



# Reputation Capital Report 2022

ASIA PACIFIC



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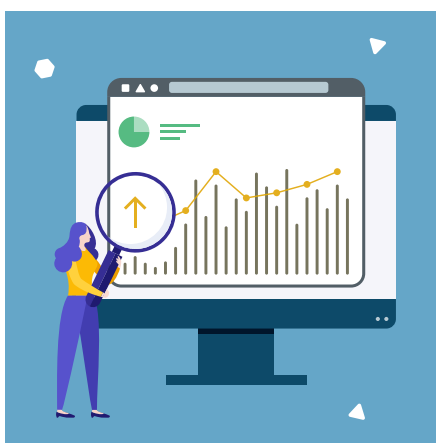
The inaugural edition of Sandpiper's **Reputation Capital Report** aims to identify the key trends in reputation management and influence across Asia Pacific. We have set out to define the key drivers of reputation among the general population across eleven markets in the region: which reputational factors are having the greatest influence on behaviour, including people's buying decisions, which sources people trust, and how people's perceptions across the region are changing.

Our objective with this study is to provide our readers with insights and recommendations to help guide strategy and planning in the area of reputation management, increase

effectiveness, and demonstrate the tangible value of building reputation capital in the year ahead and beyond.

We also look at the challenges around communicating corporate citizenship and sustainability strategies, and what impact COVID-19 has had.

We deliberately designed the questions in our study to be open to give people the opportunity to identify what is important to them. This has resulted in new insights and allowed us to identify some unexpected trends.



## METHODOLOGY

For this study we conducted an online survey with 6,000 consumers from eleven Asia Pacific markets: Australia, China, Hong Kong SAR, India, Indonesia, Japan, Malaysia, Philippines, Singapore, Thailand, and Vietnam. The study was conducted double-blind across September and October 2021 and all respondents understood their contribution was anonymous and unattributable. Depending on population size and complexity, a sample size of between 500 and 700 respondents from each market was surveyed to provide statistically significant findings which can be extrapolated to the general population. In addition, age and gender quotas were set based on their respective proportion of the population.



# Building reputation capital in Asia Pacific

**We should be thinking about reputation in the same way we think about capital. In the digital age when reputation and trust can be lost in seconds it is critical to be continually growing and reassessing investments in reputation capital to promote and protect your bottom line, organisation and stakeholders.**

In recent years, reputation management has become more complicated and multidimensional. This is not just because of the challenge of new digital channels, and the speed at which information is disseminated, but also because of the major new elements that are increasingly important to the reputation of every organisation. As well as financial performance, all organisations are being evaluated against their employer brand, social activism, environmental credentials, governance, data and cyber security. The list goes on.

In this increasingly fragmented and transparent environment, business leaders and communicators must be nimble to manage new reputational challenges continually and communicate value to stakeholders. They must also stay focused, so that in trying to address everything, their organisation doesn't end up standing for nothing.

When looking across the Asia Pacific region, while there are commonalities, there are also significant differences across markets that need to be accounted for – one size does not fit all. For example, there are notable differences in some areas between emerging, developing, and mature markets.

With multiple, changeable, and conflicting forces at play, it can be helpful to view this as a 'reputation capital economy' (Figure 1), where the currencies of information and communication

are exchanged via channels and sources of engagement and influence to accrue wealth in reputation capital over time. Using methods of engagement and influence, communicators must aim to meet (and ideally exceed) their audiences' expectations, while also looking for opportunities to influence their operating environments to grow shared value, reduce shared risk, support transition in areas of unequal value or risk, and ultimately positively influence and strengthen the relationships with their audiences.

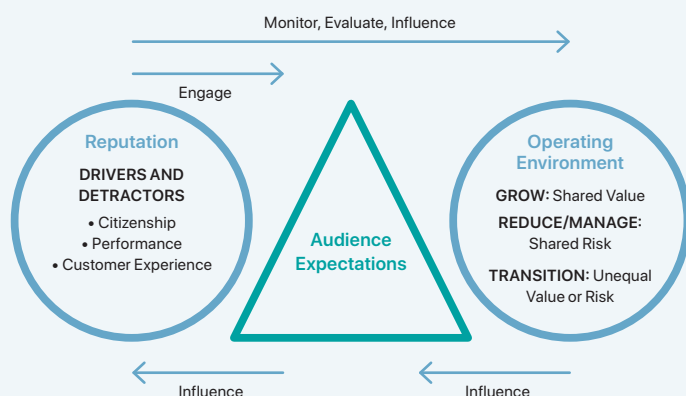
In this new world, it is no longer enough to simply comply with regulations, tick boxes and meet stakeholder expectations, organisations must also demonstrate positive impact. To do this, there is a need to show how your organisation is making a real contribution and illustrate it through transparent and ideally objective results. You can no longer run on just intuition – your decisions must be evidence-based, with progress tracked using robust data and metrics.

The global pandemic, as we all know, has amplified these trends, and raised the stakes for organisations that get it wrong. Further to this, with increasing economic pressures on the horizon, communications professionals must work harder to demonstrate the real, tangible value of reputation to justify the business case for the increased investment required from their organisations to navigate this environment effectively.

This study clearly reinforces the principle that applies to all organisations and brands – that by investing in your reputation you protect and build up capital that helps open doors and provides useful preparation for facing challenges or potentially even a crisis. For example, our findings show that companies operating in Asia Pacific that have behaved responsibly in the past are more likely to be given the benefit of the doubt when something goes wrong. Also, that reputation has a strong impact on opinion, buying behaviour, as well as supporting an organisation's ability to attract the best talent and successfully weather a crisis in every market.

The message is clear, smart and thoughtful investments in reputation capital pay high dividends. We hope that business and communications leaders will find the insights shared in this report useful for planning communications strategies and campaigns in Asia Pacific markets for the coming year.

**Figure 1: Reputation Capital Economy**



*Emma Smith*

**Emma Smith**

CEO, Sandpiper Communications



## 2022 Outlook: Ten trends for reputation management in Asia Pacific

This section summarises the ten most important trends and insights for reputation management in Asia Pacific in 2022 as identified by our research. We have organised these into three areas: **1. Reputation Drivers and Detractors** – common features which can build or erode reputation capital, **2. Navigating Expectations** – what audiences now expect from organisations and **3. Building Influence** – who or what is influencing people.

### Reputation Drivers and Detractors:

- 1. Multi-dimensional approach needed:** While some reputation drivers are stronger than others, all the drivers we studied are either very important or important to 80% of all respondents. This demonstrates why it is vital to take a more holistic approach to reputation strategy, while still staying focused on the factors that are most important.
- 2. Cybersecurity in focus:** Cyber and data security has become just as important to consumers as having good quality products and services and customer experiences. On average, this is now the single most important reputation driver for organisations across the region. All markets ranked it as a top three reputational driver.

- 3. Employer brand in the great resignation:** Negative public attention around a range of organisational issues does directly impact your reputation as an employer. In particular, more than half of people in the region don't want to for work for a company that doesn't have a good reputation for treating its employees well. Amid a talent crunch, this could seriously diminish the potential talent pool for organisations that don't invest in their people and employer brand.

### Navigating Expectations:

- 4. Mounting pressure on governments to act:** Our findings reveal there is a large jump in the pressure on governments to act to solve societal challenges. This shift from Sandpiper's previous Consumer Expectations Index conducted in September 2019 likely reflects the importance governments have assumed in managing the global pandemic through 2020 and 2021. As a result, the expectations of our governments across the region have probably never been higher.

**5. Citizenship gets scientific:** Our findings reinforce that it's not enough to be a good corporate citizen, organisations need to have a credible ESG position and targets, and be disclosing metrics. Across Asia Pacific, economic, environmental and social impact is even more important to audiences in developing markets than mature markets. Governance is generally more important in mature markets and is the most important of all the EESG factors to consumers.

### Building Influence:

**6. Navigating fragmentation:** Amid increasing fragmentation, companies must be equipped with multiple channels of communication, including strong social channels, to reach and engage all their audiences. As significant variations exist between different audience demographics and markets, it is important that communications teams clearly understand these dynamics and account for them in their communication strategies and infrastructure.

**7. Classic rules of crisis management apply everywhere:** While there are some regional variations, in general the key principles of crisis and issues management hold true – in all markets. The most important factor to limit reputational damage

during a crisis is transparency. This is closely followed by your speed of response on an issue and whether you show empathy to what your customers have experienced.

**8. Rise of experts:** When compared against Sandpiper's Consumer Expectations Index in 2019, experts now trump family members in terms of their level of influence. Overall, we see a general trend towards the influence of experts and independent and government research sources.

**9. Share my values:** Consumers are more likely to engage than ever before with brands that share their values, beliefs, and passions. They are also more likely to share content from companies that reinforce their values and beliefs. However, interestingly most of our respondents say less than 50% of the content they currently receive from companies online is relevant to them.

**10. Open young minds:** Generally, younger audiences are more open to influence, as long as your narrative is based on actual experiences. As future customers and natural adopters of social media with higher connectivity, investing in building relationships with younger audiences, whether they are a target audience or not, should be a strategic imperative of every organisation.





# A clear hierarchy exists but all drivers are important

For this study we looked at how ten universal reputational factors are shaping consumer opinions of organisations across Asia Pacific.

These ten factors are: **Customer Service, Cybersecurity, Economic Impact, Employee Experience, Environmental Impact, Financial Performance, Governance, Leadership Team, Product and Service Quality, Social Impact.**

While a clear hierarchy emerges in the responses, with factors pertaining to 'customer trust' the most important, factors relating to 'corporate performance' and 'corporate citizenship' also rate as either 'very important', or 'important' to at least 80% of respondents across Asia Pacific (see Figure 2). This clearly demonstrates how reputation management has become more complex and multifaceted.

We also observe particular differences between markets. For example, the quality of products and services is the top reputational driver in Australia, Hong Kong SAR, Japan, Malaysia and the Philippines. While in India and Vietnam, financial performance is the top driver – contrasting with

Australia and Japan, where around one third (29% and 33.2% respectively) say this isn't an important driver.

## Customer Trust – A foundational driver of reputation

The findings show that across Asia Pacific there are four factors most people consider to be 'very important' in shaping their opinion of an organisation. The first is **Cybersecurity** which the highest number of people (55%) say is 'very important' to them, this is followed closely by **Product and Service Quality** (54%), Customer Service (53%) and **Governance** (50%).

Not only do these four factors stand out with the highest numbers of people identifying them as 'very important', very few people said they were unimportant, with all four having less than one in ten people saying they are 'not important' (see Figure 4, next page).

The rise to prominence of **Cybersecurity** across the region as the dominant reputational driver is a new development. While in the past, product, service and customer experiences may have been more important, online security fears have taken over – with all markets now ranking it in their top three.

**Figure 2: Reputation Drivers and Detractors – Asia Pacific**

### Corporate Citizenship:

**Environmental Impact:** Very important 35% / Important 81.5%  
**Economic Impact:** Very important 33% / Important 82%  
**Social Impact:** Very important 32% / Important 80.8%

### Corporate Performance:

**Financial Performance:** Very important 41% / Important 87%  
**Leadership Team:** Very important 40% / Important 85%  
**Employee Experience:** Very important 40% / Important 89%

### Customer Trust:

**Cybersecurity:** Very important 55% / Important 92%  
**Product and Service Quality:** Very important 54% / Important 93%  
**Customer Service:** Very important 53% / Important 92%  
**Governance:** Very important 49% / Important 90%

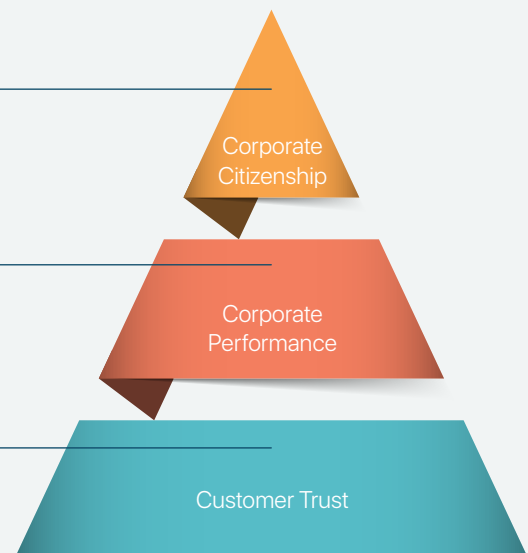


Figure 3: Top five reputation drivers for each market based on a 'very important' rating

	1	2	3	4	5
<b>APAC</b>	Cybersecurity	Product and Service Quality	Customer Service	Governance	Performance/Leadership
<b>Australia</b>	Product and Service Quality	Customer Service	Cybersecurity	Governance	Emp. Exp./Env. Impact
<b>China</b>	Cybersecurity	Product and Service Quality	Governance	Leadership Team	Social Impact
<b>Hong Kong SAR</b>	Product and Service Quality	Cybersecurity	Customer Service	Governance	Leadership Team
<b>Indonesia</b>	Customer Service	Cybersecurity	Product and Service Quality	Governance	Employee Experience
<b>India</b>	Performance	Customer Service	Cybersecurity	Product and Service Quality	Leadership
<b>Japan</b>	Products and Service Quality	Cybersecurity	Governance	Customer Service	Employee Experience
<b>Malaysia</b>	Product and Service Quality	Customer Service	Governance	Performance	Leadership Team
<b>Philippines</b>	Product and Service Quality	Customer Service	Cybersecurity	Governance	Employee Experience
<b>Singapore</b>	Cybersecurity	Governance	Product and Service Quality	Customer Service	Leadership Team
<b>Thailand</b>	Governance	Cybersecurity	Customer Service	Product and Service Quality	Performance
<b>Vietnam</b>	Performance	Product and Service Quality	Cybersecurity	Customer Service	Leadership Team

This trend is particularly prominent in four markets with over three in five people across Indonesia (68%), Thailand (65%), India (64%) and Vietnam (60%), ranking it as 'very important' in defining reputation. This may reflect specific issues in these markets, but even the market which saw the lowest number of people ranking it as a 'very important' factor, Japan, still ranked it as the second most important factor.

When looking at specific industries, Cybersecurity is the top reputation factor likely to impact consumer behavior for both the financial services and technology industries. The primary expectation for customers in these sectors is that the organisation they use have the necessary cyber security

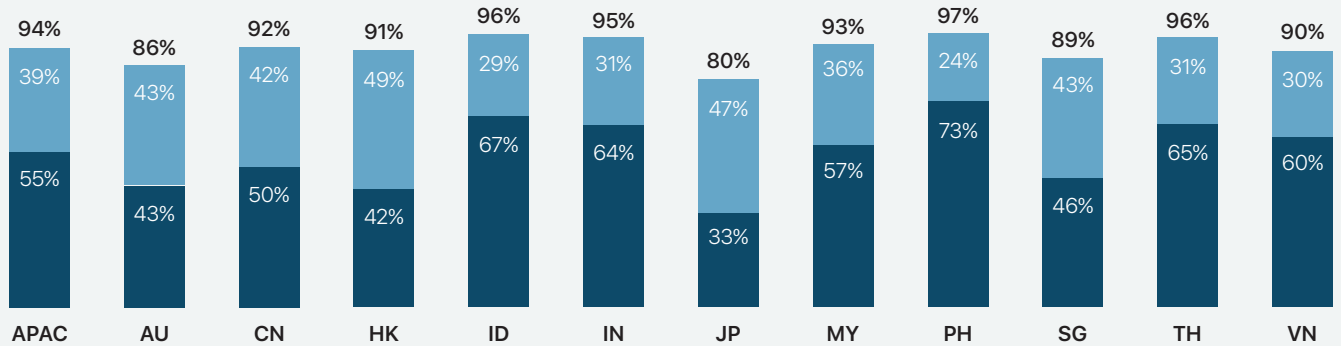
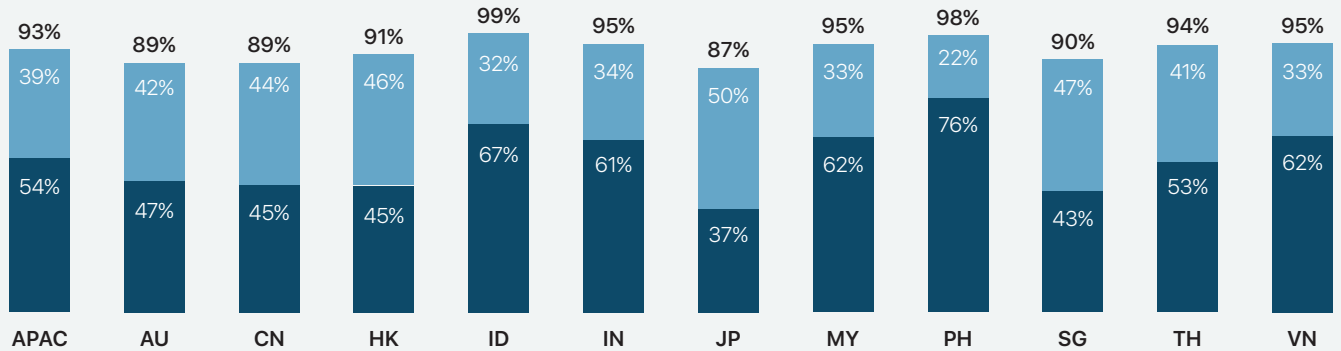
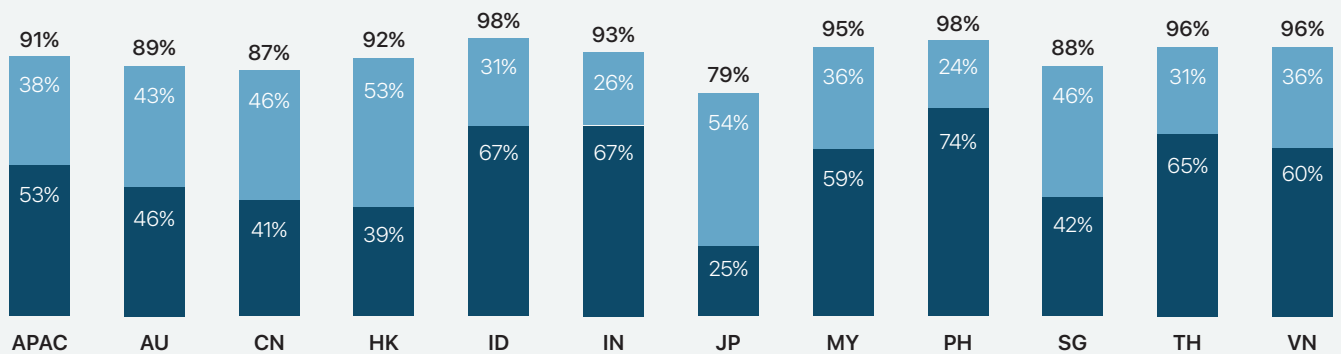
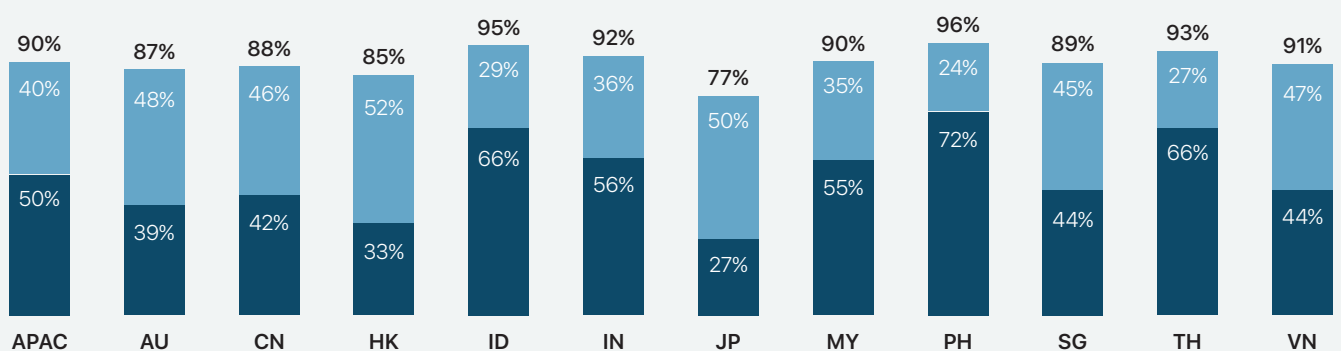
and data protection measures in place. But this is not just about these sectors, or particular markets, our study is clear if your organisation doesn't already have a clear position on cybersecurity and data security, it is critical that you develop one in 2022.

As one of the top four drivers, **Governance** saw just one in ten people (10%) across the region saying it is not important. This shows the opportunity and importance for organisations that comply with international standards, with strong governance principles, to highlight these standards in their communications.





Figure 4: Customer Trust – Importance of reputation drivers by market

● Very important
 ● Important
**Cybersecurity****Product and Service Quality****Customer Service****Governance**



## Corporate Performance – The need to know your audiences

Building on customer trust, we see three key reputation factors, **Financial Performance**, **Leadership Team** and **Employee Experience** that are fundamental to the health and success of an organisation, and also important to the opinions consumers in the region have of an organisation (see Figure 5).

For 87% of consumers, **Financial Performance** is an 'important' determinant of their opinion of an organisation, with 41% citing this as 'very important'. This factor also tends to be more important for those on higher incomes, than those in lower wealth brackets. By market, Financial Performance was actually the top overall reputational driver in India (68%) and Vietnam (63%), and in the top five for Malaysia and Thailand. Conversely in Australia and Japan, around one third (29% and 33% respectively) say this isn't an important driver for them. It also ranks as the most important reputational factor for buyer behaviour for the financial services industry – with wealthier consumers more likely to rate it as important.

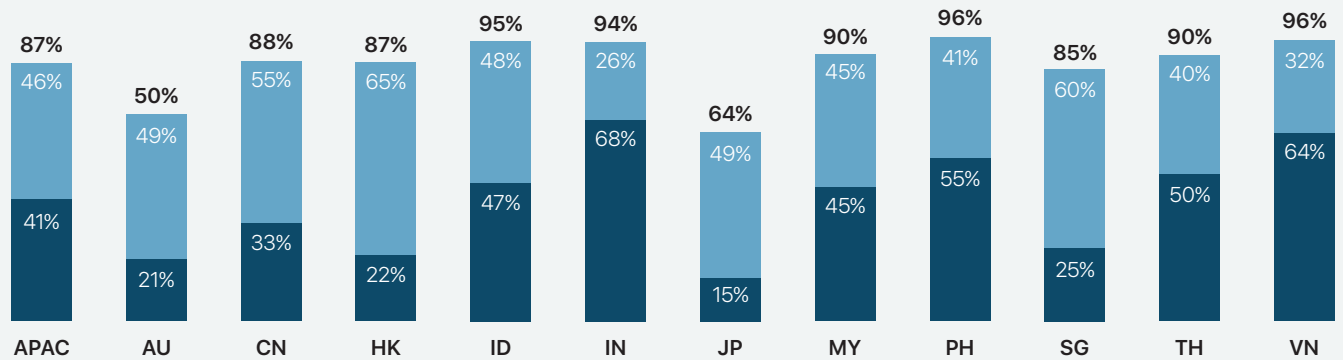
When looking at leadership, the **Leadership Team** is a top five 'very important' factor for consumers in Vietnam (45%), China (41%) and Hong Kong SAR (24%).

**Employee Experience** is a top five driver in terms of being 'very important' to consumers in Australia, Indonesia, Japan, Philippines and Singapore. Conversely, more than one quarter in Japan (27%) and around one in five in Hong Kong SAR (18%) and Australia (17%) say it's not important. This factor is more important to younger generations than older generations, with 47% of Gen Z across the region say it is 'very important' compared with 34% of baby boomers.

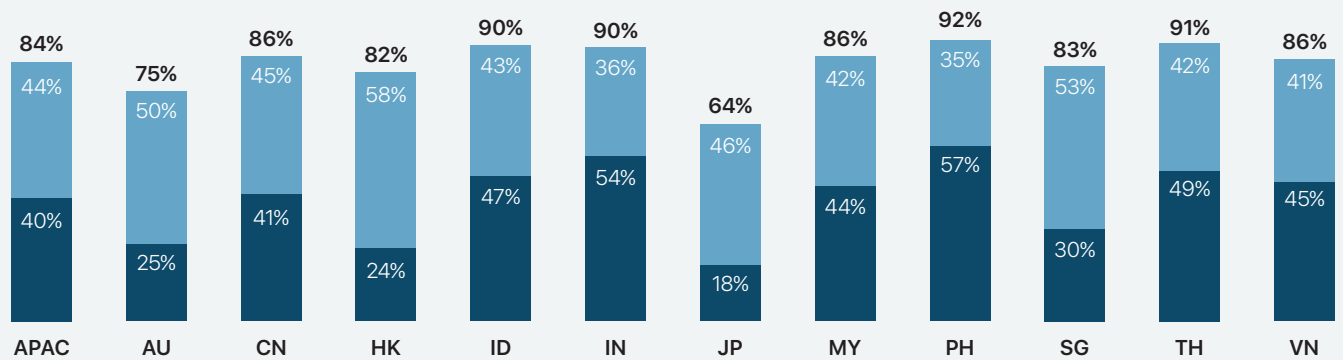


Very important Important

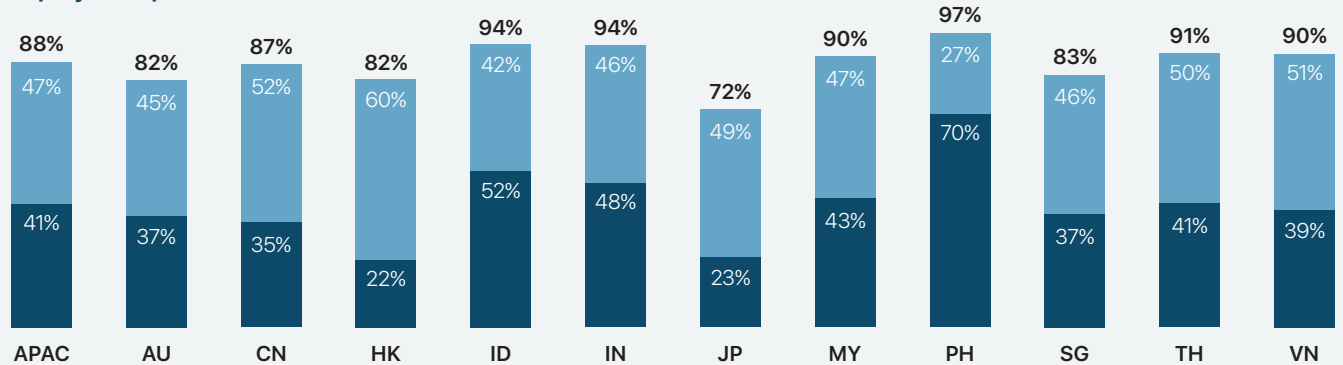
### Financial Performance



### Leadership Team



### Employee Experience



## Corporate Citizenship – Increasing momentum and scrutiny around sustainability and ESG

One of the unexpected impacts of the pandemic has been the acceleration of interest in sustainability and ESG issues. The research finds that across the region the vast majority of people (82%) confirmed that COVID-19 has increased their interest in sustainability issues. This presents an opportunity for those businesses and organisations with credible positions, which also translate into the products and services they offer.

Across Asia Pacific, as well as Governance, around one third of people cited other sustainability factors as being 'very important' – with **Environmental Impact** (36%) ranking slightly above **Economic Impact** (34%) and **Social Impact** (33%) (see Figure 6). In general, these factors are seen as more important in emerging and developing markets in the

region, than in mature markets. They are also slightly more important to younger generations.

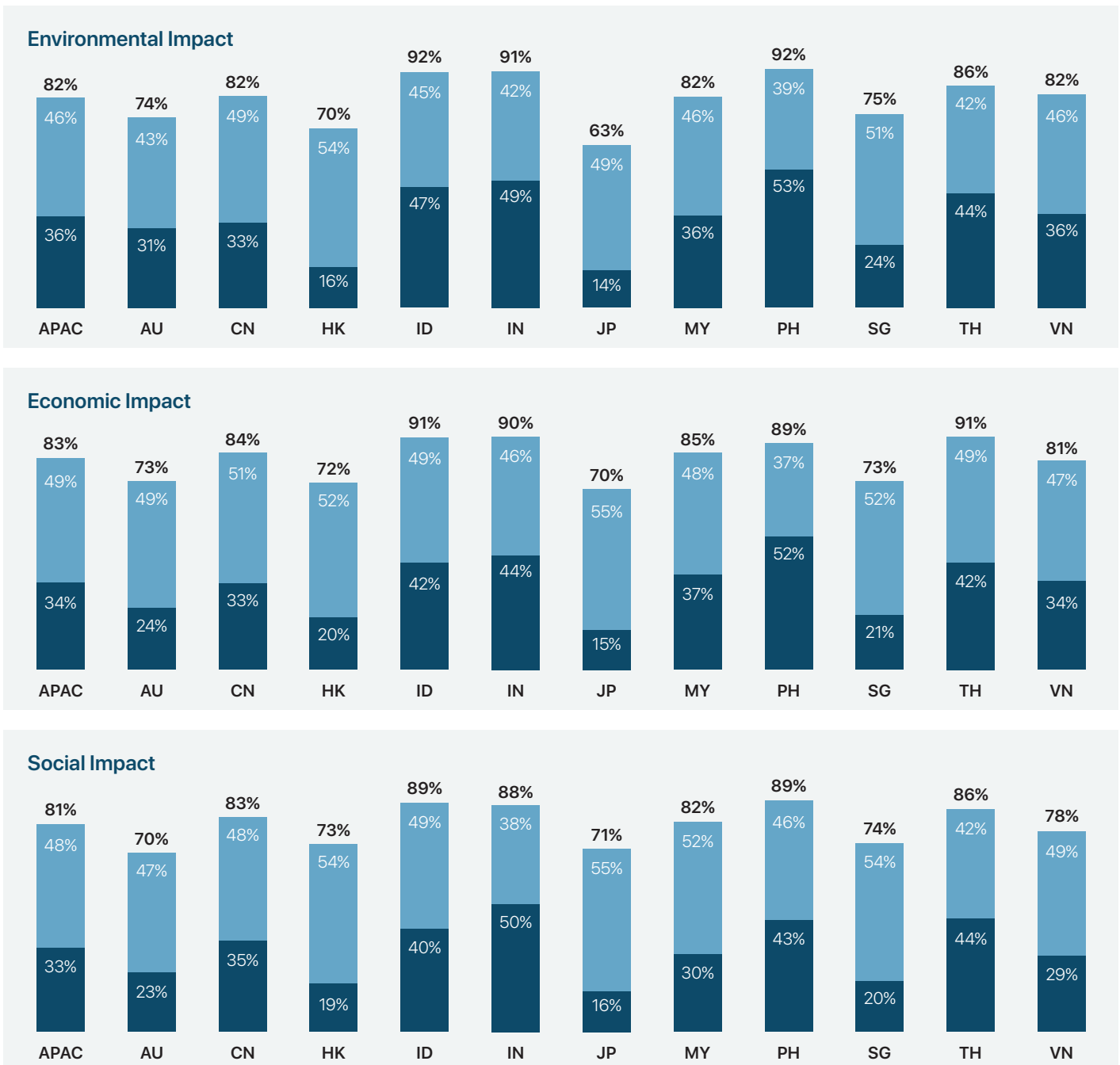
Of those people who consider **Environmental Impact** to be 'very important', the numbers are highest in the Philippines (53%), India (49%), Indonesia (47%) and Thailand (44%). Conversely, 36% of those in Japan and 30% in Hong Kong SAR do not see this as important at all.

We see similar trends for **Economic Impact**, it is 'very important' to more than 40% of consumers in the Philippines (52%), India (44%), Indonesia (42%) and Thailand (42%), but it is a neutral, or not an important issue for more than one quarter of respondents in Japan (29%), Hong Kong SAR (27%), Singapore (26%), and Australia (25%).





Figure 6: Corporate citizenship – Importance of reputation drivers by market

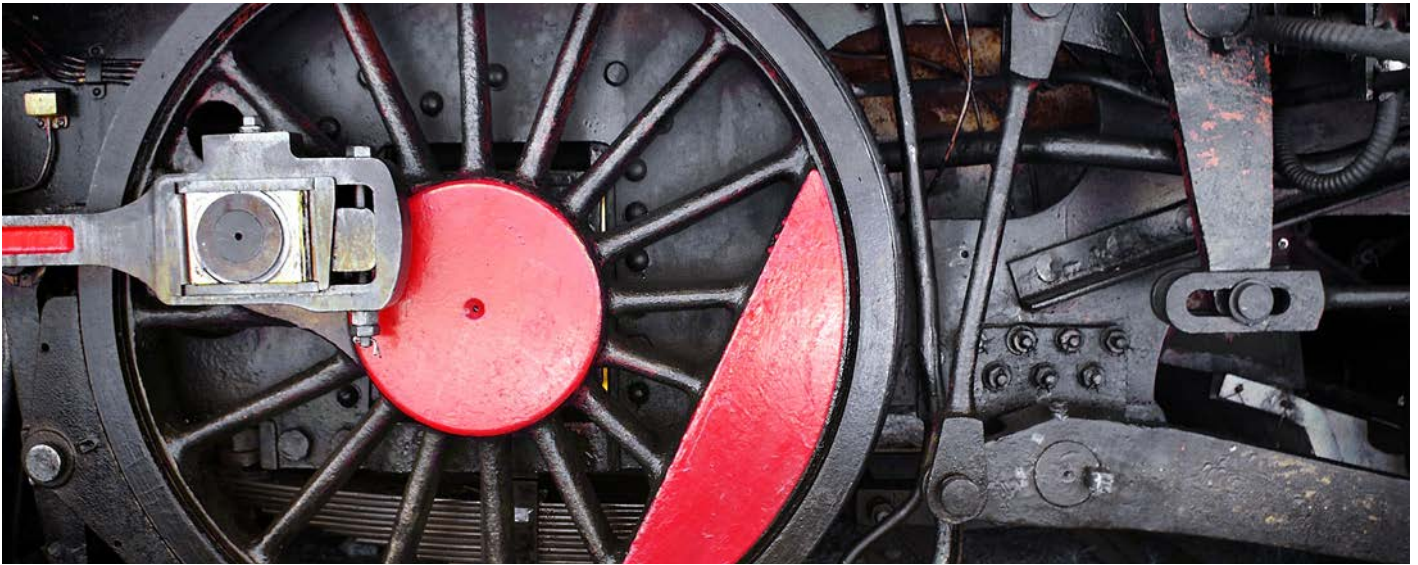
● Very important
 ● Important


Looking at **Social Impact**, it is 'very important' to consumers in the same four markets: India (50%), Thailand (44%), Philippines (43%) and Indonesia (40%). It is not important to more than one quarter of respondents in Australia (29%), Japan (28%), Hong Kong SAR (27%), and Singapore (26%).

The figures overall illustrate a clear divide between wealthier and more mature markets and emerging and developing markets.

As this cluster of factors are all key priorities for policymakers and governments across the region, this presents both a

challenge and opportunity to organisations and in particular their marketing and communication functions, namely how do you ensure your sustainability commitments, for example to net zero, are recognised by your customers as a differentiating factor for your reputation and brand. This is going to be a key marketing and communications challenge over the next few years as organisations explain how these broader, often indirect factors are critical to all consumers over the long term, particularly as we transition to a net zero economy.



## When buying products and services – which reputation drivers are important?

Having established which are the most important reputational drivers by market and audience, we then asked our sample which of the same reputational drivers are important in their decision to buy products and services from a brand or business across a range of different sectors and services. The eight market segments we asked them to apply the reputation drivers to are **consumer products, energy, financial services, food and agriculture, healthcare, professional services, technology and travel** (see Figure 7).

As you may expect we saw a similar pattern for the reputational factors that are most important when it comes to buying a product or service. The three most important reputational drivers influencing our purchasing decisions across all sectors

in order of importance are **Product and Service Quality**, **Customer Service** and **Cybersecurity**. An exception is **Governance**, which ranks as a top four reputation driver in shaping people's opinion of an organisation overall, but it is much less important as a factor when it comes to peoples' purchasing decisions.

**Product and Service Quality** is ranked first in four sectors, **Consumer Products, Energy, Food and Healthcare**, while it comes second across the other four sectors. These four remaining sectors are split with **Customer Service** ranking first in **Professional Services** and **Travel**, and **Cybersecurity** coming out on top as the most important factor in **Financial Services' and Technology**.

**Figure 7: Top five reputation drivers for buyer behaviour by sector across Asia Pacific**

Consumer Products	Energy	Financial Services	Food & Agriculture	Healthcare	Professional Services	Technology	Travel
<ul style="list-style-type: none"> <li>• Product and Service Quality</li> <li>• Customer Service</li> <li>• Cybersecurity</li> <li>• Governance</li> <li>• Financial Performance</li> </ul>	<ul style="list-style-type: none"> <li>• Product and Service Quality</li> <li>• Cybersecurity</li> <li>• Customer Service</li> <li>• Environmental Impact</li> <li>• Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Cybersecurity</li> <li>• Product and Service Quality</li> <li>• Performance</li> <li>• Customer Service</li> <li>• Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Product and Service Quality</li> <li>• Customer Service</li> <li>• Cybersecurity</li> <li>• Governance</li> <li>• Economic Impact</li> </ul>	<ul style="list-style-type: none"> <li>• Product and Service Quality</li> <li>• Customer Service</li> <li>• Cybersecurity</li> <li>• Financial Performance</li> <li>• Environmental Impact</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Service</li> <li>• Product and Service Quality</li> <li>• Cybersecurity</li> <li>• Financial Performance</li> <li>• Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Cybersecurity</li> <li>• Product and Service Quality</li> <li>• Customer Service</li> <li>• Performance</li> <li>• Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Service</li> <li>• Product and Service Quality</li> <li>• Cybersecurity</li> <li>• Financial Performance</li> <li>• Governance</li> </ul>



## Importance of a strong employer brand to attract talent

Attracting the best talent can be the difference in achieving business growth and success, so your reputation as an employer is critical. As part of the study, we asked our sample if an organisation has received negative public attention relating to the ten key reputational drivers in their market how willing would they be to work for them. More than half of Asia Pacific employees are unwilling to work for organisations that have had issues relating to **Employee Experience** (56%) or **Governance** (54%) (see Figure 8). Half (50%) are also unwilling to work for those which they perceive to have poor **Product and Service Quality**.

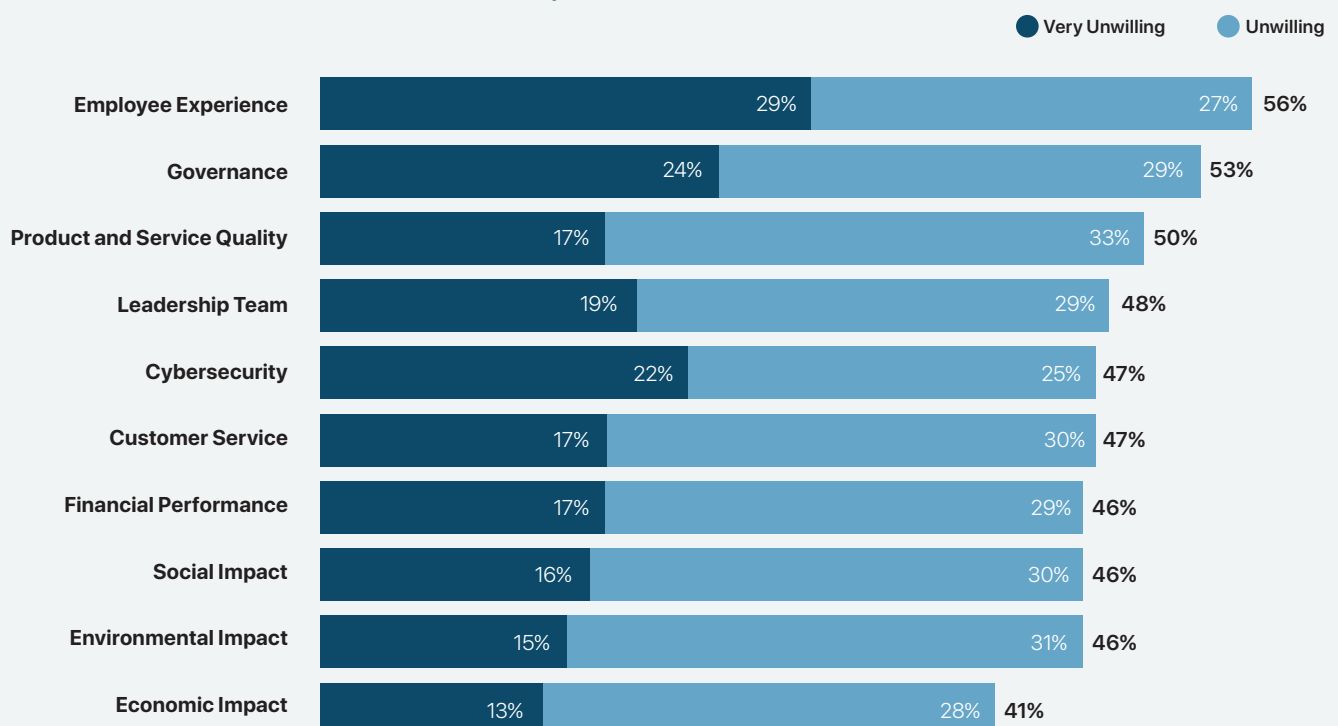
In an illustration of how this divided our survey, across all three of these criteria on average across Asia Pacific, over a third of respondents said that they would still be willing to work there even if there had been negative attention.

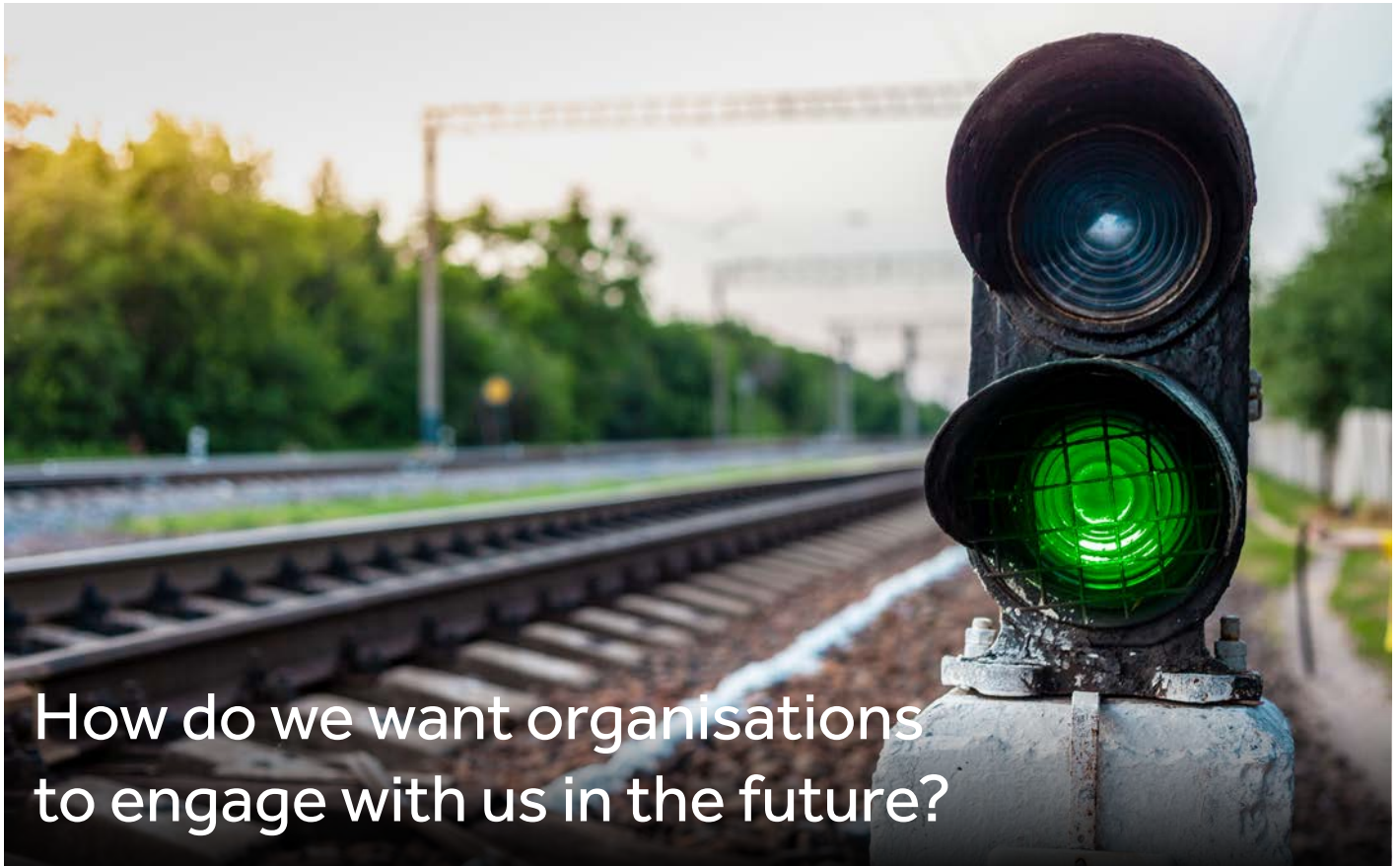
When combined, negative attention around ESG-related factors (**Environmental Impact**, **Social Impact**, and **Governance**) would cause 68% of people across Asia Pacific

to be unwilling to work for an organisation. This highlights the importance again of strong and credible ESG and sustainability communications.

A strong employer brand helps you stand out from the crowd and ensures you have a stronger pool of applicants for every role you recruit for. The study shows how divided we are on the importance of reputation to an employer's brand, but across the board, reputational issues would cut applicants by around half for those who would be 'unwilling', or 'very unwilling' to apply to company that had received negative media or social media coverage on key issues.

**Figure 8: How willing are you to work as an employee for an organisation that has received negative attention in the media or on social media channels on the reputation drivers?**





## How do we want organisations to engage with us in the future?

**Overall we see that people want organisations to engage with them. Just one in ten respondents (10%) said they don't want companies to engage with them.**

Although, there are marked differences between markets, with consumers in China, India, Indonesia, the Philippines and Vietnam very open to engagement, with just five percent or fewer people saying they don't want companies to engage with them.

This contrasts with markets where there is greater resistance, including Australia (27%) and Japan (18%), which both have sizeable minorities who don't want companies to attempt any engagement.

When asked about how they would like companies to engage with them in the future, the majority (56%) say they would like to see **'better use of technology'** and a large minority (47%) say they would like a **'more personal touch in communication'**. The first illustrates that people want smarter

use of technology in their engagement with companies and of course they want to have trust that their data is secure. The second finding reinforces that people want content that is relevant to them, as well as wanting that communication to be personalised.

### **Governments most responsible for promoting and delivering sustainability**

At COP26 the 2021 UN climate change conference in Glasgow, much of the debate focused on who is responsible for accelerating action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. Of course, it is the responsibility of every government, organisation and ultimately each of us to make the changes needed, but who do people across the region believe is responsible?

Our survey asked people who they believe is most responsible for ensuring and promoting the future economic, environmental, and social sustainability. The answer was clear, with over two thirds (68%) of our respondents across Asia Pacific saying their **Government** should be 'very responsible' (see Figure 9).



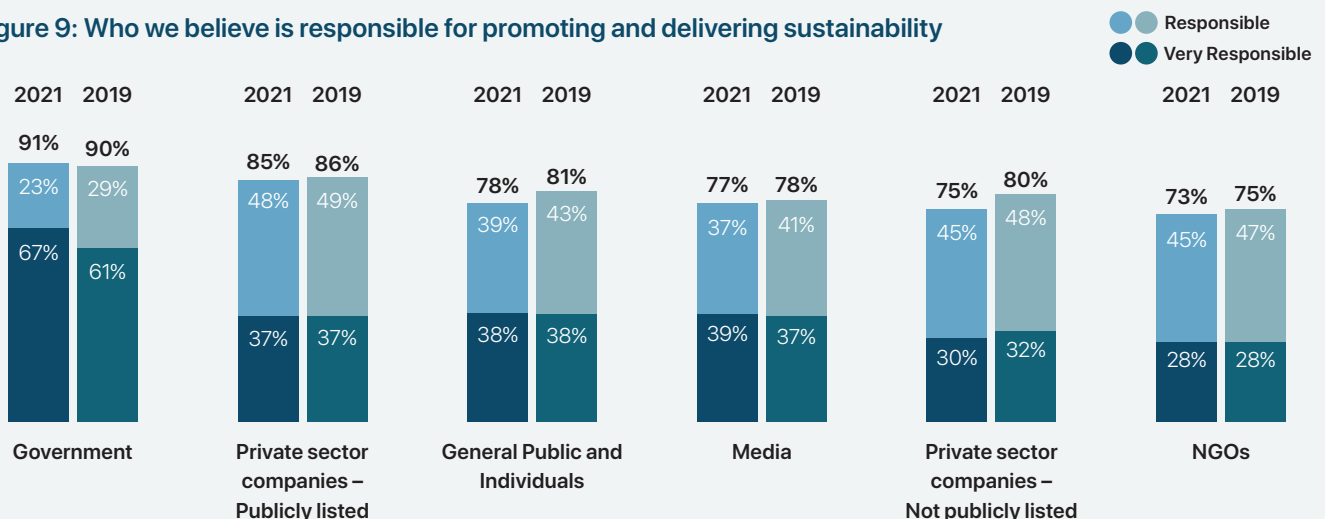
Every market ranked their government considerably higher than all other groups. Vietnam is the market where this is highest (84%), while Singapore is at the other end of the spectrum, with just over half of respondents (53%) believing the government should be 'very responsible'.

The study found little increase from our Consumer Expectations Index in 2019, when 61% of Asia Pacific consumers believed **Government** should be 'very responsible' for ensuring and promoting future economic, environmental, and social sustainability, this now stands at

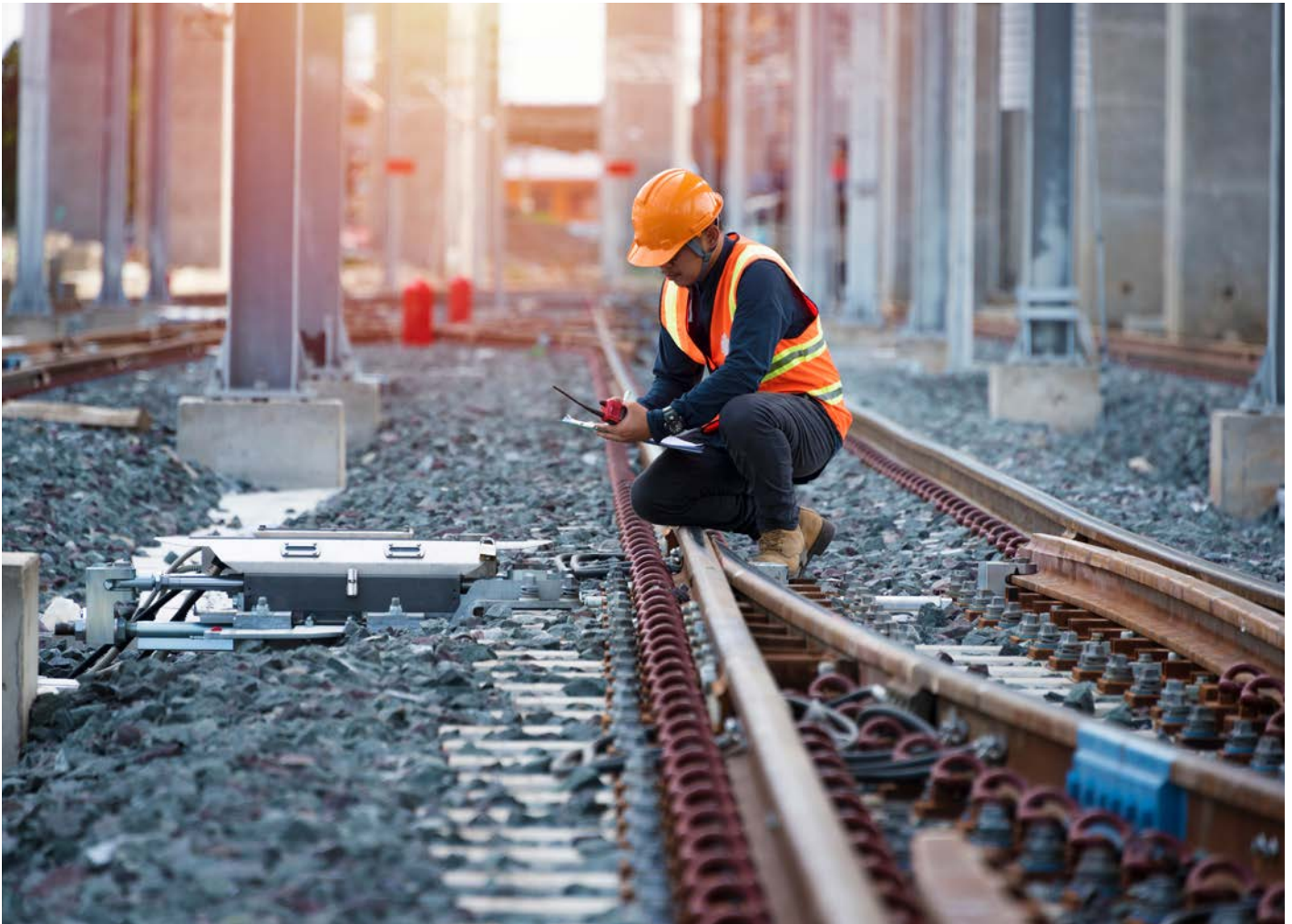
68%. A clear sign of the increased public expectation, which will in turn lead to pressure on governments to step up and act around promoting, and most likely introducing further regulation, to encourage economic, environmental and social sustainability.

Overall, across Asia Pacific 60% of people now believe that countries should prioritise environmental protection over economic growth, which is up from 57% in our previous survey in 2019.

**Figure 9: Who we believe is responsible for promoting and delivering sustainability**







This is also reflected in the expectations for private sector companies, with even more people seeing this as their responsibility, with 66% believing private sector companies should prioritize the environment over profits – up from 64% in 2019.

The next most prominent groups seen as ‘very responsible’ for promoting and delivering sustainability are **Media** (39%), **General Public and Individuals** (38%), and **Private Companies – Publicly Listed** (37%). These overall numbers hide some real differences between markets, most likely reflecting the different perceptions of this challenge in each market. For example, in Japan over half (56%) of respondents believe their **Government** is ‘very responsible’, but a much smaller number (13%) of people say the **General Public and Individuals** are ‘very responsible’.

Our respondents also ranked ten types of individuals in terms of their perceived power to deliver and promote sustainability. These are: **CEOs, Celebrities, Consumers, Government Officials, Heads of State, Media, NGO Leaders, Online Influencers, Recognised Experts, and Religious Leaders**. While there are differences by age group and market, overall **Government Officials**, followed by **Heads of State** and **CEOs** ranked highest for influence. This demonstrates the opportunity and expectation for the private sector to play an increasingly active role on sustainability issues, led by the CEO.

Figure 10: The top sources of influence by market

	Gen Z	Millenials	Gen X	Baby Boomers
<b>APAC</b>	Government Officials Head of State CEOs	Government Officials Head of State CEOs	Government Officials Head of State CEOs	Government Officials Head of State CEOs
<b>Australia</b>	Government Officials Head of State CEOs	Government Officials CEOs Recognised Experts	Head of State Government Officials Recognised Experts	Head of State Recognised Experts CEOs
<b>China</b>	Head of State Government Officials Recognised Experts	Head of State Government Officials Recognised Experts	Head of State Recognised Experts CEOs	Head of State Government Officials Recognised Experts
<b>Hong Kong SAR</b>	Head of State Govt Officials & Ministers CEOs	Head of State Government Officials CEOs	Head of State Government Officials CEOs	Head of State Government Officials Recognised Experts
<b>Indonesia</b>	Government Officials Head of State Media	Government Officials Head of State CEOs	Government Officials Head of State Recognised Experts	Head of State Government Officials CEOs
<b>India</b>	Government Officials Recognised Experts Head of State	Government Officials Head of State CEOs	Head of State Government Officials Recognised Experts	Head of State Government Officials Charitable & NGO leaders
<b>Japan</b>	Government Officials CEOs Recognised Experts	Government Officials CEOs Media	Government Officials CEOs Recognised Experts	Government Officials CEOs Recognised Experts
<b>Malaysia</b>	Government Officials Head of State Recognised Experts	Government Officials Head of State Recognised Experts	Government Officials Head of State Recognised Experts	Government Officials Head of State Recognised Experts
<b>Philippines</b>	Head of State Government Officials Recognised Experts	Head of State Government Officials Recognised Experts	Head of State Government Officials Recognised Experts	Head of State Government Officials Charitable & NGO Leaders
<b>Singapore</b>	Government Officials Head of State CEOs	Government Officials Head of State Recognised Experts	Government Officials Head of State Recognised Experts	Government Officials Head of State Charitable & NGO Leaders
<b>Thailand</b>	Government Officials Head of State CEOs	Government Officials Head of State CEOs	Government Officials Head of State CEOs	Head of State Government Officials CEOs
<b>Vietnam</b>	Head of State Govt Officials & Ministers CEOs	Head of State Government Officials Charitable & NGO Leaders	Head of State Government Officials CEOs	Head of State Government Officials Recognised Experts





### What if something goes wrong? Be transparent, fast and empathic

We all know things go wrong for companies, it's a part of doing business and improving products and services. Communication and marketing teams play a critical role in planning and preparing an organisation for this, they invest in building reputation capital during good times, put in place incident or crisis management plans, and align processes with other teams and colleagues, but how do you best approach some of these big communication decisions? What should be your guiding principles?

As part of the survey we asked respondents how likely they are to be more understanding of an organisation that has done something wrong, if a range of six factors are true.

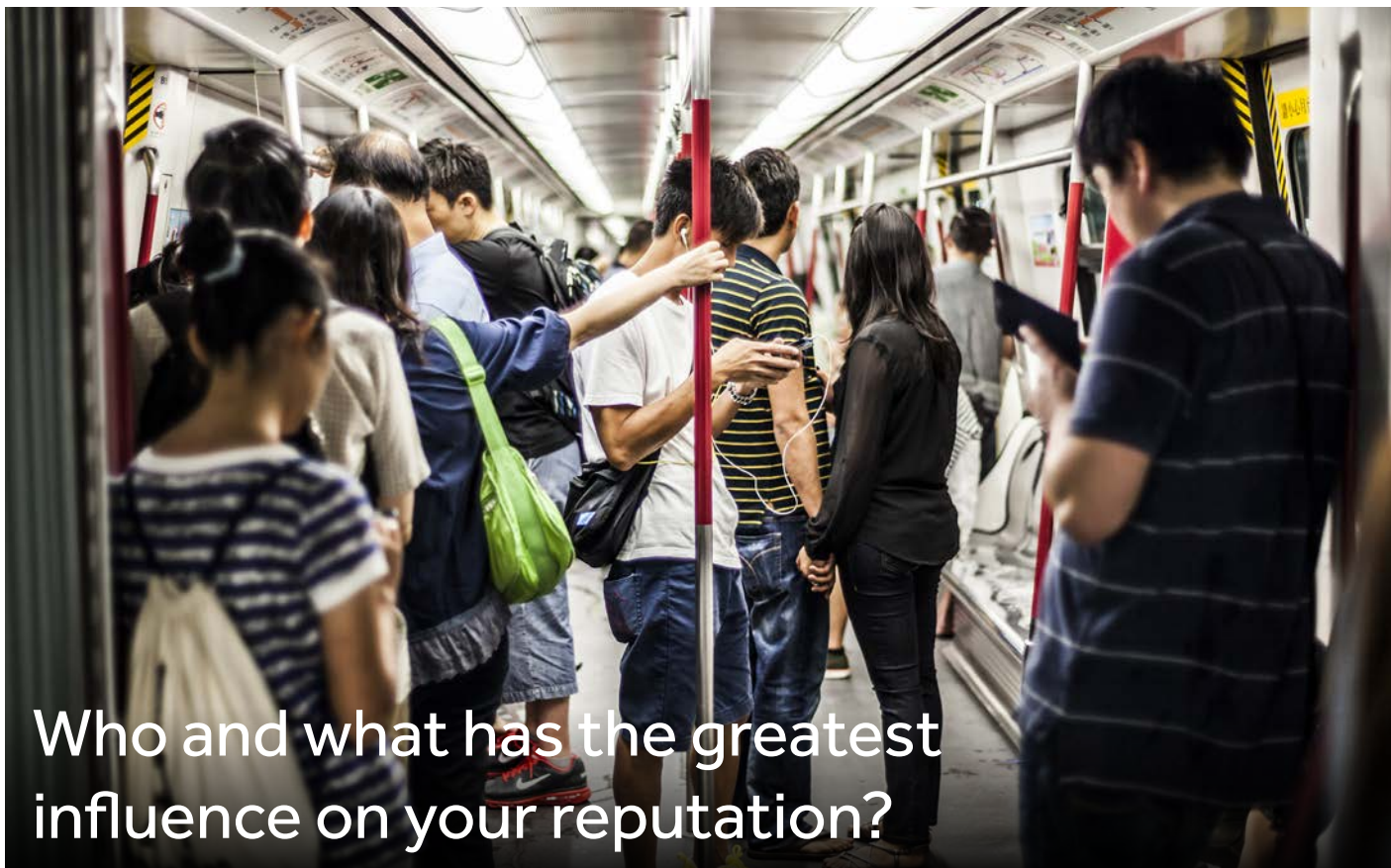
The six factors we asked people to consider are **Track Record**, **Community Impact**, **Leadership**, **Transparency**, **Empathy**, and **Speed of Response**. The findings definitively show that responsible behaviour and action by an organisation both in advance of and during a crisis or issue has a positive impact on people's perceptions of it. Only a small percentage of people (circa 10%) across Asia Pacific across all six factors are unlikely to be understanding.

### Which factors are most important in a crisis?

**Transparency** is the factor that stands out as having the most impact. Our survey found 85% of people across the region are likely to be more understanding of an organisation that has been genuinely honest about what has occurred and its shortcomings, including 40% who would be 'very likely'. Transparency is also the factor where fewest people (9%) said they would be 'unlikely' to be understanding of the organisation.

The next most important factors in people being more understanding of an organisation that has done something wrong are **Speed** and **Empathy**. How quickly your organisation responds saw 83% of people across the eleven markets say they would be likely to be more understanding. While 80% say they are likely to be understanding of an organisation that is empathetic and apologises to those affected.





## Who and what has the greatest influence on your reputation?

We also looked closely at which sources of information are having the greatest influence on people's opinions and beliefs across the region.

We asked people to rank 18 different information sources from highly influential to not influential at all. The five leading sources of influence across the region are opinions by **subject matter experts**, **family recommendations**, **government research**, **independent research houses** and **customers reviews** (see Figure 11). The five least influential sources are **politicians and celebrities**, with a quarter of people (25%) saying that neither influence their beliefs, followed by **social media influencers** (23%), **online advertising** (16%) and **advertising in the traditional media** (13%).

The middle group of eight information sources all have very similar levels of influence and include **online media articles**, **traditional media articles**, **NGO information**, **public body information sources**, **company sources**, **research by private companies**, **employee reviews** and **views and recommendations of friends**.

Illustrated in the table on next page, are the key sources of information influencing people of all age groups across different markets.

### We want to engage with brands that reinforce our world view

When looking at why consumers across the region engage with a brand and its content, the vast majority of respondents (97%) across Asia Pacific say they are likely to engage with a brand or organisation that shares their values or viewpoint (see Figure 12).

The top two reasons for sharing content were chosen by a significant majority of people across the region and they are **newsworthiness** (62%) and **it relates to a cause I care about** (59%), these two were well ahead of the third criteria **it relates to a cause my friends or family care about** (48%). It's worth noting that **it relates to a cause I care about** was the lead reason in five of our markets, Australia, China, India, Myanmar and Singapore.

**Figure 11: Which individuals we believe are responsible for promoting and delivering sustainability.**

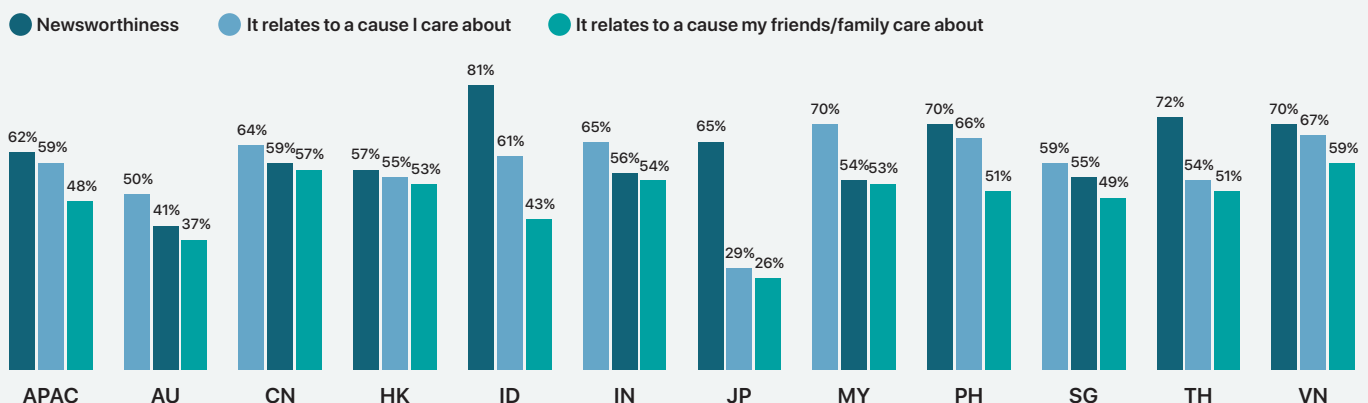
	Highly Influential – Their opinion strongly influences my beliefs and opinions	Influential – Their opinion generally influences my beliefs and opinions, but I can still be swayed	Somewhat Influential – Their opinion only occasionally impacts my beliefs and opinions	Not Influential – Their opinion does not impact or shape my beliefs or opinions in any way
Opinions given by subject matter experts (scientist)	34%	45%	18%	4%
Views and recommendations of family	31%	41%	23%	5%
Research by governments	27%	41%	24%	7%
Customer reviews	26%	45%	24%	5%
Research by independent research houses	22%	40%	31%	7%
Information sources / websites government, public bodies	22%	45%	25%	8%
Research by private companies	20%	44%	28%	7%
NGO information sources / websites	19%	41%	31%	9%
Online media articles (news websites)	19%	40%	33%	9%
Company information sources / websites	18%	41%	33%	8%
Employee reviews	18%	42%	32%	9%
Advertising in traditional media (newspapers, broadcast)	17%	35%	35%	13%
Advertising online (websites, social media)	17%	34%	33%	16%
Traditional media articles (newspapers, broadcast)	17%	41%	32%	9%
Views and recommendations of friends	16%	42%	35%	7%
Social media influencers	16%	30%	31%	23%
Opinions given by celebrities	15%	28%	32%	25%
Opinions given by politicians	14%	30%	31%	25%

We also asked people which reasons would motivate them to engage with a company or organisation online. The top two reasons given across the region are **content I'm interested to read or watch** (55%) and they **support causes I care about** (51%). The second point reinforces the finding that what people want to share and engage with beyond the newsworthy aspect also reflects their values and issues they care about.

News value and the content relating to a cause that the consumer or their family and friends care about, are by far and

away the top motivators for sharing content via social media and through word-of-mouth and this is a finding across all age groups. This is important in relation to the fragmentation of media, the rise of citizen journalism and indicates what organisations now need to consider when they develop their communication strategy and messages. You should develop news and content which your customers care about and which allows them to project their values.

**Figure 12: Which of the following reasons motivates you to share news and information with your peers via social media or word-of-mouth? Select all that apply.**





## A generational divide in news sources

When looking at the responses between different age groups, a clear divide can be seen between younger and older generations. While Gen Xers and Baby Boomers are more focused towards traditional news sources, social media channels are by far the top news sources for younger generations. For example, 44% of Gen Zers identify social media as their top channel for news, while only 13% of Baby Boomers do so (see Figure 13).

Given the vastly different ways in which these channels operate to disseminate information, this amplifies the importance of the channel when navigating media fragmentation for communicators, and reinforces the need for organisations to specifically invest in being relevant to younger generations – whether they are the target customers of today or not.

**Figure 13: News sources by generation**

Gen Z	Millennials	Gen X	Baby Boomers
<b>Social media</b> – 44% (includes 14% Facebook, 8% Twitter, 6% Instagram, 8% YouTube)	<b>Social media</b> – 30% (includes 13% Facebook, 3% Twitter, 3% Instagram, 6% YouTube)	<b>Online news</b> – 31%	<b>TV news</b> – 34%
<b>Online news</b> – 20%	<b>Online news</b> – 26%	<b>TV news</b> – 28%	<b>Online news</b> – 26%
<b>TV news</b> – 16%	<b>TV news</b> – 23%	<b>Social media</b> – 18% (includes 8% Facebook, 2% Twitter, 2% Instagram, 4% YouTube)	<b>Print</b> – 14%
<b>News mobile apps</b> – 10%	<b>News mobile apps</b> – 10%		<b>Social media</b> – 13% (includes 5% Facebook, 4% YouTube)
			<b>News mobile apps</b> – 9%



## Counting on reputation capital

**With the increasing availability of data and technology to assist analysis, the viewpoint that reputation is intangible and its impacts on business outcomes cannot be measured is being increasingly challenged.**

While the broader marketing profession has quickly embraced new advances in data and analytics to quantify the bottom-line value of investments in brand and marketing activities, communications teams have been slower to do so.

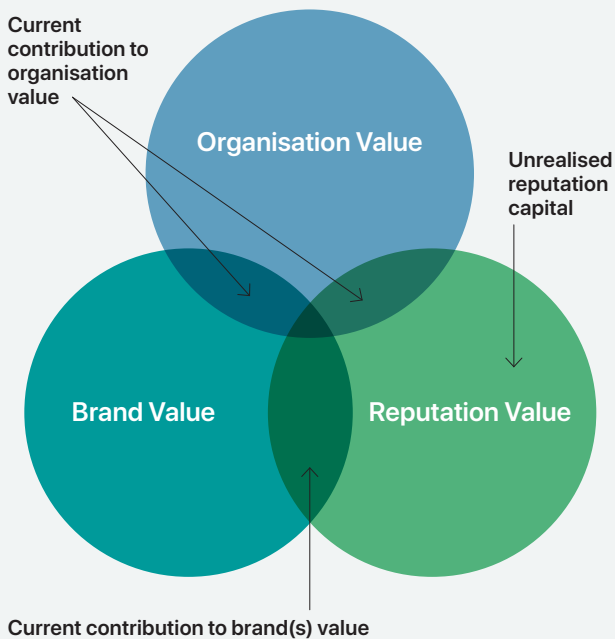
This may be due to marketers generally taking up the lion's share of company reputation and brand budgets, with the work of communications teams in areas such as reputation management being generally less well understood and as a result attracting less investment. For many, even the distinction and difference between brand and reputation value is not well understood, or even recognised at all.

However, this study reaffirms what we all know that an organisation's reputation plays a large and increasingly critical role in areas such as customer and stakeholder behaviour, and ease of doing business, and as such it deserves at least equal attention.



Brand and reputation are not the same, and while there are crossovers, the current brand valuation models do not fully account for the full extent of reputational value that may be realised (Figure 14, see below).

**Figure 14:**



We believe that in Asia Pacific and everywhere, an effective communications strategy needs to clearly link communications and reputation outputs and outcomes to business outcomes, and ideally in a way that demonstrates real, tangible and

measurable value. This will be increasingly important, as the communications channels and sources of influence continue to diversify. The growing importance of cyber and data security as a driver of reputation is a good example of a technical area that communication teams should be tracking and measuring as part of their communication planning.

Sandpiper's view is that to be effective, reputation measurement should always begin with clearly identifying, understanding, and prioritizing the target audiences. From this starting point, work can be done to quantify the value of these relationships (today and in the future), how further value can be realised for the organisation, and the data and mechanics required to measure success.

This process should ideally occur at the outset of any strategic planning or programme, with technology, systems and processes set up to enable continual and ongoing evaluation. By taking an audience-centric approach, communications teams can avoid being blinded by potentially arbitrary, and often internally-devised, objectives that may miss important insights and not actually best serve the organisation's needs in the long-run.

Finally, while there is a vast and growing range of tools available, which can be incredibly helpful, it is important that approaches to insights, measurement and evaluation are bespoke. No two organisations or communications challenges are exactly the same. Time invested in tailoring a custom-fit measurement approach will offer clarity on where and how to best build reputation capital to unlock the largest impacts.



# Recommendations for building your reputational capital

**Our objective with this report is to provide insights on how reputations are defined, identifying key trends for leaders and communicators to manage and improve their strategy in 2022.**

For this study we were determined to recommend practical steps for corporate affairs, communication and marketing teams to take in the planning and development of their communication strategies. Below we set out seven pieces of advice you should be following in order to enhance trust in your organisation and invest in your reputation capital in 2022.

1

## **Reputation is no longer one or two dimensional – you must plan accordingly**

The study shows how we build and develop our reputation and invest in our reputational capital is becoming more multi-dimensional, with a much wider range of factors holding almost as much influence as product and service.



**Recommendation:** Embrace the multidimensional aspect of communicating reputation in 2022 and develop a plan and measurement tools that track your reputation looking at all the key drivers. Include the full range of reputation drivers and detractors when developing and tracking your strategy, to ensure you make the most of opportunities, as well as identifying where you face challenges.

2

## **Develop a comprehensive communications plan for your cyber and data security**

Cybersecurity is now much more than just a hygiene factor, it is the most important reputation driver across the region and a key element in consumer purchasing decisions. In two market segments, Financial Services and Technology it is the top factor, but is now a top four factor across every sector in Asia Pacific. We expect this driver to become more important over the next few years, so while it is a theme that is unlikely to set the pulse racing, it is fundamental to your reputation capital.



**Recommendation:** Define clear position and strategy for communicating your data and cyber security credentials. Ensure cybersecurity alongside

products and services and financial performance, as a key consideration in your reputation framework. If one is not already in place, consider a regular workshop or working group with the relevant team in your organisation responsible for cyber and data security to assess your risks as well as identifying your opportunities in this area.

3

## **Ensure your sustainability and ESG position is relevant to your customers**

While we believe the government is most responsible for ensuring and promoting the future economic, environmental and social sustainability, our expectations for companies in particular listed ones are also high. As organisations seek to address the challenges of climate change and it's economic and social impact it will be critical to look at educating consumers about sustainability differentors, including the importance of net zero and carbon neutral products and services.



**Recommendation:** Include communication of your corporate and or product values in your communication strategy. The research shows it is now essential to clearly communicate your ESG and sustainability principles and commitments to your customers. It is essential for marketing and communication teams to ensure their story and the values focus is aligned and reflects the reality of the business and its operational footprint. Your campaigns and content must reflect your values.

4

## **Technology and personalisation**

Our findings show better use of technology, combined with greater personalisation in your communication is essential. These are the top two requirements people have for how organisations engage with them in the future. Every marketing and communication function should be evaluating how they use technology in a smarter way and how they deliver a more personalised message to their stakeholders.



**Recommendation:** It's critical you understand your technology requirements and how you can be smarter in communicating with your customers and stakeholders to ensure communication is more personalised. We recommend doing audits of your current use of technology in client and customer communication as well as independent assessments of how personalised that communication is.



5

**Transparency still best**

The research reinforces a 'truism' of communication that taking a direct and straightforward approach is not just the right thing to do sometimes, it is the best in terms of building your reputational capital.



**Recommendation:** For your crisis planning, ensure your principles include the need to demonstrate you are transparent, respond fast and empathically if there is an issue or crisis. For your sustainability and ESG communications, ensure that your claims are supported by the reality and backed up with the facts. There will be an increasing expectation that organisations, support their economic, environmental sustainability, and social with auditable and measurable criteria.

6

**Rise of experts – who are yours?**

The survey highlights the increasing influence of experts and government (pre- and post-COVID) and this in turn has led to high expectations of our governments – people trust experts, and they trust them across Asia Pacific. You must include your experts as part of your communication planning.



**Recommendation:** Identify the experts that you have inside your organisation, as well as those outside who know you well. Do you have experts that can cover all the reputational drivers? It is essential you have experts that map to the reputational drivers, this is now fundamental to planning and investing in your reputation capital.

7

**Measure, measure, measure**

In an increasingly complex environment for reputation management, greater investment is needed but this will not be forthcoming without being able to demonstrate results. Building a bespoke and audience-centric measurement approach will unlock the greatest value.



**Recommendation:** You have defined your strategy and you're now focused on implementing your plan, we believe it is essential that you invest time and effort to develop measurements that will link your reputation capital as closely as possible with bottom line, business results.



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