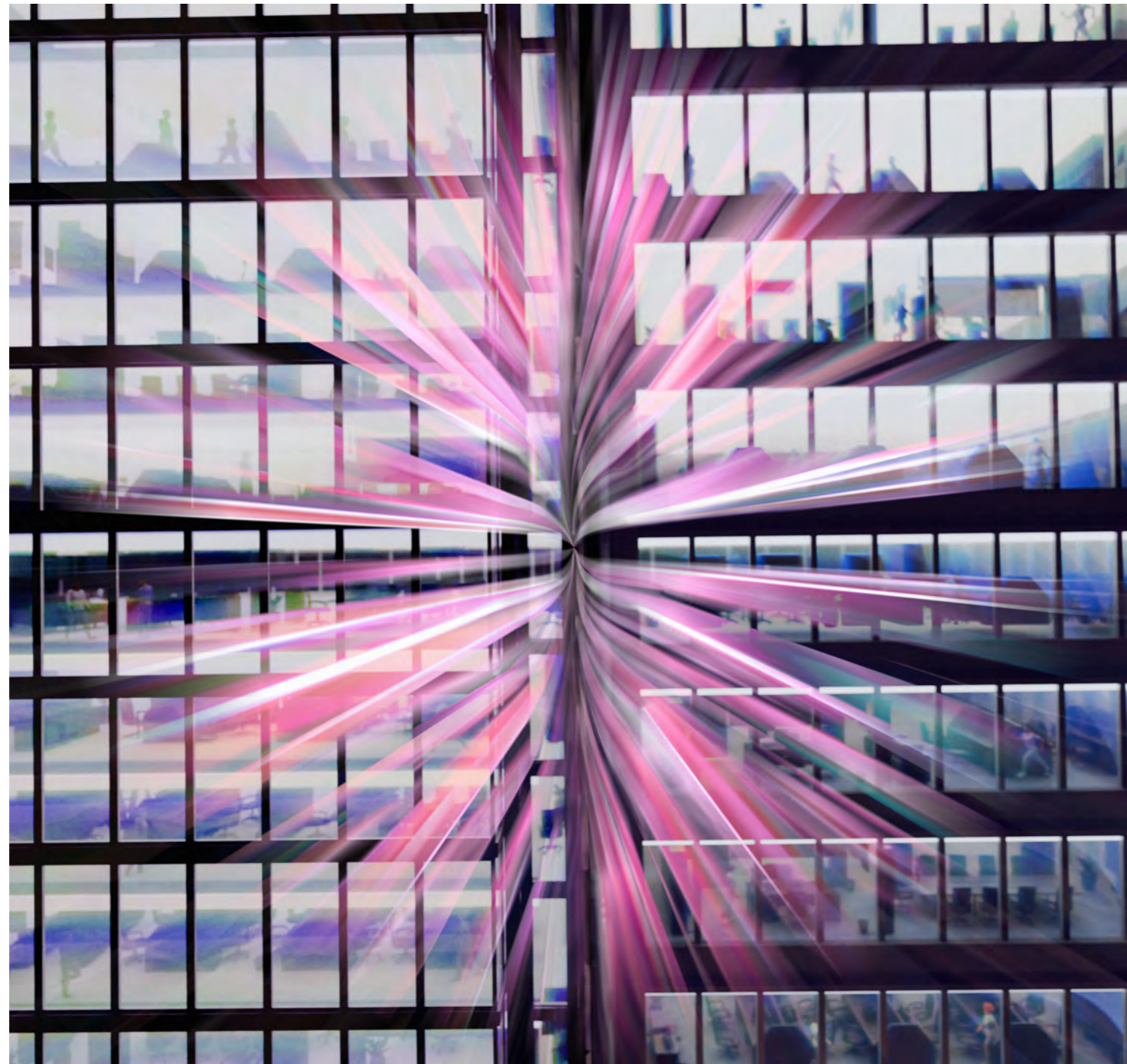
This involvement across the acquisition lifecycle brings opportunities for increased collaboration and often sees corporate communicators work with functions they less typically engage with.

Collaboration with other functions such as HR or/and IR increases during an acquisition



While this invariably presents challenges, Council members also highlight the opportunity it brings:

“ Done really well the comms team would be embedded probably for another year, two years, depending on how big the deal is, on helping really integrate and make sure you do get the synergies you envisaged before doing that deal. Our role really spreads across the business during an acquisition.”



“ Communicators play a very important role, particularly towards the end of the transaction lifecycle.”

Conclusion

The challenge for corporate communicators during an acquisition can be likened to walking a tightrope. Across all phases of the acquisition, corporate communicators are tasked with balancing legal mandates (what can be said) with stakeholder expectations (what needs to be said).

What's clear, is that there's no one-size-fits-all approach – managing a successful acquisition requires an extremely well-thought through, customised communications strategy, and the role of the communicator from start to finish is invaluable.

QUICKFIRE: PURPOSE, POLARISATION AND CORPORATE ACTIVISM

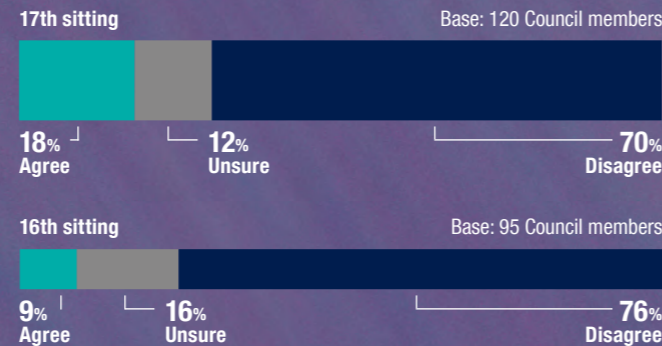
Today, 3 in 4 global citizens feel that their government and public services will do too little to help people in the years ahead.¹ To what extent can – or should – businesses be expected to fill this democratic deficit?

Since 2020, Council members have consistently advocated a societal role for business. This year, 7 in 10 Council members agree that corporate responsibility goes beyond the bottom line.

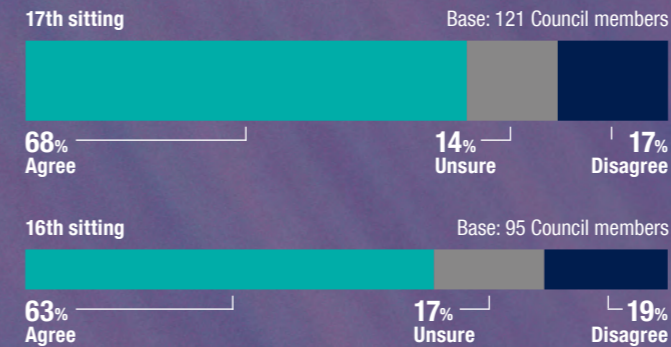
As in 2022, 2 in 3 take this a step further; these Council members see business leaders leapfrogging politicians as the go-to agents of progressive change.

On the other hand, Council members are still wary of getting embroiled in polarising, politicised debates; just 1 in 5 say that businesses need to pick a side on divisive social issues, in order to be successful.

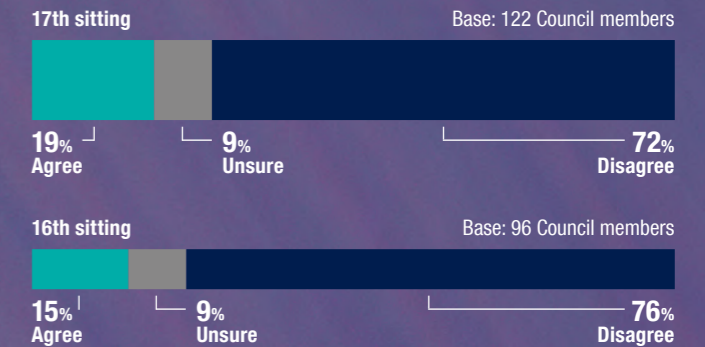
It is the job of government, not business, to fix society's problems



Business leaders are overtaking politicians as a force for progressive change in the world



Society is so divided at the moment that companies need to pick a side in order to thrive



“Employee activism is definitely something we are seeing an uptick in and actually the easy short-term route is to bow to it, but actually it stores up long-term problems because you can never be pure enough.”

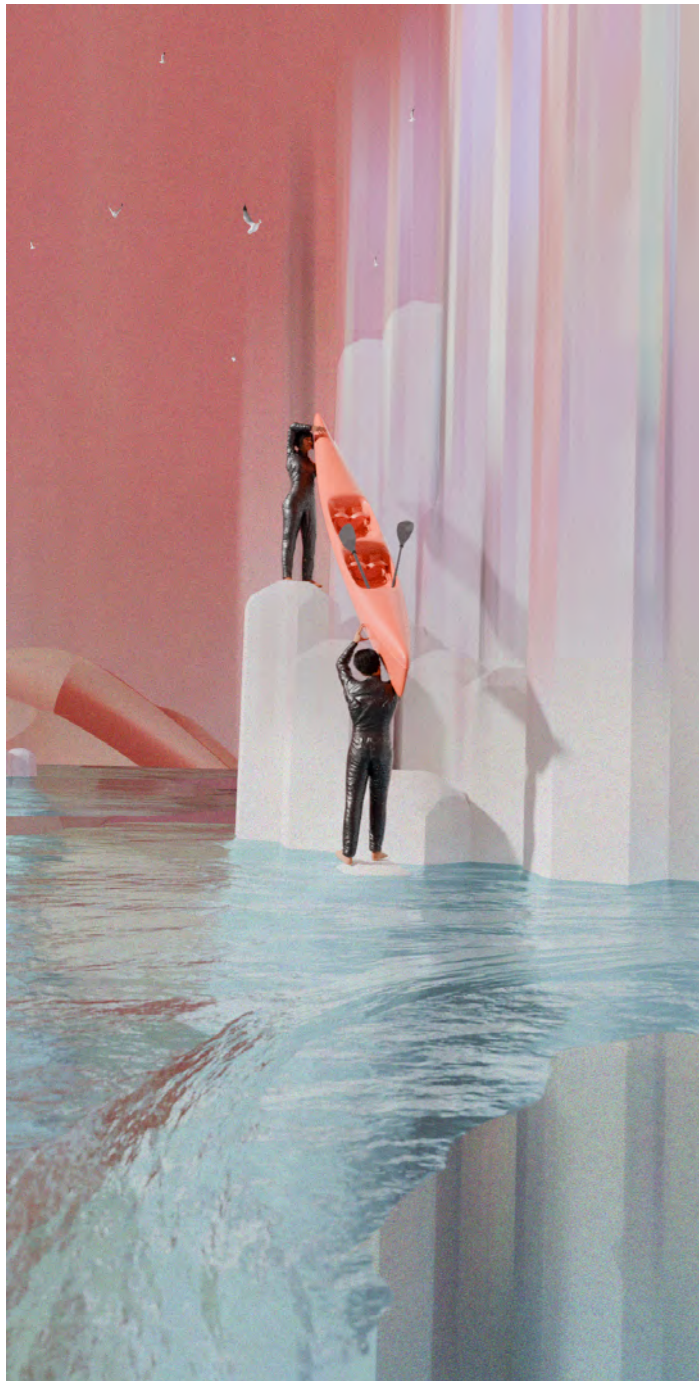
1. Ipsos Global Trends Survey: 48,579 adults aged 16–75 across 50 markets, interviewed online between 23 September and 14 November 2022

CORPORATE SPONSORSHIPS: FINDING THE RIGHT PARTNER

Written by Jason McGrath

In an era marked by increased scrutiny and public demand for corporate responsibility, the risks associated with corporate sponsorships have perhaps never been greater. But equally, the rewards of a well-executed sponsorship programme with the right partner can be considerable – adding credibility, recognition and depth to a company’s overriding purpose.

However, companies seeking to enhance their reputation and visibility through sponsorships must navigate a much more complex environment, as a misaligned partnership can create more harm than good. There have been many high-profile cases that have highlighted this risk, underscoring the importance of strategic alignment, due diligence, and ethical considerations in sponsorship decisions. Indeed, over a decade ago, Accenture had to withdraw from its partnership with Tiger Woods due to the reported infidelity of the golfer. Or more recently, the strained relationship between Kanye West and Adidas, has again highlighted the reputation risk partnerships with individuals can bring.



Needless to say, in certain markets, the same principles can apply to the acceptance of sponsorship where sectors such as gambling and alcohol are under greater regulation and scrutiny.

“There has to be trust with the company you are going to ally with, because beyond just putting a logo, in the end you are putting your organisation’s trust in that alliance. So definitely you have to feel comfortable with the leaders, with how they are going to work, and with the initiative itself.”

Although there is no foolproof way to eliminate risk whilst maximising the reward when it comes to corporate sponsorship, there are some key considerations, according to Reputation Council members.

Successful corporate sponsorship programmes hinge on various factors, including:

- 1 Strategic alignment**
The sponsorship should align with the company’s business strategy, positioning and corporate purpose.
- 2 Shared values**
Sponsorships should involve partners that complement the company’s activities and share similar values.

3 Relevance
Cultural compatibility and relevance are seen as crucial, with the sponsorship needing to resonate with the company’s core areas of operation and purpose.

4 Focus on long-term relationships
Sponsorships should ideally generate alliances with companies, foundations, or NGOs that are experts in their field, while also maintaining focus on the key stakeholders that are of primary attention for the sponsorship – consumers, community stakeholders, employees and others. Sponsorship activities should yield benefit for all stakeholders involved.

Proper due diligence to ensure clarity on each of these aspects is critical to ensuring that sponsorships will add value to the company and align with its mission and purpose, while generating sustainable value for each of the stakeholders involved.

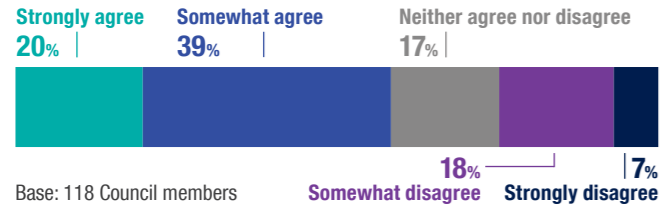
“You have to have mutual due diligence from a reputational perspective. You know, a lot of times you hear of ‘the company hooked up with this non-profit. Turns out that there’s an issue with the non-profit, and now the companies got reputational damage for it’ and vice versa.”



Seven in ten Council members indicate that sponsorship in general has had an increasing reputation risk in the last few years, and they also say that certain activities present greater risk than others.

Most Council members are clear that they will reject a sponsorship if there is misalignment with the company's core values, purpose or target audience. An association with a controversial individual, organisation or event, would also present an increased reputation risk to a company's image and standing. Additionally, many Council members believe that sponsorships linked to individuals are inherently more risky than other programmes, due to the potential for personal scandals or controversies that could reflect poorly on the company.

Sponsorship is an overly expensive communications channel



“The reputational aspect of it is one of our key decision points when we screen these things. Especially around individuals, and the risks that come with individual sponsorship, even ones that might go well for a very long time can go sour.”

Political or social considerations can also influence decisions, with companies often avoiding sponsorships linked to partisan institutions, organisations with past reputational issues, or events with political stances that conflict with the company's position. Sponsorships that could potentially alienate a significant portion of a company's employee or customer base are also considered risky.

“All factors are considered when making alliances to avoid partisan institutions or companies that have had reputational problems in the past.”

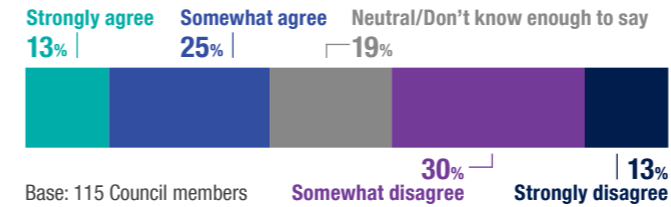
Despite these risks, fewer than half (38%) of Council members say that sponsorships are diminishing within their corporate communications mix.

It's clear that there is still significant value being driven through sponsorship activities and Council members indicate that the primary aim of their sponsorship activities is to enhance corporate brand visibility and reputation. Sponsorships can also provide a platform for companies to demonstrate their values, mission and commitment to specific causes or communities, driving increased awareness among target audiences.

In turn, sponsorships can facilitate strategic alignment with partners that share similar values and can generate alliances with organisations that complement the company's activities. This alignment can contribute to a company's reputation

and credibility, again making the brand more appealing to its intended audiences. Employees are also a critical audience and successful sponsorships can foster pride among employees, enhancing their connection and advocacy to the company.

Corporate sponsorship is diminishing within my corporate communications mix



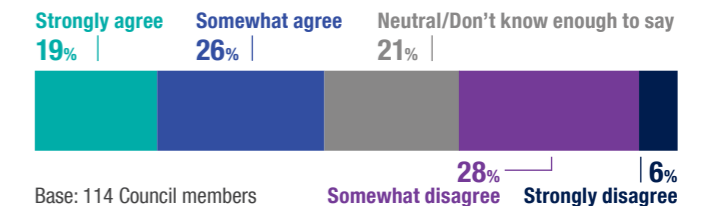
“Consistency in image between the project and the sponsor and the ability to build a win-win relationship of trust are also vital. Ethical considerations are increasingly important, with due diligence on who you are sponsoring seen as critical.”

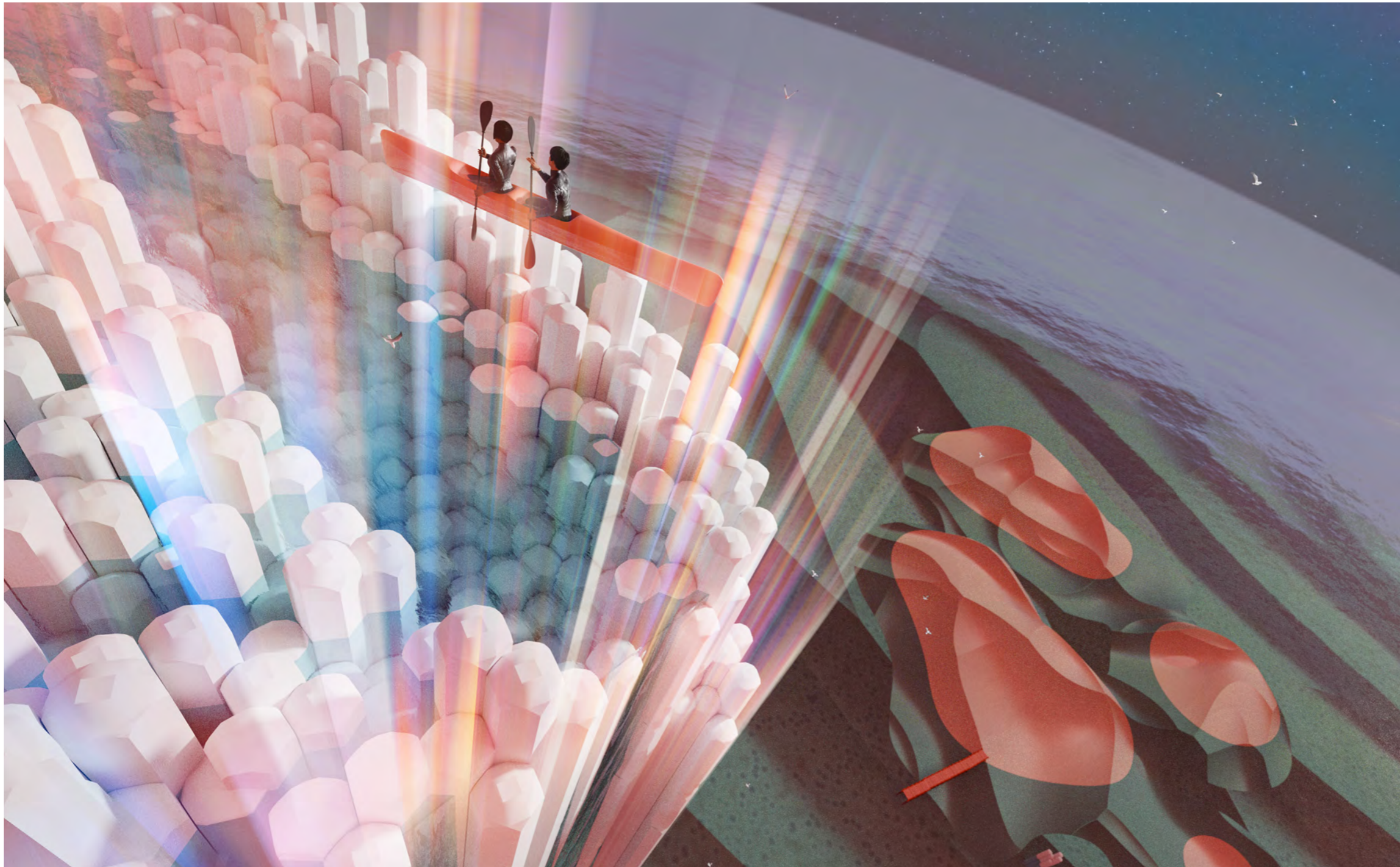
Any exploration of sponsorship would be incomplete without touching upon the issue of financial or business return. Sponsorships can create tangible value for companies such as increased brand awareness to help drive sales, or enhanced reputation that a company can deploy to win in the war for talent.

Yet fewer than half (45%) of Council members indicate that they have a robust approach to evaluate the financial ROI of sponsorships. The explanation for this, in part, is due to the movement away from opportunistic short-term sponsorship programmes that were immediately put under the spotlight for financial return, to a more measured and long-term focus, where benefits play out across the organisation and take many forms.

“We're moving past the phase of providing financial sponsorship for several organisations, particularly on an ad-hoc basis. Versus the more strategic long-term partnership and sponsorship, which requires strong association with business drivers and the strong kind of mechanic that shows it's delivering on its investment.”

I have a robust approach to evaluate the financial ROI of sponsorship





Conclusion

Delivering an effective corporate sponsorship programme remains a complex issue; however, the focus on long-term relationship building with the right partner and strategic alignment between both parties, are key ingredients of the mix. And of course, the only way that a strategic alignment can take place is if the strategy of a company is clearly understood by all concerned.

This is where the communicator comes to the fore in encapsulating and communicating business strategy in a way that is not only understood throughout the company itself, but also by potential sponsorship partners who can assess its desirability and relevance in the context of their own goals.

In the end, despite the challenges and risks, there is little doubt corporate sponsorship still plays an important role in the communications process – however, it's clear that the best way to ensure success, is to ensure that everyone is pulling in the same direction.

QUICKFIRE: DIVERSITY AND INCLUSION

Perhaps mindful of the public backlashes endured recently by prominent brands in the USA, Council members are more worried than ever about the risks of putting their heads above the parapet on D&I issues. Today, 7 in 10 Council members fear being called-out for saying the wrong thing (up from 6 in 10 two years ago).

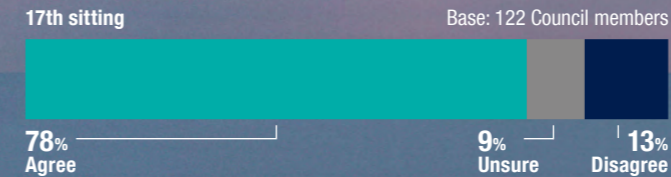
But that doesn't mean silence is the easier option: 8 in 10 Council members say that the public now expects businesses to take a stance on D&I issues (on a par with two years ago).

Squaring this circle – balancing the desire to stand up and be counted, against the risks of doing so – remains a big challenge for today's CCO.

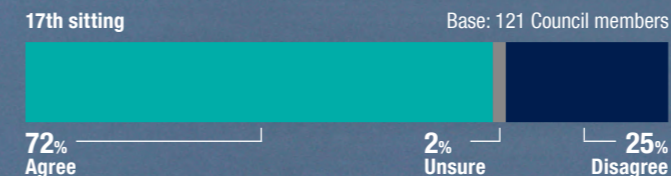
“It is much more difficult for a company to take a position because there are so many nuances, and one must form convictions, it cannot be a generalised yes or a yes with conditions.”

“How do you stay true to those values and continue to show progress without becoming the latest lightning rod for highly partisan political debate and discussion?”

The public expect businesses to take a stance on issues of diversity and inclusion (D&I)



Businesses are worried about engaging publicly with diversity and inclusion issues, for fear of saying the wrong thing



“Consumer product companies perhaps have more risk involved. Companies who are forward facing, rely on consumers in big numbers, have a more challenging time than they've ever had.”

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Julia Sobrevilla	UNACEM Group	Corporate Affairs and Sustainability Director
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Kristin Nordal	Yara International	SVP Brand & Communications

135 senior corporate communicators were interviewed as part of this year's Reputation Council report. Some Council members requested that their participation remain anonymous, therefore 133 contributors are named here.

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ABOUT IPSOS CORPORATE REPUTATION

Ipsos Corporate Reputation has been a leader in reputation research for over 40 years and we work for some of the biggest corporations in the world. Our mission is to provide critical insights and advice to help our clients build resilient reputations and stronger stakeholder relationships. We deploy a unique blend of traditional and digital research techniques delivered by dedicated reputation research specialists across the world.

This support helps organisations strengthen their reputation capital - the ability of a brand to command preference in the marketplace.

Measuring reputation performance:

- Measuring overall reputation performance and identifying the drivers that create reputational value
- Defining the stakeholders that influence reputation and shaping engagement strategies
- Building communications campaigns and measuring impact
- Understanding future opportunities and risks
- Measuring the impact of a crisis, and responding to it
- Clarifying the actions necessary to deliver on strategic objectives

Please get in touch with our reputation specialists if you'd like to discuss any of the issues raised in this report, or indeed if you think we can help your business.

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