



Emerging Threats to Corporate Reputation

Insights into the Shifting Landscape

Fall 2023 Nexus Survey



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Morgan State shooting

Kaiser strike

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Kevin McCarthy out

Powerball

Target becomes latest company to suffer backlash for LGBTQ+ support, pulls some Pride month clothing



The New York Times

Is the Inflation Battle Won? Not Yet.

Inflation has come down from its 2022 heights, but economists are worried about its stubbornness.

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BUSINESS

Corporate DEI initiatives are facing cutbacks and legal attacks

August 19, 2023 · 7:01 AM ET

Andrea Hsu

3-Minute Listen

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The Washington Post

Democracy Dies in Darkness

Strikes spiked in July, as workers seek higher wages to keep up with inflation

By Lauren Kaori Gurley

Updated August 4, 2023 at 5:43 p.m. EDT | Published August 3, 2023 at 6:00 a.m. EDT



 Pew Research Center

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JULY 27, 2023



Americans name China as the country posing the greatest threat to the U.S.

BY NAM LAM AND LAURA SILVER

Negative views of China [have become more common in the United States](#) in recent years, and a new Pew Research Center survey shows that Americans also widely see China as the greatest threat facing their nation.

The Washington Post

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The growing battle over corporate diversity practices, explained

The recent Supreme Court decision on affirmative action in college admissions emboldened objectors to corporate DEI practices. Here's what might change.

By Taylor Telford

October 2, 2023 at 7:00 a.m. EDT

THE HILL

Here's a great example of why people distrust the media

BY DEREK HUNTER, OPINION CONTRIBUTOR · 07/26/23 8:00 AM ET

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MEDIA

Bud Light's Dylan Mulvaney problem won't cripple Anheuser-Busch, but will tarnish reputation, experts say

'We had [a] person that said, 'Get me out of that stock,' Oxygen Financial CEO Ted Jenkin said

 By Brian Flood , David Rutz · Fox News

Published April 14, 2023 4:00am EDT



May 23, 2023 - Economy & Business

Disney's reputation hit by polarizing political drama

 Margaret Talev, Sara Fischer

Starbucks is leaving Russia.

The coffee chain said it had closed 130 stores in the country, where a licensing partner employs about 2,000 workers, and ended its brand presence there.

CNN BUSINESS

Audio

Markets →

DOW

32,906.05

0.29% ▼

S&P 500

4,225.70

0.09% ▼

NASDAQ

13,108.29

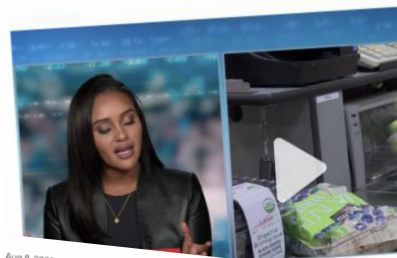
0.37% ▲

Fear &

First on CNN: Two out of three say prices are still rising fast, wages, new survey shows

By Matt Egan, CNN

Published 2:15 PM EDT, Mon September 25, 2023



Aug 8, 2023 · Technology

U.S. public opinion is even on AI

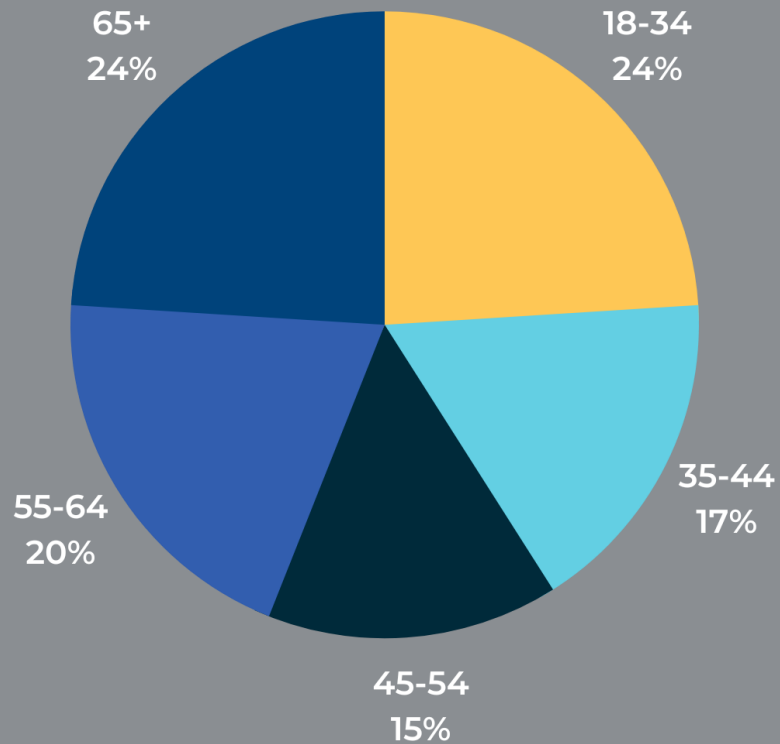
 Ryan Heath, author of [Silicon Ali](#)

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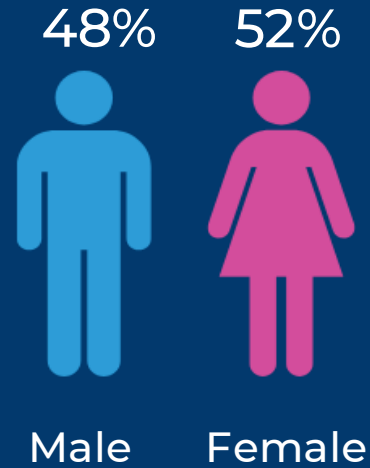
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DEMOGRAPHICS

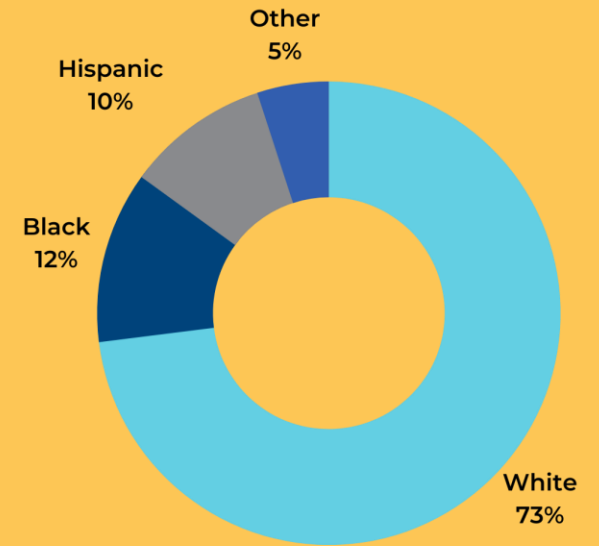
AGE



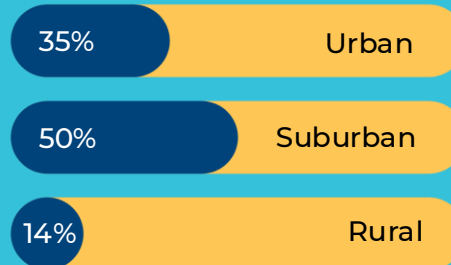
GENDER



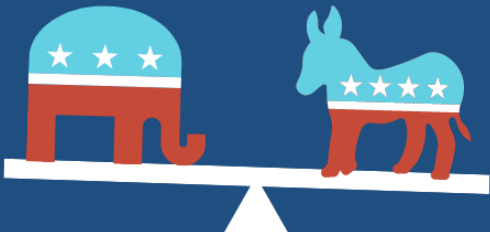
RACE / ETHNICITY



GEOGRAPHY



EDUCATION



31%
GOP

32%
IND

35%
DEM

Americans have a cost-oriented lens that is influencing larger perceptions.

Consumers are more concerned with the economy, with a renewed focus on the (higher) cost of living and the price of goods. As a result, there is:



Increased attention on what is core to a company's business



Pessimism and distrust towards big business and other elite institutions



A willingness to support companies that are transparent and focused on fundamentals, like quality of goods and services and treatment of employees





KEY FINDING 1:

**Get Back to
the Basics**

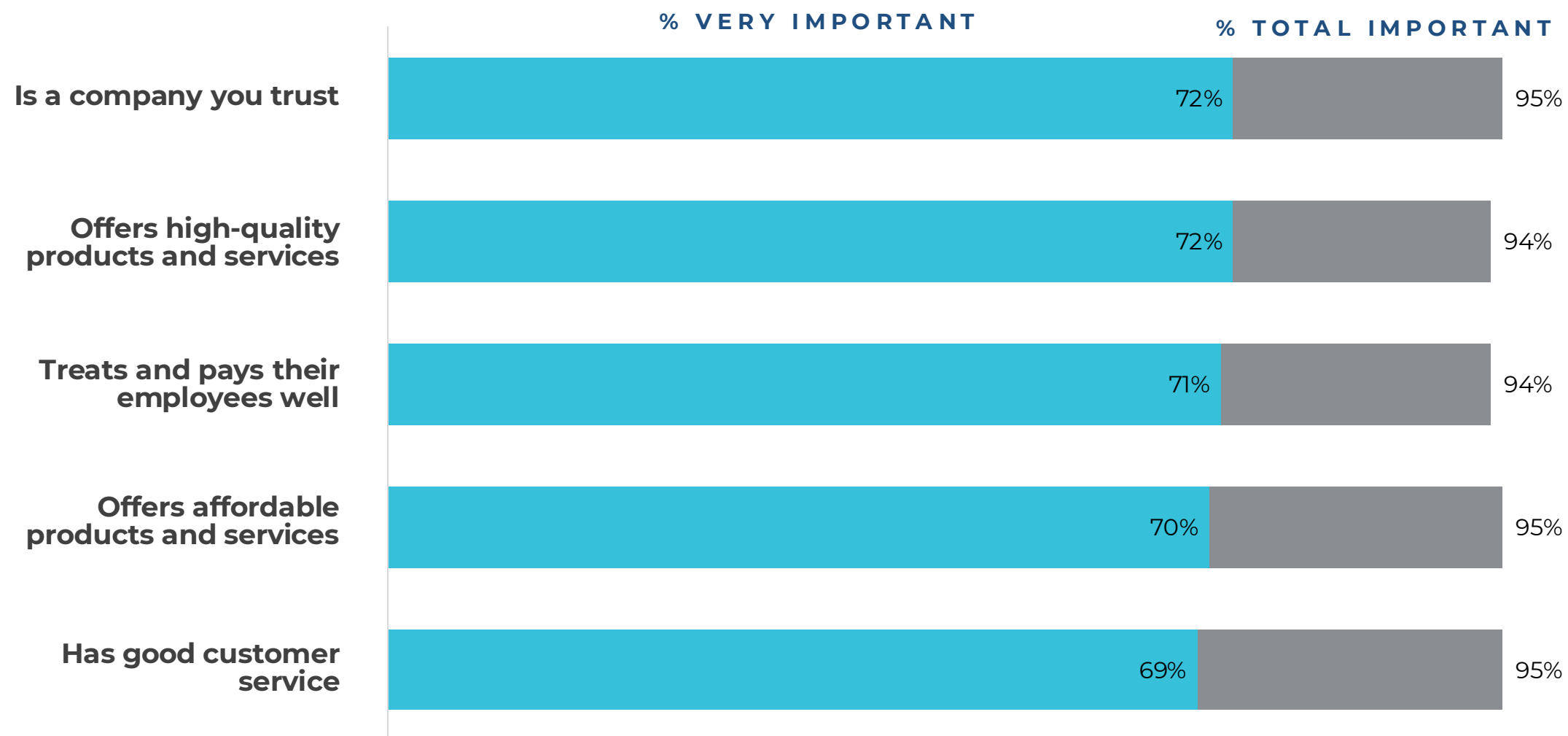
Inflation and rising costs top the issue agenda among voters.

	Total	GOP (31%)	IND (32%)	DEM (35%)	18-34 (24%)	35-44 (17%)	45-54 (15%)	55-64 (20%)	65+ (24%)	White (73%)	Af. Amer (12%)	Hisp. (10%)	Non-White (25%)	Urban (35%)	Sub. (50%)	Rural (14%)
Inflation and rising costs	53%	55%	59%	47%	52%	59%	54%	50%	52%	53%	49%	59%	54%	49%	55%	56%
Jobs and the economy	26%	28%	27%	22%	31%	35%	28%	24%	13%	25%	27%	30%	29%	24%	27%	27%
Health care	20%	12%	22%	26%	23%	15%	27%	20%	17%	20%	25%	17%	21%	20%	21%	20%
Environment and climate change	19%	8%	16%	32%	21%	15%	12%	25%	20%	20%	11%	21%	16%	23%	18%	16%
Crime and public safety	18%	18%	15%	22%	16%	15%	16%	17%	24%	16%	34%	15%	26%	21%	17%	16%
Illegal immigration and border security	18%	34%	15%	7%	7%	13%	19%	19%	30%	20%	9%	12%	10%	18%	18%	17%
Abortion	15%	7%	15%	23%	16%	16%	12%	17%	14%	15%	14%	19%	15%	18%	14%	10%
Government spending and national debt	12%	16%	11%	7%	9%	10%	12%	11%	15%	12%	9%	7%	9%	12%	10%	15%
Taxes	7%	8%	8%	5%	10%	7%	8%	4%	4%	6%	10%	8%	9%	7%	6%	8%
National security and foreign affairs	7%	11%	6%	4%	2%	6%	8%	9%	9%	7%	5%	4%	5%	5%	8%	8%
K-12 public education	6%	4%	6%	5%	12%	8%	4%	2%	1%	5%	6%	7%	7%	4%	6%	8%

What drives corporate reputation?



The MOST important attributes of a company with a “good reputation” include:



“

They are socially responsible, pay their employees fairly, are **transparent** in their finances, and contribute to safe environmental policies.

“

A company with a good reputation is **equitable** to its customers and employees of all levels. They should pay a thriving wage and benefits.

“

They keep their products great and their **prices** reasonable.

“

No scandals in the media, strong heritage, good values, takes care of employees, a good place to work.

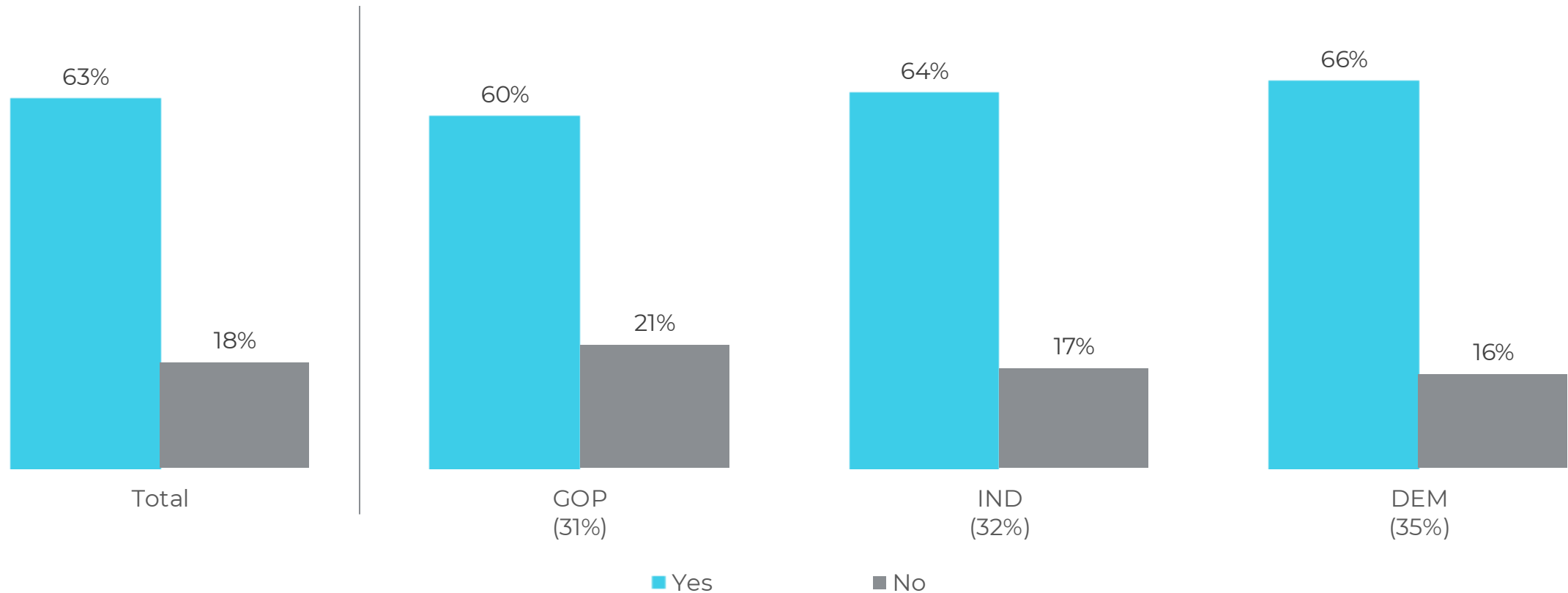
“

A company that cares about the **American worker** and making their products in America.

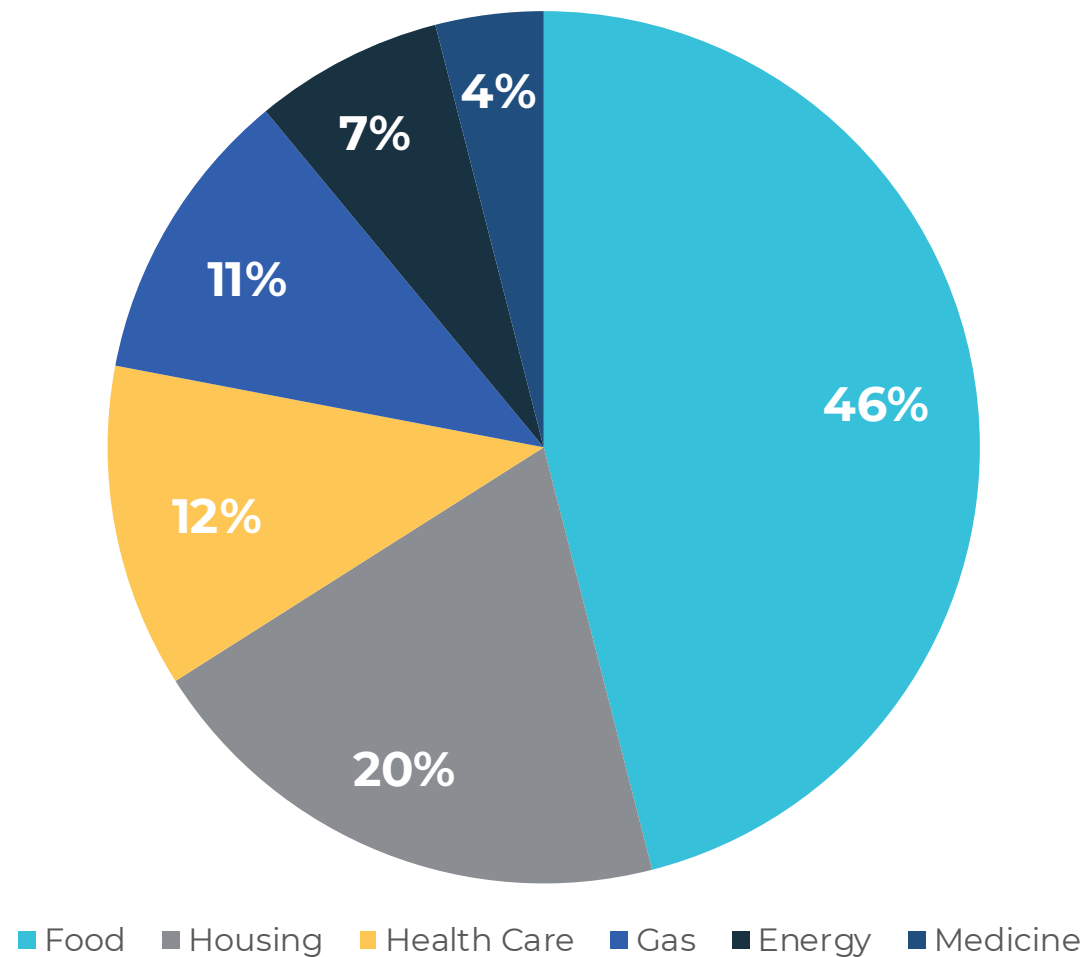
“

Serving their customers **high-quality items** at fair prices and making the customer satisfaction top priority.

Nearly two-thirds of voters across party lines say they are willing to pay more for a product or service with “a good reputation.”



When looking for someone to blame, the margin of error for companies is incredibly thin.



WHAT'S TO BLAME?

35%

Biden & Democratic Politics

32%

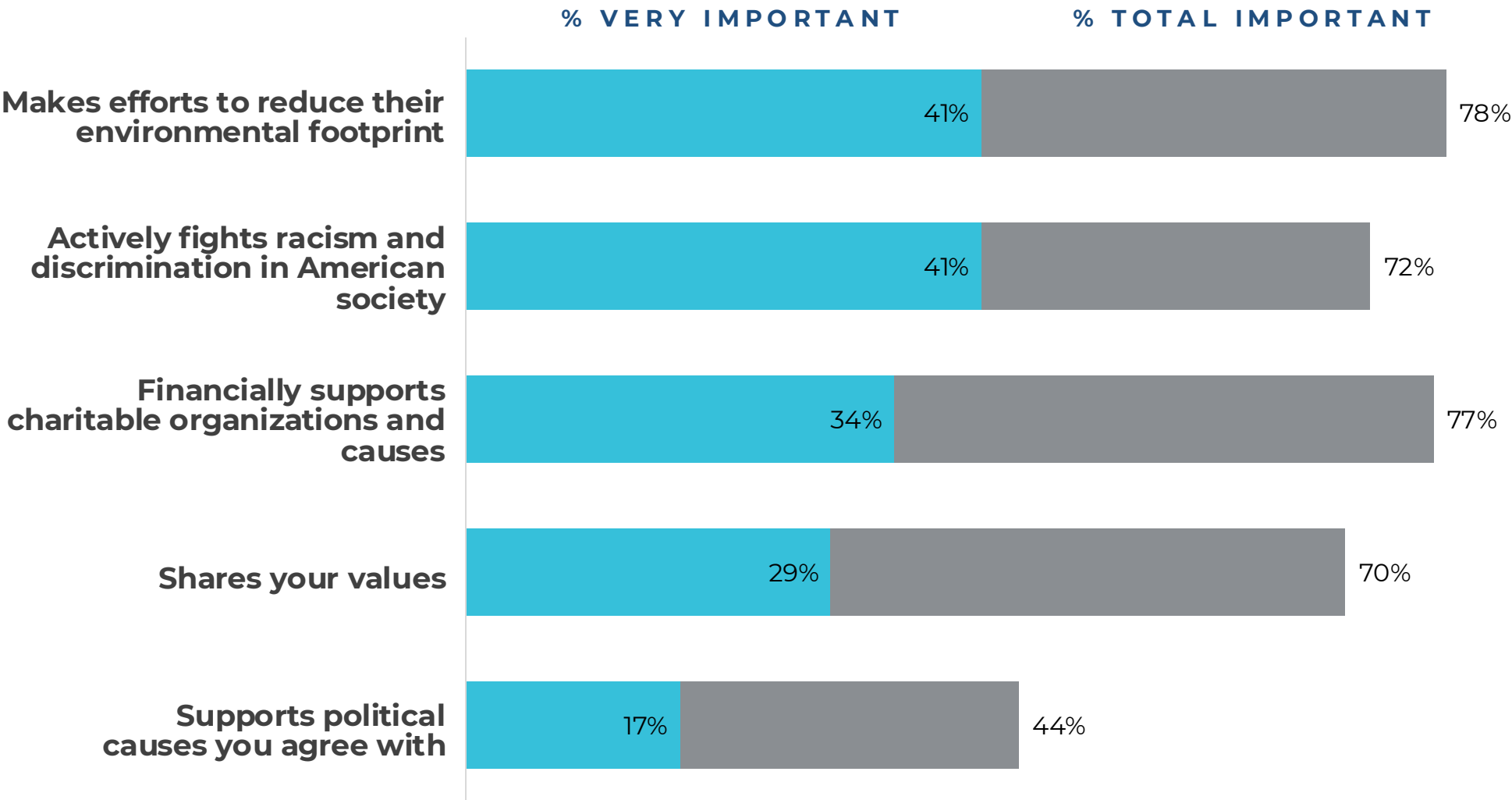
Corporate Greed



KEY FINDING 2:

Pick a Lane

Despite the surround sound, less than half of Americans consider support for political causes when evaluating a company's reputation.

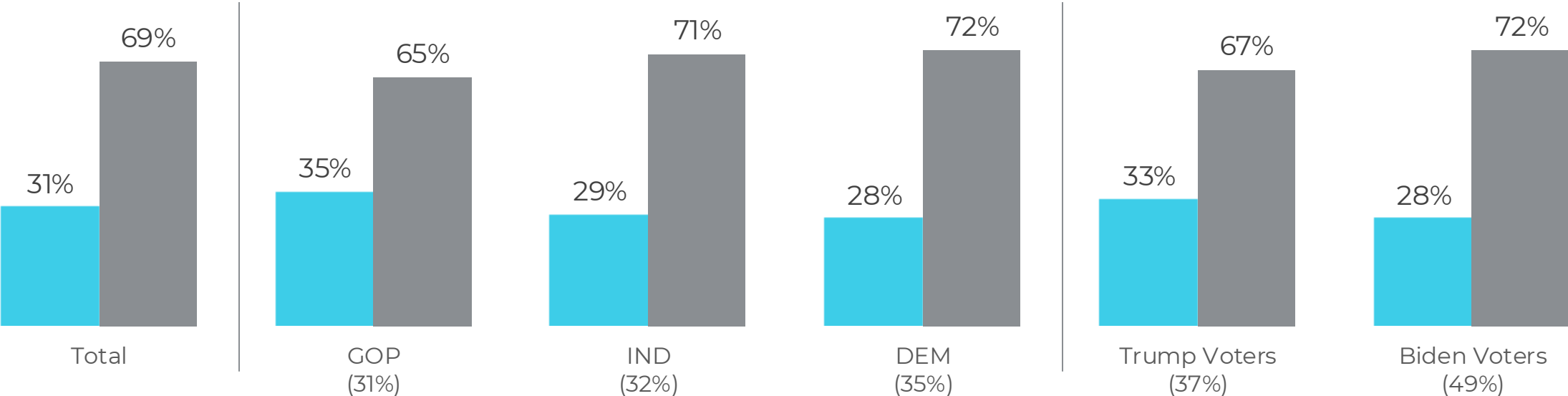


By more than 2-to-1, voters say the government should stay out of deciding what companies can promote politically versus having them work to stop companies who promote a “right” or “left” agenda.

The government should work to stop companies that promote either a "woke" liberal ideology or a conservative philosophy because it is necessary to protect the public interest of all

...Or...

The government should stay out of deciding what companies can promote politically, whether it's on the left or the right because that's not the role of the government

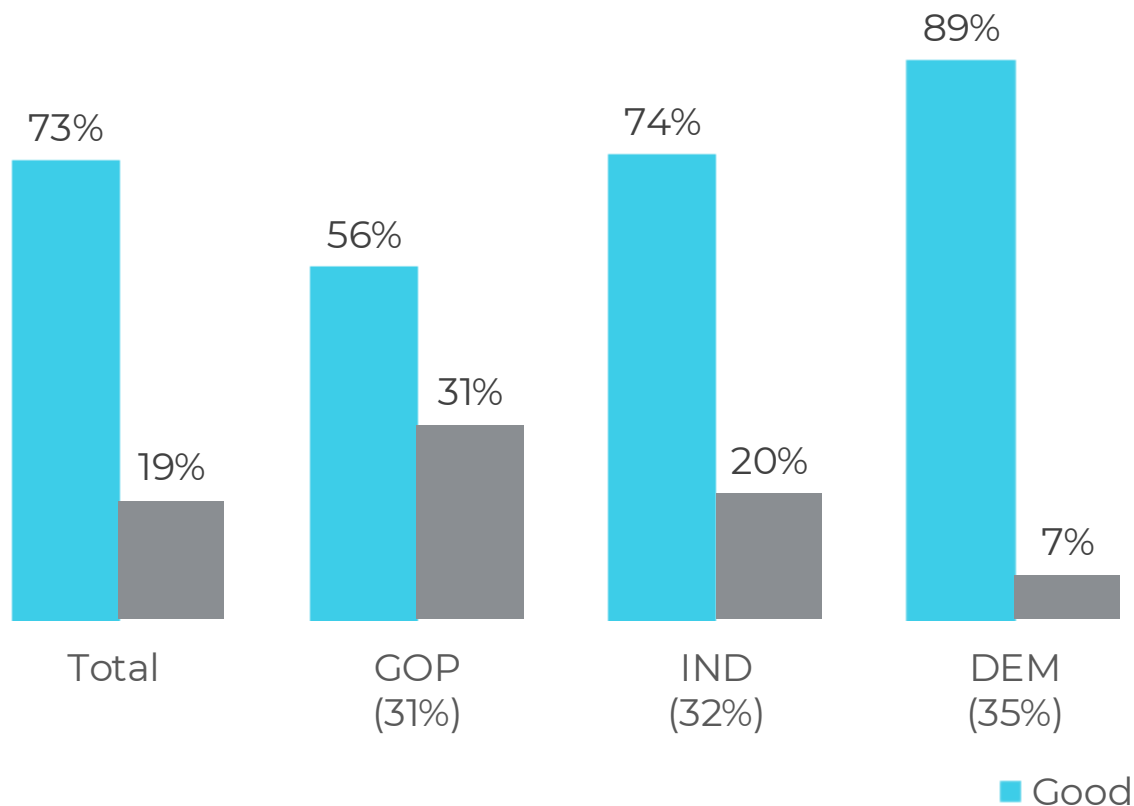


How many Americans will penalize companies for getting political? Enough to hurt.

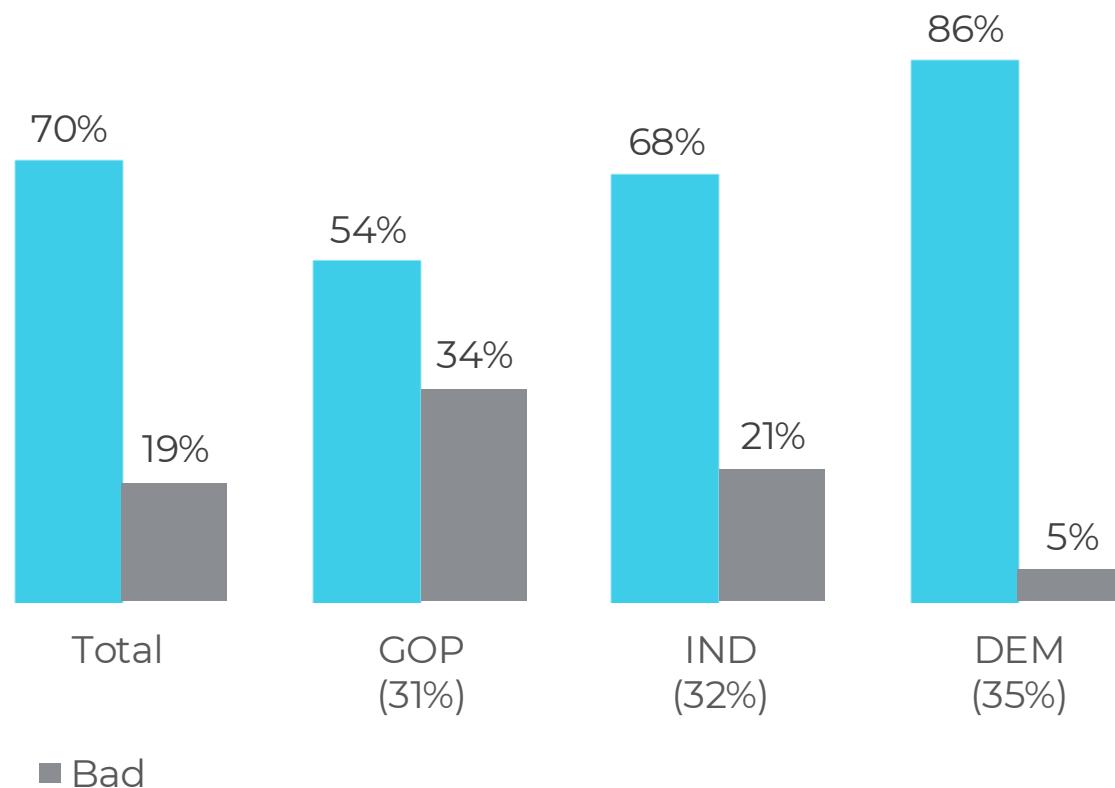
	Total (%Yes-%No)	GOP (31%)	IND (32%)	DEM (35%)	18-34 (24%)	35-44 (17%)	45-54 (15%)	55-64 (20%)	65+ (24%)
Used social media networking sites like Facebook or Twitter to “like” or follow an issue-oriented group, a political organization, or a political candidate or to share news and information about political issues	36%-56%	38%-58%	33%-59%	38%-54%	49%-42%	44%-47%	35%-55%	36%-59%	19%-77%
Boycotted a product or company because of its political record or stance on a political issue	33%-60%	38%-57%	26%-66%	37%-57%	37%-55%	28%-64%	34%-59%	37%-57%	30%-64%
Boycotted a product or company because of its environmental record	20%-72%	18%-76%	19%-73%	25%-68%	24%-66%	22%-68%	17%-74%	23%-72%	15%-79%
Encouraged others in your social network to boycott a product or company	19%-75%	21%-74%	17%-77%	21%-75%	25%-66%	17%-77%	19%-76%	21%-75%	14%-81%

A significant majority of voters say companies focusing on diversity, equity, and inclusion is a good thing for consumers AND the companies themselves.

AMERICAN CONSUMERS

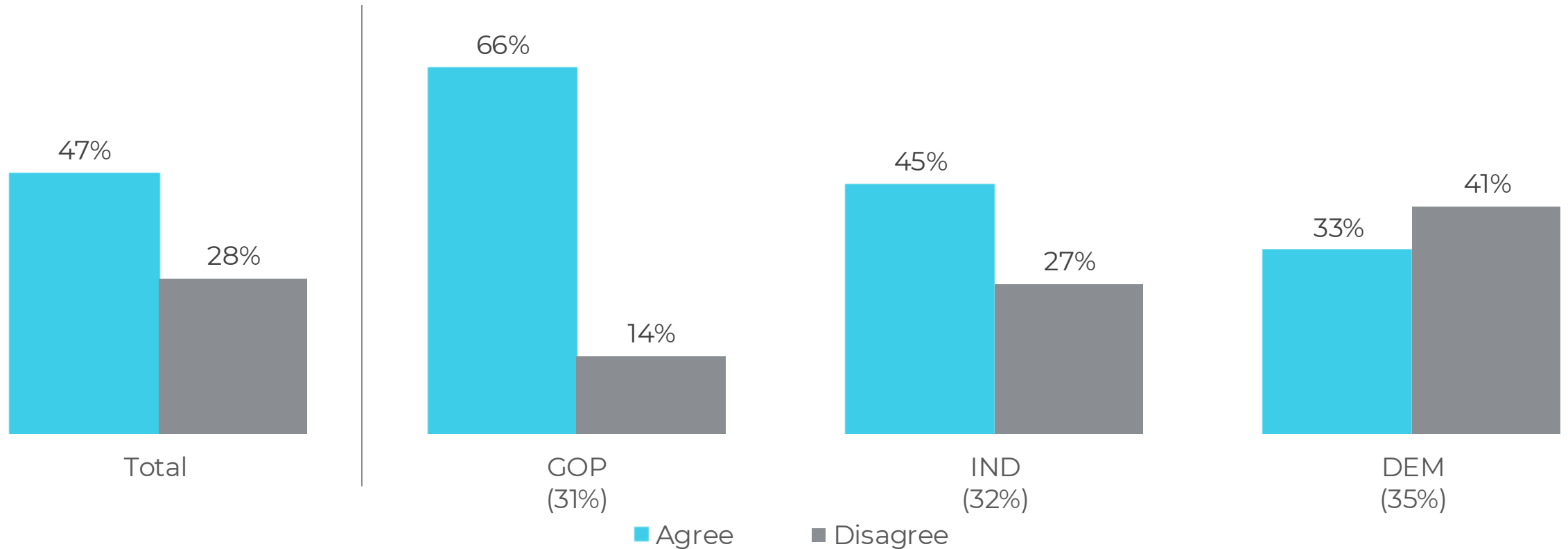


COMPANIES THEMSELVES



But companies must increasingly provide a rationale or a “why.”

I'm skeptical of what DEI goals try to achieve.

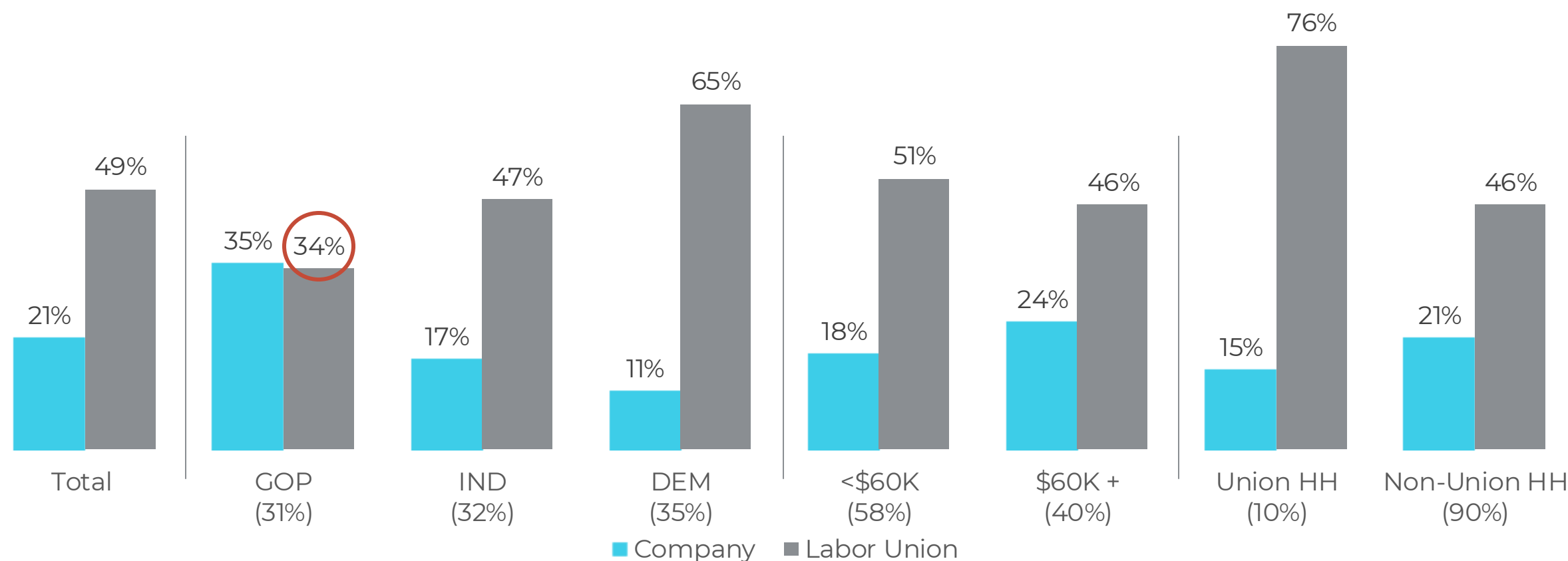




KEY FINDING 3:

**Consider Rising
Support for Labor**

Voters generally side with labor unions over companies when they hear about a dispute, with a nearly even split among Republicans.



Companies must demonstrate that their employees are a priority, even if non-unionized.

EMPLOYEE TREATMENT

48%

WILL PAY MORE

32%

WON'T PAY MORE

UNION-MADE PRODUCT

24%

WILL PAY MORE

50%

WON'T PAY MORE



KEY FINDING 4:

**Be Fortright
About Foreign
Investments**

Consumers understand the importance of investing in overseas businesses and how American companies must maintain a foreign presence for growth.



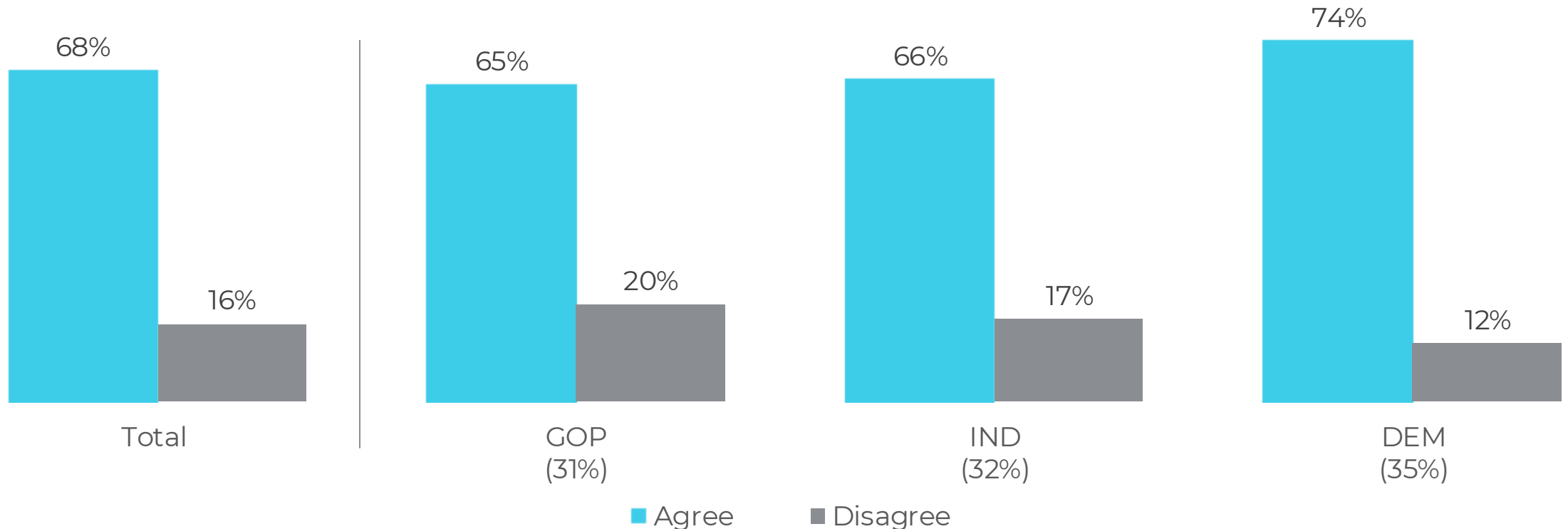
**SUPPORT BUSINESS WITH ANY
COMPANY IN A FOREIGN COUNTRY**



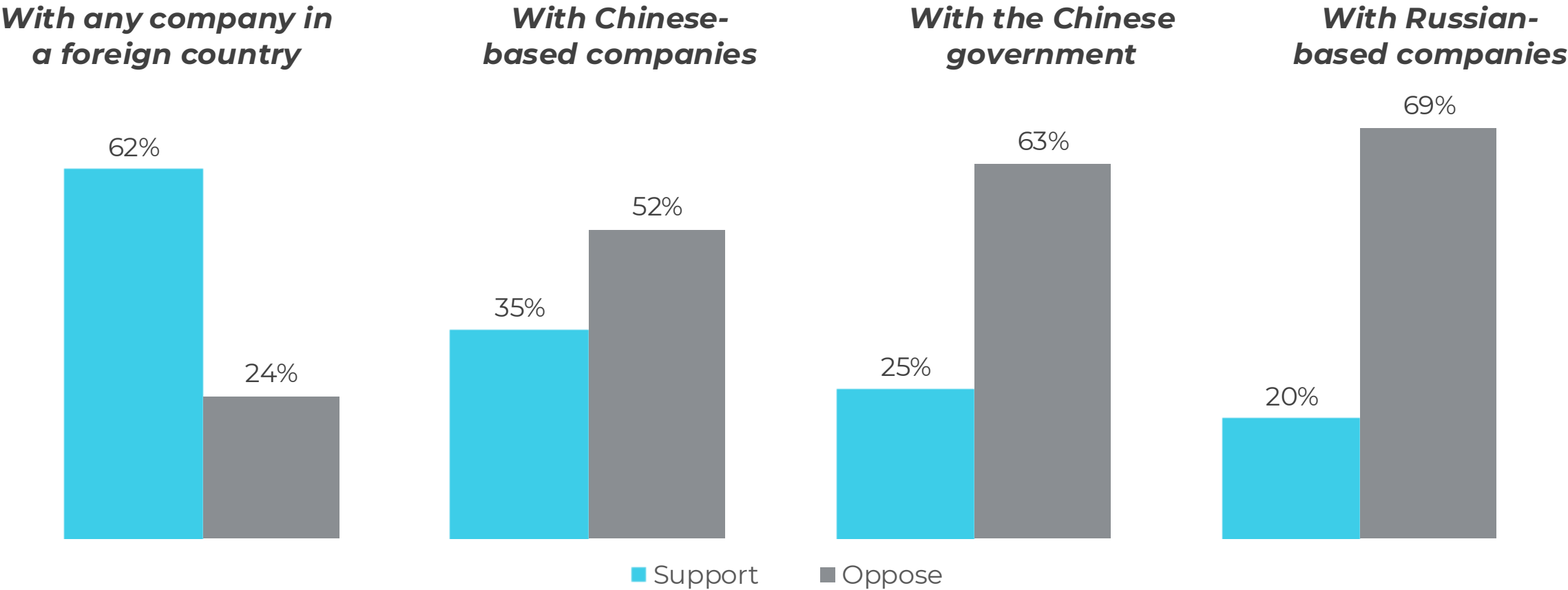
**AGREE CHINA IS AN IMPORTANT
U.S. TRADING PARTNER**

Voters also agree that maintaining a U.S. presence in foreign economies is important, so we don't limit future U.S. profits.

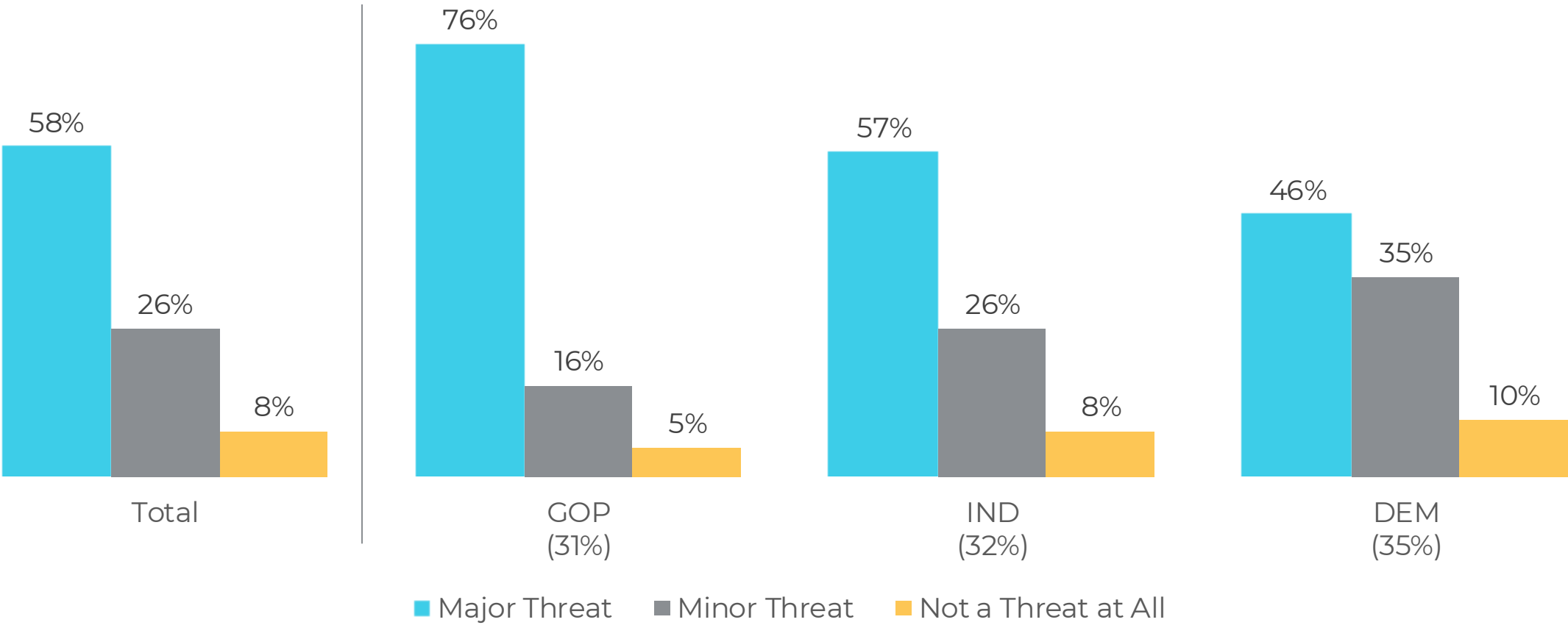
It is important to maintain U.S. presence in foreign economies because limiting foreign investment might limit future U.S. profits



But support for business activity in China and Russia dramatically flips.

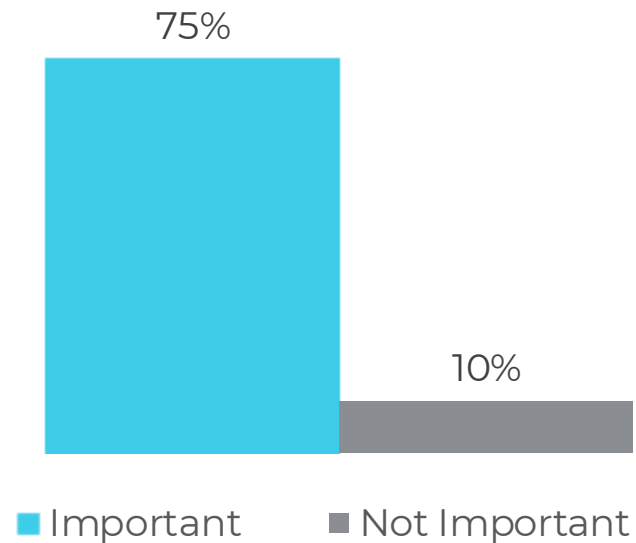


A majority of voters also say China is a major threat to the U.S.



A significant majority believe that China contributes significantly to supply chain problems.

SUPPLY CHAIN PROBLEMS



BARRON'S [September 6, 2023](#)

China De-risking Is Inevitable. To Minimize the Pain, Supply Chains Need a Revolution

FP [August 2, 2022](#)

Companies Are Fleeing China for Friendlier Shores

REUTERS [August 8, 2023](#)

Analysis: No decoupling, but West and China drift apart

The threats surrounding foreign investment have yet to peak.

WHERE SHOULD AMERICAN COMPANIES OPERATE?

49%

Believe American companies' economic operations **should be moved from adversarial countries** like China to places where we have allies.



36%

Believe American companies' economic operations **should not make changes** that could create more supply chain problems for U.S. consumers.



IN CONCLUSION:
Communicate
Your “Why”

Communicate Your “Why”

Pessimism and economic headwinds define consumer sentiment, inviting skepticism about companies' intentions.

Companies must clearly communicate their positions, end goals, concrete actions, and benefits to consumers from the beginning – not after the backlash has already begun.



KEY FINDINGS – IN REVIEW:

1

Get Back to
the Basics



2

Pick a
Lane



3

Consider
Rising Support
for Labor



4

Be Fortright
About Foreign
Investments



KEY FINDINGS – IN REVIEW:

1

Get Back to Basics

When consumers are more preoccupied with their economic outlook, they are less interested in evaluating a company's political or social stances.

Instead, they'll prioritize companies that are transparent, provide high-quality and affordable goods or services, and do right by the people they both employ and serve.

KEY FINDINGS – IN REVIEW:

2

Pick a Lane



Strong corporate reputations should be built upon doing a few things and doing them well – rather than being all things to all people.

Consumers reward traditional attributes like excellent customer service and high ethical standards. Still, they are less favorable toward companies that pursue broad, catch-all policies to move with the political moment.

KEY FINDINGS – IN REVIEW:

3

Consider Rising
Support for Labor

Continued and growing support for unions is clear. Even Republicans are evenly split, with 35% siding with a company and 34% siding with a labor union in a dispute.

Business leaders should consider the potential impacts of growing labor movements and demonstrate how they prioritize employees.

KEY FINDINGS – IN REVIEW:

4

Be Fortright About Foreign Investments



American consumers are distrustful of China but also understand that China is an important global trading partner. It is paramount to clearly and genuinely communicate how these investments benefit consumers while articulating steps taken to protect American workers.

Scrutiny of business ties to China likely hasn't hit a fever pitch, with 75% of consumers believing that China plays a role in our supply chain problems and nearly half (49%) supporting companies moving operations out of the country. Be aware that defiant or definitive statements made today could create greater vulnerabilities in the future.

A large, stylized blue letter 'N' is positioned on the left side of the image. It is composed of two overlapping shapes: a darker blue 'N' and a lighter blue 'N' behind it, creating a layered effect. The background is a solid dark blue.

Questions?

THANK YOU

Ken Spain

ken@narrativestrategies.com

 **NARRATIVE**

NEXUS SURVEY