



FLEISHMANHILLARD



NAVIGATING ZERO GRAVITY

What companies must do to stay relevant in the face of today's issues

FEATURING NEW FLEISHMANHILLARD AUTHENTIC INSIGHTS ON 51 CURRENT ISSUES

*United States Report
October 2018*





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GET COMFORTABLE WITH THE UNCOMFORTABLE.

In 2018, we've seen unexpected issues capture mainstream attention, like tariffs, social media algorithms and immigrant rights. Others like MeToo, gun safety and the national anthem protests are now full-fledged movements. These issues join race relations, gender equity, LGTBQ inclusiveness, data security, climate change and more — all topics that continue to be watched and talked about. But what's different today is the rapid escalation of these topics into explosive headlines, and the polarization of perspectives they produce.



Almost overnight, this phenomenon has created concern for corporate leaders about whether today's issue is the issue they must weigh in on, in response to the chorus of voices internally and externally who care deeply and passionately about it.

Welcome to what we call **"zero gravity"** — an issues-laden environment that quickly tests corporate values and how we do business in a complex environment. It's the zone where every issue in the spotlight feels like a competing force, pulling us in equal and opposite directions. A place where you can't find your footing because the options are loaded with real business risk. Should your company take a stand? When, how and who should speak up? Is the issue just a fad?

ZERO GRAVITY. YOUR NEW REALITY.

This zero gravity zeitgeist is not going anywhere. As FleishmanHillard's latest research conducted by TRUE Global Intelligence shows, we can anticipate more aware, more active consumers on issues that matter to them, often resulting in real financial impact for companies:

Don't support my point of view?

Two-thirds of U.S. consumers say they have often or sometimes stopped using certain products or services because the company's response to an issue does not support their personal views.

Show me. Don't tell me.

47% are less or not at all likely to purchase from companies they believe promise one thing, but act in another way. Those who fail to live up to the values their brand claims to hold dear are putting themselves at risk.

Silence isn't golden.

61% surveyed said that even if they disagree with a company's position on an issue that is important to them, they believe it is important for companies to express their views. If your customer base includes millennials, we found there is even more expectation to speak out (75%).

Today, surviving and thriving depend on how well you know what all the "tribes" in your business are feeling, thinking and doing. Then comes the tough decision-making — how can your company stay true to your values while also being responsive and relevant to diverse groups? It's easier said than done.

FleishmanHillard Authentic Insights powered by TRUE Global Intelligence™ are a starting point for learning about consumer attitudes and their intended actions on the issues of our time. For this report, we surveyed on 51 current issues, spanning cultural, economic, political and societal interests, inviting consumers from a variety of political, racial and sexual orientation groups to participate. (See research methodology for more detail.)

These findings identify the issues companies are expected to take a stand on — issues that are also "extremely/very important" to engaged consumers, the kinds of consumers who are actively engaged with brands. We dove deeper to understand their expectations. We also probed consumer attitudes and behaviors specific to special situations, like disruptive mergers & acquisitions, globalization and data security & privacy concerns.

WELCOME TO ZERO GRAVITY.



KRISTIN HOLLINS
Head of Reputation
Management, Americas

THE TOP LINE

FleishmanHillard's Authentic Insights



We're here to help you identify what's important so you can be relevant in the face of today's issues. Here are the top insights from our latest research:

YOU CAN'T BE A "BLOODLESS BRAND."

61%

surveyed believe it's important for companies to express their views, even if they disagree with a company's position

75%

of those surveyed are millennials within the U.S., who increase that number by 14 percentage points

47%

are less likely to purchase from companies believed to behave in ways that are in conflict with their brand and corporate values

THE BUSINESS STAKES ARE HIGH.

66%

surveyed have stopped using the products and services of a company because the company's response to an issue does not support their personal views

NO, YOU CAN'T PLEASE ALL THE PEOPLE ALL THE TIME. BUT YOU CAN TELL THEM WHY.

43%

of consumers said that if a company explains WHY they have taken a position on an issue, they are extremely or very likely to continue to support them

That means you can maintain loyalty from consumers who might disagree with your position, as long as you explain why you're doing what you're doing and how it relates to your company values.

DESPITE THE POLARITY OF ISSUES, THERE'S STILL A CLEAR PATH TO TAKE TO RETAIN AND GAIN CUSTOMERS OVER TIME.

79% of engaged consumers indicate a high likelihood to continue using products/services from companies who are anticipating the culture, social or economic impact of their products and services, and are actively evaluating and communicating changes in policies and evolving company values.

PAY ATTENTION. THIS IS WHERE YOU CAN FIND AN EDGE.

Are you are working at the intersection of issues that are extremely/very important and have the highest expectations for company involvement? If approached authentically, your company has an opportunity to secure a reputational advantage with your stakeholders.

The 10 issues engaged U.S. consumers care about AND expect to see companies take action on.

- 1 Sexual harassment
- 2 Acceptance of diverse ethnic customs and traditions
- 3 Data security
- 4 Unemployment
- 5 Impact of outsourcing jobs to other countries
- 6 Gender pay gap
- 7 Acceptance of diverse religious beliefs
- 8 Racism
- 9 Gender discrimination and equality
- 10 Data privacy

THE "LOUDEST" GENERATION IS NOT AS ALIGNED ON EXPECTATIONS AS THE "SILENT" ONE.

The silent generation (73+) has highest expectations of companies speaking out on the most issues — 16, to be exact. Their top issues with the highest expectations include sexual harassment (76%), minimum wage (68%) and racism (65%).

The generation raised with social media — the millennials — does not hold a majority viewpoint on issues that they want companies to take a stand on. Millennial expectations fell below 50% on 50 of the 51 issues surveyed.

THE NEXT FRONTIER OF CORPORATE RESPONSIBILITY: DATA PRIVACY AND SECURITY

45% of respondents in the U.S., across all generations, have an expectation that companies will take a stand on data security issues. 43% have an expectation that companies will take action on data privacy.

The top things they expect from responsible innovators — among myriad of options — are all related to these issues: enhanced data safety (57%), privacy protection standards (51%) and transparency into data collection and sharing practices (49%).



CONSUMERS WILL GIVE YOU THE BENEFIT OF THE DOUBT ... IF YOU LISTEN AND ACT ON WHAT YOU HEAR.

Mistakes and missteps are bound to happen when expanding into new business areas, particularly in situations of disruptive mergers and acquisitions. While an executive apology is a must, what else do companies need to do?

63% of engaged consumers feel more highly about a company when it demonstrates active listening to stakeholders and implementing changes.

CONSUMERS CAN SMELL SELF-INTEREST.

Taking a stand, or claiming a new position, needs to be in service of a larger purpose and people.

90% of those surveyed said companies often/sometimes take advantage of issues for their own benefit. As a result, more than a majority (55%) of engaged consumers felt less favorable toward the company.

This is especially true of women, boomers and silent generation. 61% of women felt less favorable when they perceived a company as taking advantage of issues for their own benefit. 74% of boomers and 76% of silent generation felt less favorable.

Knowing when to speak up requires a real examination of how your values relate to today's issues. It also requires a deeper understanding of what drives the attitudes and opinions of your various audiences – going well beyond social media listening or traditional brand research. We have to start asking different questions to get to the answers we need.

WHAT'S INSIDE

The state of consumer expectations on 51 issues of our time

Generational differences that matter

Special situations

Creating the conditions for success

The path to preparedness

RESEARCH FINDINGS

Find your footing in zero gravity

Today, you don't just need a firm grasp on what issues matter most to your stakeholders. You need to know how they intersect with your company values and business. This is the very basis of reactive and proactive communications strategies.

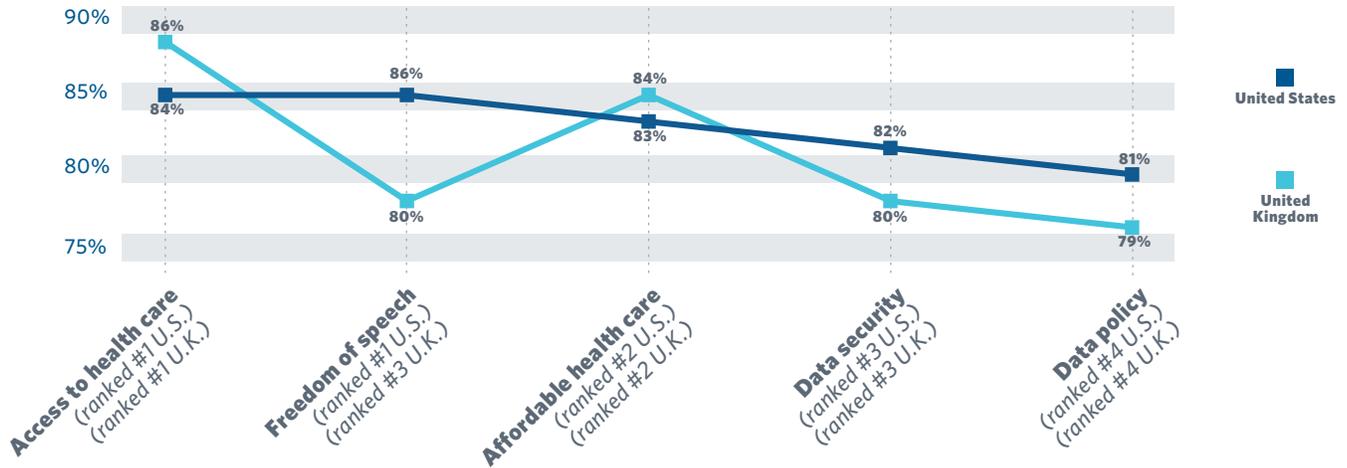
To help you prepare for the next issue or opportunity, we dove in on issues that matter most to engaged consumers and their expectations for companies to weigh in.



THE STATE OF CONSUMER EXPECTATIONS ON 51 ISSUES OF OUR TIME

The Top of the Issues Pyramid

The issues of importance shared by U.S. and U.K. engaged consumers



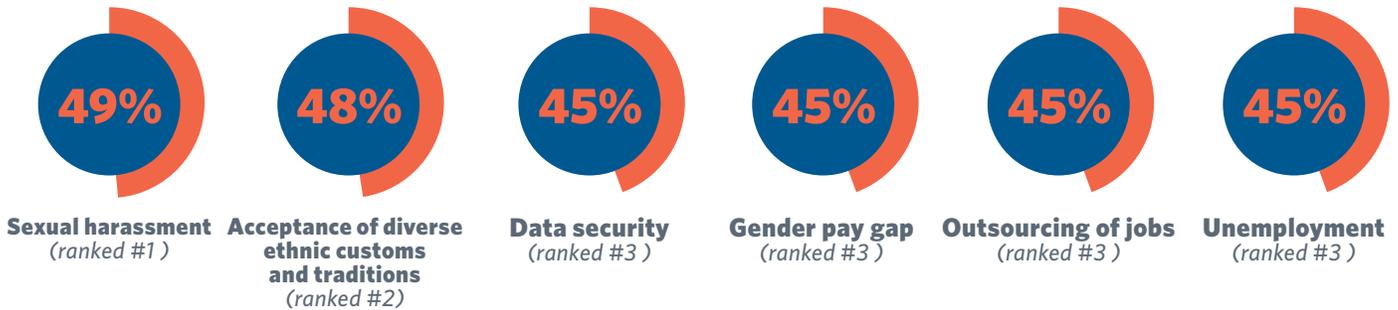
% of engaged consumers who view an issue as either extremely or very important with associated rank order

Access to health care rises to the top for both the U.S. and U.K., despite the vast differences in their health care systems. Health is a universal concern, so it's not surprising to see it at the top of the issues pyramid. However, what is surprising is that more economic concerns — outside of affordable health care — are not featured among the top issues of importance. Rather, freedom of speech and data security and privacy rise to the top of issues in common.

The only issue where priorities differ across the Atlantic is education. Engaged consumers in the U.K. rank it second, whereas Americans place it fifth.

The “Must-have Positions”

Issues with the highest expectations for taking stands in the U.S.



% of engaged consumers’ expectations and associated rank order

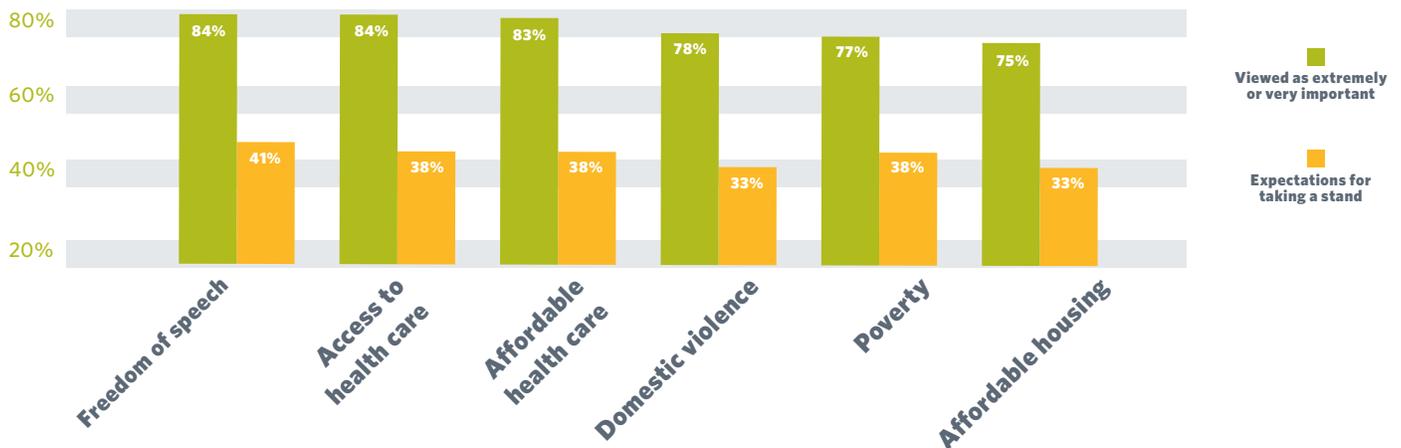
You might be surprised to find engaged consumers don’t expect companies to take stands on all the top issues they care about.

In fact, the only issue that U.S. engaged consumers ranked extremely/highly important with a high expectation that companies would take a stand on is data security, as 45% of respondents shared that sentiment.

The other top issues reflect many of the headlines and social movements of the past year, such as sexual harassment, gender pay gap, diversity and inclusion, and perhaps underlying concerns about the fragility of jobs. The issues are largely within the purview of employers as leaders across communities in America. Sure, the right thing to say and do may be evident, but your current practices, culture and behavior may be behind — making it difficult to address authentically. At the very least, it’s important to assess and update your company’s current state on these issues, and do a full audit on existing communications. If you want to take an authentic stand, you need to advance conversations on what can be done to address any gaps.

The Issues to Watch

Be prepared to take a stand (or have a position ready).

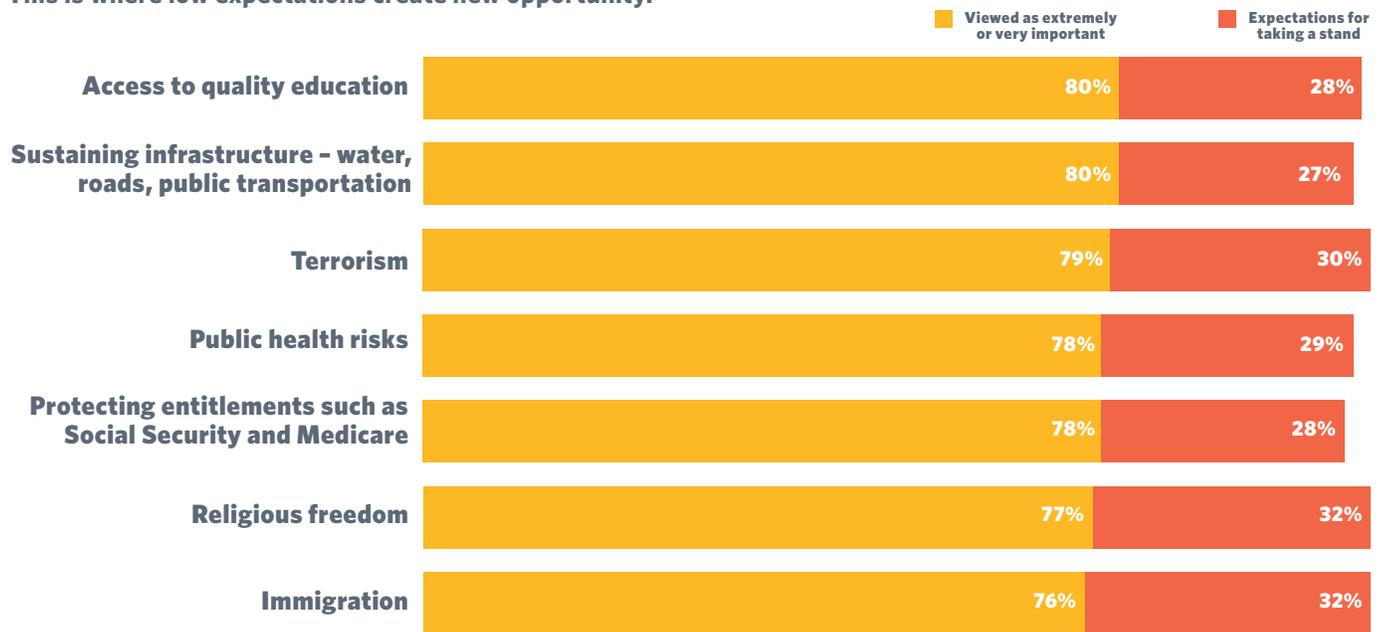


% of engaged consumers view these issues as extremely or very important (≥75%) and have moderate expectations that companies will take a stand (between 33%-41%)

These top issues carry expectations that companies will take a stand. While not at the top of the expectation rankings, freedom of speech is on the center stage with movements like “taking a knee” while the national anthem plays. The findings may also reflect a growing expectation for companies to confront the rising costs of what are perceived as already expensive essentials, such as health care and housing, while signaling a responsibility to address growing poverty levels. Businesses need to be aware that consumers have some measure of expectation for you to say something and do something on these social and economic issues.

The Greenfield Issues

This is where low expectations create new opportunity.



% of engaged consumers view these issues as extremely or very important ($\geq 75\%$) and currently have low expectations that companies will take a stand (between 27%-32%)

A university announces free medical school tuition for its students. A major pizza chain launches a campaign to pave potholes to preserve the integrity of their pizzas upon delivery.

When you have a strong, natural link to help solve an important issue, these low expectations are actually opportunities to win over consumers — a chance to showcase your brand on issues that matter to them.

Navigating zero gravity successfully doesn't just mean you're prepared with a position should the time come. It means actively looking for issues your organization can authentically address with what it says and does, reflecting its core values and mission. These big, proactive bets can significantly move the needle on reputation and, ultimately, produce business outcomes.

GENERATIONAL DIFFERENCES THAT MATTER

The differences between generational expectations are — well, not what you might expect.

It's not the millennial generation, it's the silent generation and boomers, to some extent, who drove expectations higher for companies to take a stand on these 10 issues.

The Top Issues with Expectations to Take a Stand

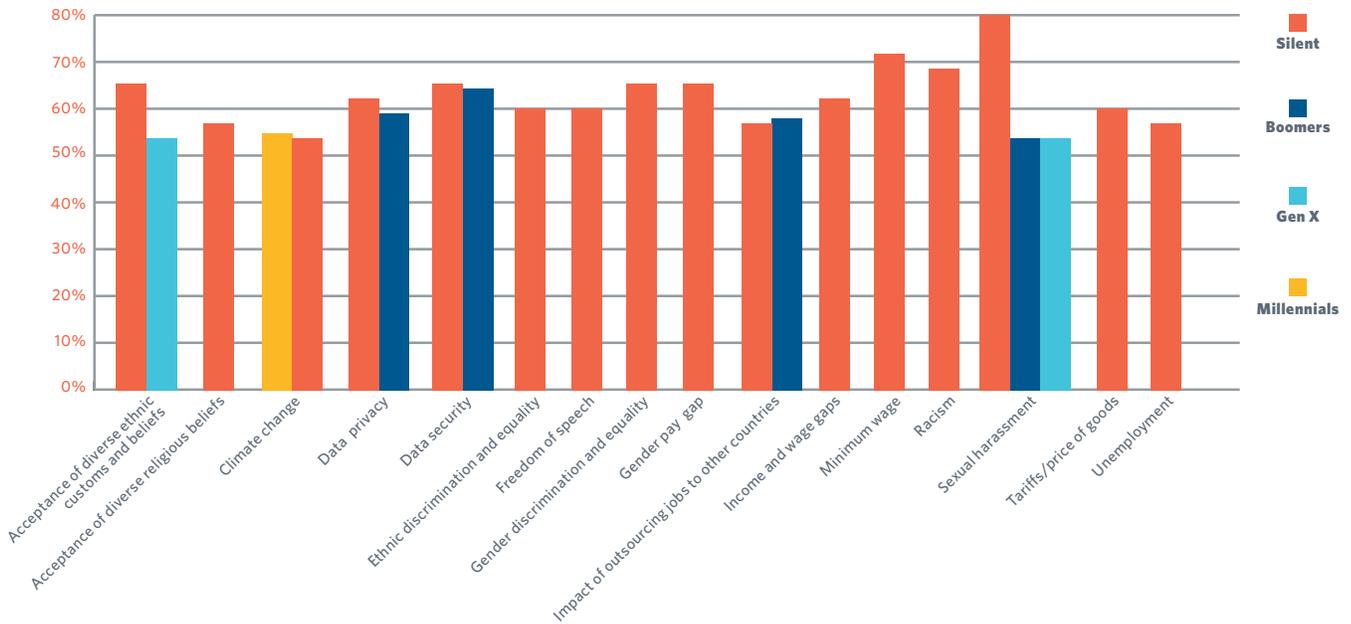
	All Generations	BY GENERATION			
		Millennials	Gen X	Boomers	Silent 73+
Sexual harassment	49%	46%	51%	51%	76%
Acceptance of diverse ethnic customs and traditions	48%	52%	46%	41%	62%
Data security	45%	34%	46%	61%	62%
Unemployment	45%	47%	45%	41%	54%
Impact of outsourcing jobs to other countries	45%	38%	47%	55%	54%
Gender pay gap	45%	42%	45%	50%	62%
Acceptance of diverse religious beliefs	44%	44%	51%	40%	54%
Racism	44%	43%	43%	43%	65%
Gender discrimination and equality	43%	41%	43%	45%	62%
Data privacy	43%	35%	40%	56%	59%

≤39%
 40% - 49%
 50% - 59%
 ≥76%



The Silent Surprise

The silent generation also has the highest expectations for companies speaking out on the most issues



% of expectations at ≥51% (majority) of engaged consumers on 51 issues surveyed across generations

Believe it or not, it's the silent generation — those who are 73+ years old — who hold the highest and most shared expectations on the issues they want companies to speak out on.

Silent generation survey participants share expectations for companies to take stands on 16 of today's major economic, cultural, social and political issues of our time — with highest expectations on sexual harassment (76%). This expectation is also high among boomers (51%) and Gen X (51%). The impact of outsourcing jobs to other countries also figures prominently into the expectations of those three generations.

For the silent generation, the remaining 15 issues that have an expectation rate of 50% or higher range from economic (unemployment) to issues of equality (wage gaps), to data privacy/security (see table). The finding that the silent generation has the highest expectations for companies to take action on issues is shared in the United Kingdom.

Yes, the millennials expect companies to voice their point of view even if they don't agree. The boomers may be the most "activist" generation. But it's the silent generation who expect you to take a stand. It's important to understand their positions more deeply before you do.

THE 16 ISSUES THE SILENT GENERATION COLLECTIVELY WANTS COMPANIES TO TAKE A STAND ON

ISSUES WITH A SHARED MAJORITY OF EXPECTATIONS

1	2	3	4
Sexual harassment	Minimum wage	Racism	Acceptance of diverse ethnic customs and traditions
76%	68%	65%	62%
5	6	7	8
Data security	Gender discrimination and equality	Gender pay gap	Data privacy
62%	62%	62%	59%
9	10	11	12
Income and wage gaps	Ethnic discrimination and equality	Freedom of speech	Tariffs/price of goods
59%	57%	57%	57%
13	14	15	16
Acceptance of diverse religious beliefs	Impact of outsourcing jobs to other countries	Unemployment	Climate change
54%	54%	54%	51%

Expectations (≥51%) on Companies Taking A Stand

% of expectations of engaged consumers in the silent generation on the 51 issues surveyed

Where Do the “Original Activists” Want Companies to Take a Stand Now?

Despite retirement, boomers expect more on job- and data-related issues

THE FOUR ISSUES BOOMERS WANT COMPANIES TO TAKE A STAND ON

ISSUES WITH A SHARED MAJORITY OF EXPECTATIONS

Data security

61%

Data privacy

56%

Impact of outsourcing jobs to other countries

55%

Sexual harassment

51%

Expectations ($\geq 51\%$) on Companies Taking A Stand

% of expectations of engaged consumers in the boomer generation on the 51 issues surveyed

As **boomers** shift into retirement en masse, some of the top issues that they collectively expect companies to take a stand on relate to employment: the impact of outsourcing jobs to other countries (55%) and sexual harassment (51%). But the issues that boomers have the highest expectations of companies to lead on is data security at 61% and data privacy at 56%. As with other generations, data privacy/security concerns are both extremely/very important, and come with high expectations that companies will take action.

Sexual Harassment Is the Key Issue for Gen X

Only two issues rose to a majority expectation for **Gen X**: sexual harassment (51%) and acceptance of diverse religious beliefs (51%). Like the boomers before them, their expectations for companies to take a stand on job-related issues — outsourcing jobs to other countries (47%) and minimum wage (47%) — were relatively high, but not did not represent a majority.

THE MAJORITY OF GEN X EXPECTS YOU TO TAKE A STAND ON JUST TWO ISSUES

ISSUES WITH A SHARED MAJORITY OF EXPECTATIONS

Sexual harassment

51%

Acceptance of diverse religious beliefs

51%

Expectations ($\geq 51\%$) on Companies Taking A Stand

% of expectations of engaged consumers in the Gen X generation on the 51 issues surveyed

A Generation Whose Expectations Are Still Taking Shape

THE MAJORITY OF MILLENNIALS EXPECTS YOU TO TAKE A STAND ON JUST ONE ISSUE

ISSUES WITH A SHARED MAJORITY OF EXPECTATIONS

**Acceptance of diverse
ethnic customs
and traditions**

52%

Expectations ($\geq 51\%$) on Companies Taking A Stand
% of expectations of engaged consumers in the millennial generation on the 51 issues surveyed

They may be the most active in sharing content and their views on social media (and expect the same sharing of perspectives from companies), but the **millennial generation** only holds one majority viewpoint on the issues they expect companies to speak out about: the acceptance of diverse ethnic customs and traditions (52%). Other relatively high expectations include unemployment (47%) and sexual harassment (46%).

The millennials, like the two generations before them (Gen X and boomers), show a markedly lower amount of collective expectations than the silent generation, who held high expectations for action on 16 issues. This could indicate millennials have a lack of faith in companies to do much about those issues and, therefore, they have lower expectations.

However, where there's high importance and low expectations for company action, you can find a window for leadership. If you can stake an authentic position and solve issues that matter to millennials, there's opportunity to build your brand and reputation.

SPECIAL SITUATIONS

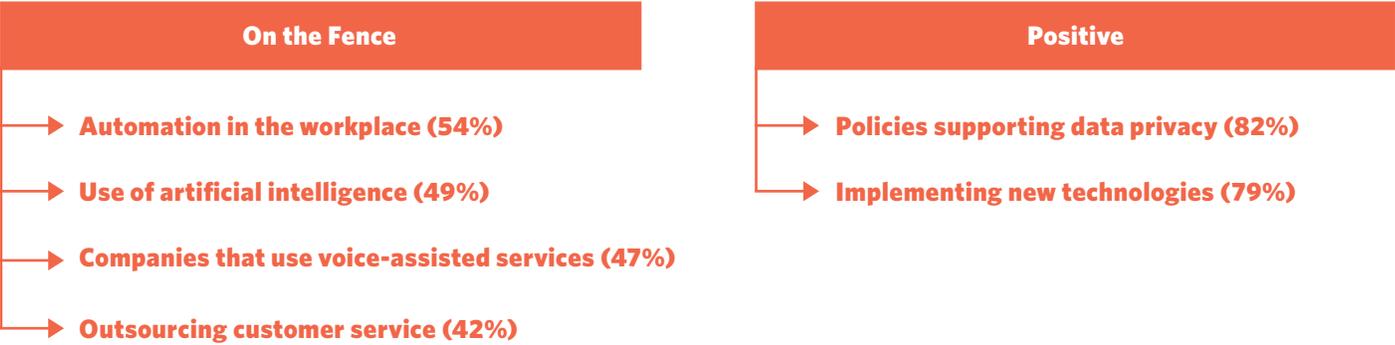
Zero gravity meets new forces at play

Engaged Consumer Attitudes Toward Technology, Data Security and Privacy Issues

Technology is everywhere. It's no wonder that technology-related issues, particularly those that relate to data privacy and security, rose to the top 10 of important issues to take a stand on. As the very real phenomenon of fake news took root — revealing with it a complex web of data collecting and sharing practices — we explored how technology-related issues impact the attitudes of engaged consumers. We also explored their attitudes about futuristic technologies, including automation in the workplace and artificial intelligence — the subject of many fearful headlines and expert opinions.

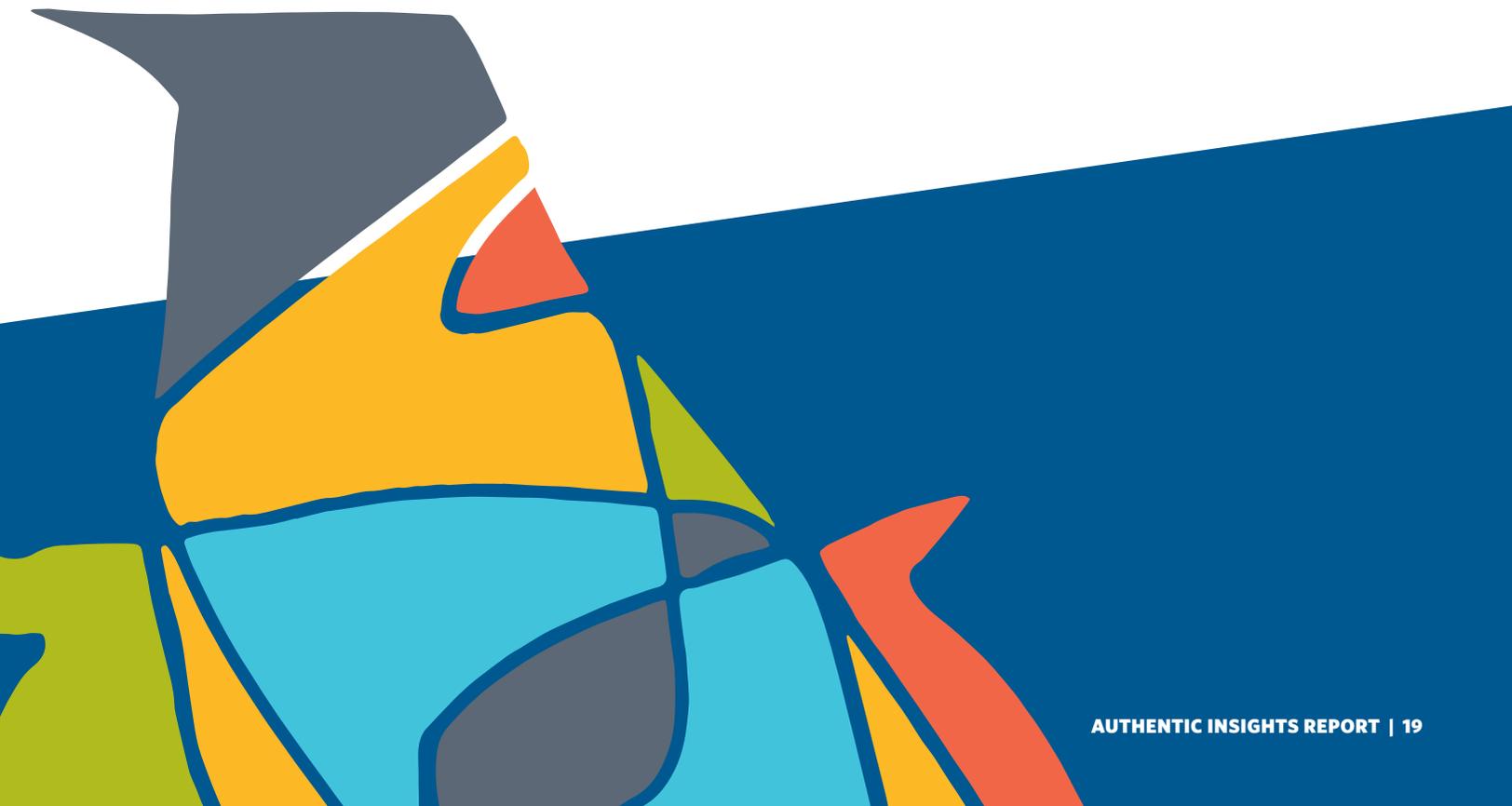


Fear, Uncertainty and Doubt on New Tech. But There Are Still Clear Positives.



We found there are more negative associations when it comes to more recent technology trends, indicating skepticism and potentially negative experiences. Participants seem to be “on the fence” with their attitudes about automation, AI, voice-assisted services and outsourcing customer service. That said, participants reacted more positively to two areas of development — policies supporting data privacy and implementing new technologies. Regardless of attitudes today, there are constant breakthroughs and disruption in all of these areas. This means more opportunity for companies who understand that winning the hearts and minds of consumers is a critical piece to success.

NOTE: More technology “native” generations like millennials and Gen X had higher positives across most categories surveyed. Boomers and the silent generation were much less positive about outsourcing customer service and companies that use voice-assisted services.



What's "Responsible Innovation"? That Depends on Your Generation.

While engaged consumers are okay with companies making mistakes while innovating*, they indicate what they expect from a company that innovates responsibly.

Common Traits of a "Responsible Innovator" - All Generations

Enhanced data safety

Privacy protection standards that meet or exceed the laws

Transparency into data collection and sharing practices

Unique Generational Differences

Gen X: prefers independent and board-level monitoring and policy review

Millennials: want more control over how their data is collected and used

While there are common characteristics of responsible innovators in data security and privacy, we see a divergence of opinion on how to achieve that among the generations who came of age with technology. One generation looks to outside influencers to deem actions a company takes as responsible (Gen X). The other looks to themselves, wanting more control of their own information (millennials).

A New Kind of Activism? Engaged Consumers Take Action on Data Privacy.

Early indicators say we're entering a new phase of consumer action on data privacy. What was once seen as a harmless, easy transaction — providing personal information in exchange for something of limited value — could potentially cause harm, or spam-related headaches at the very least.

Consumers are becoming more aware of and interested in data collection practices. And they're taking action to reduce their perceived risks. As previously noted, the millennial generation wants more control over how their data is collected and used. It turns out they aren't the only ones who want change. These are the top actions taken by all generations surveyed in the past 12 months when it comes to managing their data privacy/security.

Things Engaged Consumers Are Doing More Of

Deleting subscriptions to mailing lists due to privacy concerns

Being surprised by the information companies are collecting about them

Reading the privacy policies of companies to understand how they handle data

Things Engaged Consumers Are Doing Less Of

Sharing personal data with companies to get more personalized products/services to meet their needs

ENGAGED CONSUMER ATTITUDES TOWARD DISRUPTIVE M&A

The differences between generational expectations are — well, not what you might expect.

New technologies are not the only thing disrupting the peace. In the past year, we've seen high-profile, disruptive M&A.

A major e-commerce company acquires a food retailer. A drug store chain intends to acquire a major health insurer. A global pharmaceutical company advances its integration of a global agriculture innovator.

This most recent research probing into engaged consumer expectations in these special situations tells us the following: keep the customer at the forefront. And here's why — customer-centricity dominates the number one and three things consumers demand from you as you enter a new industry.

Don't Forget, It's About Me (the Consumer)

WHAT CONSUMERS SAY COMPANIES NEED TO DO TO BE SUCCESSFUL ENTERING A NEW INDUSTRY:



ENGAGED CONSUMER ATTITUDES TOWARD GLOBALIZATION

Close Gaps Globally. Integrate Locally.

In a time of increased national interests, global companies are in a new atmosphere — having to debate, protect and advance interests across borders, particularly when it comes to the advantages bestowed by technology. But where should companies invest time and resources to generate support from consumers?

Global Companies Should Support

- **The adoption and access of the internet so that everyone can use it**
- **Everyone benefiting from data sharing with clear privacy, rights and permissions**

Things Companies that Operate Globally Need to Do to Build Trust Locally

- **Have a global standard that exceeds local laws and regulations**
- **Demonstrate a deep understanding of cultural and social dynamics**
- **Demonstrate a deep understanding of local political and economic dynamics**

These findings indicate opportunities for company leadership in forums that promote discussion of new developments, rather than deferring to outdated frameworks, standards and law, which are so often outpaced by advances. Reputational leadership could take the form of new commitments that go beyond the current state of play, new and unusual partnerships that address these specific issues, or convenings that bring together leaders to debate the issues and shared opportunities — whether on a global or local level.





CREATING THE CONDITIONS FOR SUCCESS

the corporate response

Taking a stand on issues of our time. Laying the groundwork for new standards that consider the shared and nuanced expectations of different markets. Preparing for technology issues of the 21st century. No matter the challenge, knowing what consumers expect can help guide your company.

As part of this survey, we wanted to understand what, if anything, companies should know and do when taking a stand on an issue.

HERE ARE FIVE EXPECTED BEHAVIORS THAT COMPANIES SHOULD CONSIDER:

#1

Make It About Others

Before you take a stand, make sure your actions back up your words. Taking a stand, or claiming a new position, needs to be in service of a larger purpose and people.

90% of those surveyed said companies often/sometimes take advantage of issues for their own benefit. As a result, 55% of engaged consumers felt less favorable toward the company.

#2

Lead with Your Leader on Issues That Matter Most

Taking a stand requires courage and conviction — consumers want to hear from the CEO. He or she reflects the values of the organization, on behalf of the organization.

Though highly credible, employees were viewed as the least important to speak on behalf of an issue or crisis situation.

#3

It Takes Action, Not Just Words

It isn't enough for the CEO to say something. Your company needs to do something.

Engaged consumers expect companies to put skin in the game to help solve the issue. Dig deep and draw on the real essence of your company's mission and values. Point to real evidence that you are advancing or addressing the issue. That's how you establish and maintain the credibility of your position.

#4

Make It Public

One of the top expectations from engaged consumers is to make your position very public.

The research says it's important to make a clear and public statement for everyone to see — on your company website and social media channels, the latter of which is a must to reach millennials.

#5

Make the Commitment Deep

Engaged consumers want to see companies developing new products and services that help solve the issue, while also making financial donations to organizations that may be working to bring about change. These actions can be done individually or collectively, as part of making the commitment "deep."

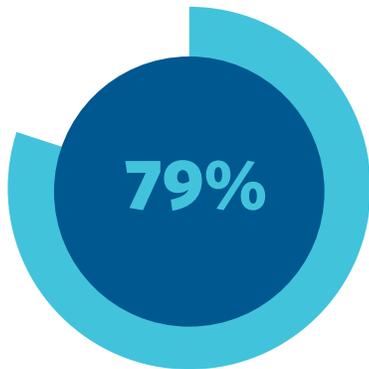
The big takeaway is that, to optimize corporate gestures, the leadership and organization need to be committed to putting resources toward the issue in an authentic way.



AUTHENTICITY IN ACTION

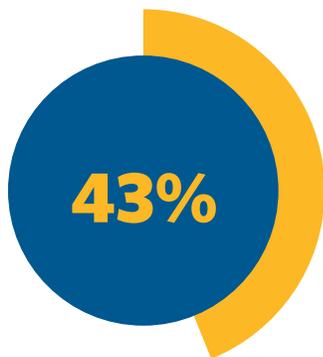
One of the biggest risks associated with taking a stand on issues is having consumers disagree — and decide to take their business elsewhere. It may seem like a tall task, but you can soften the potential economic impact of those who don't agree with your stand.

The biggest action you can take is to reveal the company's authentic reflection on the issue, active listening and seeking potential areas of change.



of consumers indicate a high likelihood of continuing to use products/services from companies who are anticipating the culture, social or economic impact of their products and services, and are actively evaluating and communicating changes in policies and evolving company values.

At a minimum, just explaining why your company has taken a stand — and how it relates to company values — can help retain consumers:



of consumers said that if a company explains why they have taken a position on an issue that is important to them, they are extremely or very likely to continue to support them, even if they disagree.

With so much at stake, it's important to strengthen your position with words backed by action, despite the pressures to get out there quickly on an issue that matters:

On average, consumers believe that a company should respond or take a stand on an issue that is emerging into the mainstream conversation within five days.

THE PATH TO PREPAREDNESS

Making Decisions with Values



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Is your company comfortable with others defining its position for them (and maybe mischaracterizing your intent)? Or, is it more important for your company to communicate its own rationale?

On paper, it's an easy answer — it's important to communicate your rationale first. So, then why is it so often that companies wait to define their position on issues, let alone seek out opportunities to effect major change that aligns with their values?

The delay is real, largely due to the wide variety of steps and resources it takes — not just to make the case, but to carry it out. With so many competing demands, you have to start early, know where to start and how to articulate the process to company leadership. At FleishmanHillard, we've created a framework to probe into the state of organization readiness and proactively address identified issues of importance to a company's values.

FLEISHMANHILLARD: DECISIONS WITH VALUES FRAMEWORK **BOLD DECISIONS. BACKED BY TRUE AUTHENTICITY.**

The Landscape

Assesses the environment — your company's credibility in taking a position, competitor activity and stakeholder attitudes and beliefs.

Our Values

Determines the strength and believability for your organization and its leadership to take various positions based on the current values of the organization.

Watching Vulnerabilities

Identifies the risks associated with products, people, policies and organizational tolerance for taking positions on divisive issues.

Governance

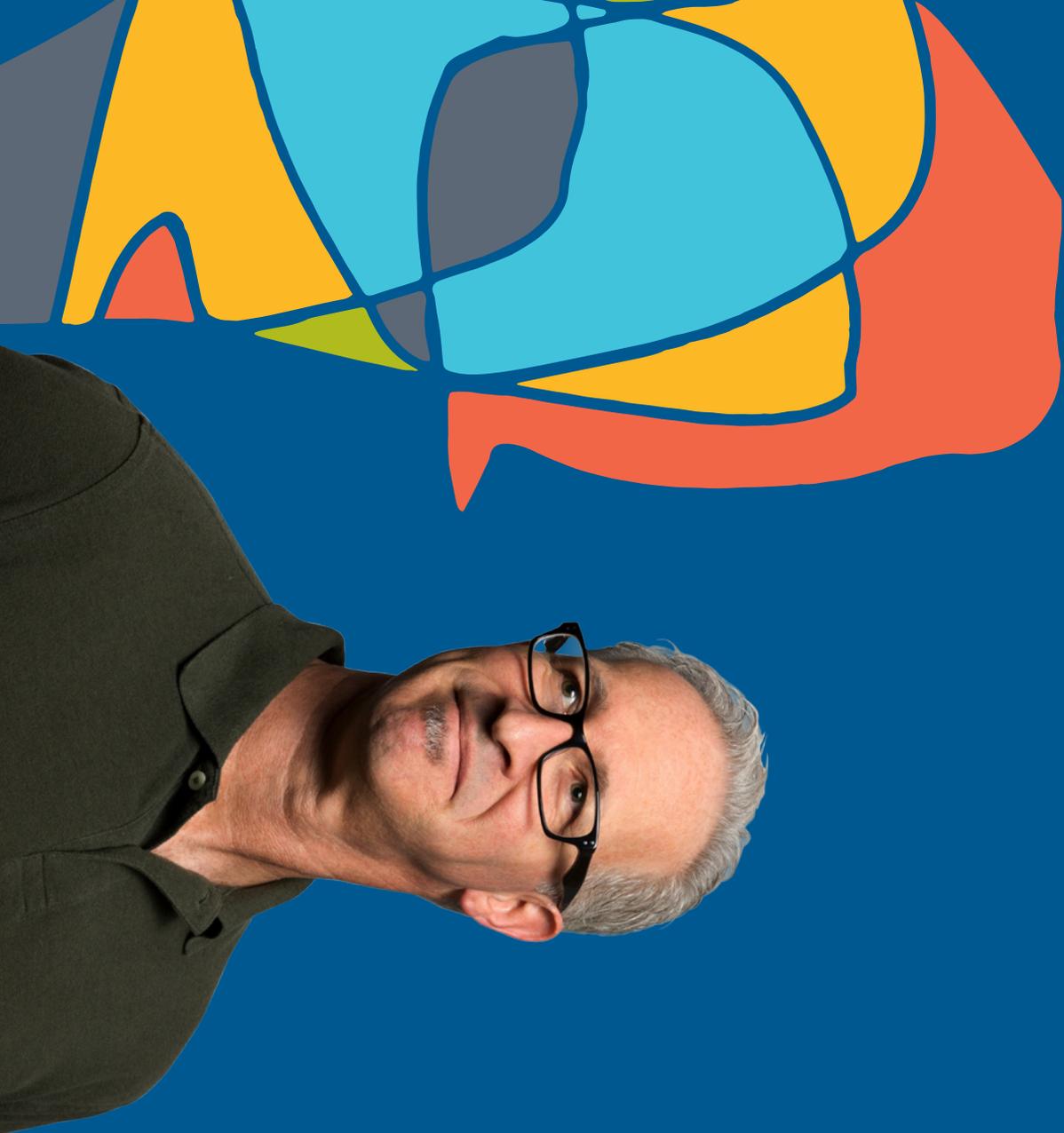
Establishes who should weigh in and when to align positions with the company's purpose and business goals, prior to taking a public stand.

Communications Protocols

Ensures that steps are taken to soften the ground and prepare for any backlash with clear, transparent, credible communications that build a reputation for authenticity.

Future Proofing

Delivers a longer-term perspective to ensure that — whatever position and action you take — you've given reasons for stakeholders to think well of you, even if questioned, and that you've secured important allies in your journey.



CONCLUSION

LEAD WITH YOUR VALUES.

It's not some platitude. It's a fundamental belief at FleishmanHillard. But what do we mean? And why is it more important than ever for companies today?

We live in a world where consumers are more informed and engaged, making decisions based on attitudes and belief systems that are reinforced by their social media "bubbles." We live in a time when there are major, global companies that have great influence on our cultural, economic and social dynamics, while government institutions grapple with the pace of change versus the existing governance infrastructures. And then there is the push and pull of activism — individual and collective — as very real issues test our attitudes and behaviors.

Technology is changing our lives. Our political frameworks are challenged. Issues get very personal, very quickly. Our leaders are called upon regularly to weigh in publicly on matters of national and international importance. It's difficult to pick a side.

THERE IS NO "RIGHT SIDE" ON AN ISSUE.

Every issue draws a variety of reactions based on personal perspectives. Hello zero gravity! Yet, on issues of importance, especially those carrying expectations that companies will weigh in on, you cannot sit on the sidelines. There's significant risk in saying and doing nothing as well. Custom FleishmanHillard Authentic Insight research can help define both the risks and the possibilities for your company.

With research in hand, you know what to expect when you take a bold stand. But that's not the end of the story. Determining the right thing to do needs to be grounded in the values of your organization, a long-term perspective and deep commitment to carrying forward a company position. Our reputation management practice can help you navigate the new issues landscape strategically — in a way that modernizes your issue management and corporate positioning approach — incorporating comprehensive research and insight, benchmarking and measurement.

WINNING BRANDS TAKE BOLD STANDS AND STAY TRUE TO WHO THEY ARE.

That's how you find your footing in this complex new reality. We can help you turn zero gravity to your advantage.



John Isaf
Boston



Jack Yeo
Chicago



Marjorie Benzkofer
Chicago/Global



Ashley Blaker
Dallas



Emily Frager
Los Angeles



Betsy Borrelli
New York



Dom Pendry
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Michelle Mulkey
San Francisco



Kristin Hollins
San Francisco/Americas



Ken Fields
St. Louis



Natasha Kennedy
TRUE Global
Intelligence™
Chicago/Global



Catherine Reynolds
TRUE Global
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APPENDIX

Research Methodology: FleishmanHillard Authentic Insights

FleishmanHillard's Authentic Insights are a starting point for modern issues management and corporate leadership positions that help companies become recognized for their values.

For this report True Global Intelligence™ conducted an online survey evaluating 51 current issues, spanning cultural, economic, political and societal interests, inviting consumers from a variety of political, racial and sexual orientations to participate.



METHODOLOGY

- A survey of 2,000 engaged consumers in the U.S. and U.K., 18 years of age and older
- Conducted July 25 – 31, 2018
- Spans four generations – millennials, Gen X, boomers and the silent 73+
- Margin of error is +/- 3% at a 95% confidence level

Engaged consumers shape how companies are perceived — the expectations of how companies should behave and how companies are performing relative to their expectations.

What does an engaged consumer look like?

Engagement takes different forms. Respondents to the survey said they did at least three of the following within the last month:

- Searched for information about a company's products or services
- Shared information and/or news articles about a company's products or services with others
- Shared their opinion or offered advice about a company's products or services with others
- Shared their opinion or offered advice about a company and its corporate activities with others
- Contacted a political candidate or government office to express their views
- Written an article or "letter to an editor" for a newspaper or any publication
- Signed a petition in person or online
- Contributed to a blog or used other social media to share their opinion on a political or current event topic, or to share their view about a company and its activities, products or services
- Bought or sold shares in a company

For this survey, we estimate that the margin of error is about +/- 3%, given the size of the sample and the relative size of the population.

THE 51 ISSUES SURVEYED IN THIS STUDY

1. Acceptance of diverse religious beliefs
2. Acceptance of diverse ethnic customs and traditions
3. The spread of fake news
4. Being "always" connected — increased time on mobile devices and social media
5. Preferring a virtual life to a real one (VR, AR, second worlds)
6. Civil discourse with others who may have different beliefs
7. Lack of face-to-face accountability
8. Access to health care
9. Affordable health care
10. Domestic violence
11. Sexual harassment
12. LGBTQ discrimination and equality
13. Gender discrimination and equality
14. Ethnic discrimination and equality
15. Access to quality education
16. Access to affordable education
17. Reproductive rights
18. Racism
19. Data privacy
20. Data security
21. Climate change
22. Animal rights
23. Drug abuse
24. Addictions related to gaming
25. Immigration
26. Tax disparity
27. Income and wage gaps
28. Freedom of speech
29. Religious freedom
30. Terrorism
31. Protecting entitlements — such as Social Security and Medicare
32. Net neutrality/access to the internet
33. Protecting the environment/climate change
34. Gun control
35. Minimum wage
36. Government surveillance and public privacy
37. Homelessness
38. Public health risks (preventing/controlling new diseases)
39. Sustaining infrastructure (water, roads, public transportation)
40. Military defense spending
41. Legalizing marijuana
42. Tariffs/price of goods
43. Gender pay gap
44. Technology and artificial intelligence replacing jobs
45. Globalization
46. Foreign investment in the U.S./U.K. economy
47. Impact of outsourcing jobs to other countries
48. Unemployment
49. Affordable housing
50. Poverty
51. Fuel costs

FLEISHMANHILLARD REPUTATION MANAGEMENT

Working at the Intersection of Brand and Reputation

Reputation is a fundamental quality of every organization — what stakeholders believe about it, expect from it and say about it to others. But many businesses continue to manage their brands and reputations in separate silos. A disconnect between brand and reputation creates a barrier to success and growth — and in some cases, a destructive force. It's the central issue every business must address today, as organizations can no longer afford to have brand and reputation as separate entities.

WHAT WE DO

While we can adjust to your specific situation, we bring deep expertise across the diverse disciplines that affect your reputation, including:

- Industry leadership positioning
- Crisis and issues management
- Employee change management
- Financial communications
- Executive communications
- Corporate responsibility
- Market expansion
- Corporate communications

OUR APPROACH

In an age of information overload, companies need a new approach to creating meaningful, productive conversations with their stakeholders — whether it's with employees, consumers, society or any of the myriad audiences important to an organization. At FleishmanHillard, we call it authentic engagement. To stay current with a business landscape in constant motion, our team has evolved its offerings and approach to help clients effectively anticipate reputational risks and take advantage of emerging opportunities. We've established teams that specialize in all the diverse disciplines that affect the brand-reputation space. Complementing these teams are our proprietary Authenticity Gap insights, which look at the gap between what an audience expects and what it experiences. This shapes our counsel and ensures clients make the most of opportunities.



TRUE GLOBAL INTELLIGENCE

We lead communications through data-driven strategy and intelligence. With our unwavering focus on business outcomes and never-ending cycle of intelligence gathering, we ensure our clients' sustained success. We provide an advantage to our clients, finding the truth — about their audiences, the operating environment and their competition — helping them realize their goals.

WHAT WE DO

Our approach to intelligence is rooted in our belief that we provide complete, integrated and breakthrough solutions to our clients' communications and business challenges. We take a holistic approach to tie our research objectives to business objectives, craft the most impactful study designs and develop the most relevant analytical approaches to uncover insights that drive solutions. Our research and analytics experts are supported by FleishmanHillard's global practice and sector teams, who wield deep expertise across the communications continuum. Complementing these teams, we offer a pinpoint analysis of what's working and what's not — and tie communications to key performance indicators.

BUSINESS PROBLEMS WE HELP YOU UNDERSTAND:

- Reputation intelligence
- Thought leadership strategies
- Outcomes design and evaluation
- Audience segmentation and messaging strategies
- Behavior change intelligence
- Trend and issue assessments



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