Managing reputation for US technology companies in the UK

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Your presenters

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Brunswick London
UK public still want to love tech companies

Nine in ten people said they’d back technology companies setting up major operations in the UK

Q. For each sector, please say whether you would support or oppose the UK trying to attract foreign companies to set up headquarters or significant operations in the UK?

- **Manufacturing companies**: Support 88, Oppose 12
- **Technology companies**: Support 88, Oppose 12
- **Pharmaceutical companies**: Support 81, Oppose 20
- **Telecom operators**: Support 73, Oppose 27
- **Oil and gas companies**: Support 71, Oppose 30
- **Banks**: Support 63, Oppose 36

*Source: Brunswick Insight*
Shift occurring in the media

Media draw comparisons with Wall St in the 2000s

“As any bank can attest, becoming a target of popular resentment makes life difficult… Silicon Valley is not yet Wall Street but it is vulnerable to the same risk”

(FT Leader, 26th January 2015)
Davos 2015 crystallised the concerns

“The digital revolution needs a trust revolution.”

(Marc Benioff)

Tech’s reputation was the big topic at WEF
What’s behind public trust?

Associations are complex & inter-related

Q: Here is a list of words that might be used to describe American technology companies. Select the four words you associate most strongly with them.

Source: Brunswick Insight
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Source: Brunswick Insight
Tend to trust/tend to distrust

*All companies*

*To what extent do you trust [X] to behave responsibly in the way they operate as a business?*

- Samsung: Tend to trust - 78, Neutral - 14, Tend to distrust - 9
- PayPal: Tend to trust - 72, Neutral - 11, Tend to distrust - 17
- Microsoft: Tend to trust - 71, Neutral - 9, Tend to distrust - 20
- Amazon: Tend to trust - 69, Neutral - 8, Tend to distrust - 23
- Google: Tend to trust - 64, Neutral - 12, Tend to distrust - 25
- Apple: Tend to trust - 63, Neutral - 10, Tend to distrust - 27
- Netflix: Tend to trust - 56, Neutral - 26, Tend to distrust - 18
- Facebook: Tend to trust - 42, Neutral - 13, Tend to distrust - 45
- Uber: Tend to trust - 25, Neutral - 42, Tend to distrust - 33

*Source: Brunswick Insight*
### Knowledge of how the business operates

**All companies**

How much do you feel you know about the way [X] operates as a business?

<table>
<thead>
<tr>
<th>Company</th>
<th>A great deal</th>
<th>A fair amount</th>
<th>A little</th>
<th>Nothing at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>23</td>
<td>44</td>
<td>25</td>
<td>8</td>
</tr>
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<td>Google</td>
<td>16</td>
<td>44</td>
<td>30</td>
<td>10</td>
</tr>
<tr>
<td>PayPal</td>
<td>16</td>
<td>43</td>
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<td>Facebook</td>
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<td>Netflix</td>
<td>6</td>
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<tr>
<td>Uber</td>
<td>4</td>
<td>14</td>
<td>23</td>
<td>59</td>
</tr>
</tbody>
</table>

*Source: Brunswick Insight*
Low understanding correlates with distrust

The less an individual knows about the way a company does business, the less likely they trust that company to conduct their business responsibly.

Q: % who trust strongly X company to go about its business in a responsible way?

- Blue bar: Know a great deal / fair amount about how that business operates
- Red bar: Know a little / nothing about how that business operates

Source: Brunswick Insight
Three issues dominate perceptions & trust

1. Tax
2. Data Privacy
3. National security
1. Tax

Public anger and political will
Tax is the public’s biggest concern about tech firms setting up in the UK

Q: What do you think are the biggest potential drawbacks to this country from foreign technology companies locating their European headquarters or significant operations in the UK?

Source: Brunswick Insight
Tax avoidance is the most concerning aspect of corporate behaviour

Q. Thinking about the technology sector, how concerned are you personally about each of the following issues? (% very concerned)

- Corporate tax avoidance: 71
- Lack of data privacy: 60
- Terrorist recruitment/propaganda: 58
- Very high executive pay: 57
- Child safety online: 56
- US government surveillance: 49
- Negative effects on home-grown business: 44

Source: Brunswick Insight
Reinforced by a media outrage
The government is responding

Corporate tax avoidance will remain a primary political debate

“Some of the biggest technology companies in the world go to extraordinary lengths to pay little or no tax here. We will put a stop to it.”

(George Osborne, UK Chancellor)
With strong public support for regulation

Q: We need more regulation to ensure foreign tech companies based in the UK pay their fair share of taxes?

Source: Brunswick Insight
Increasingly framed as a question of morality not legality

“We’re not accusing you of being illegal, we’re accusing you of being immoral.”

(Margaret Hodge, Chair of the Parliamentary Public Accounts Committee, to Google, Amazon and Starbucks executives appearing before the Committee)
2. Data Privacy

Not a simple issue of transparency
Significant concerns about companies’ use of data

Q. Thinking about the technology sector, how concerned are you personally about each of the following issues? (% very concerned)

- Corporate tax avoidance: 71%
- Lack of data privacy: 60%
- Overusing my data (e.g. targeted ads): 60%
- Data security breaches: 59%
- Terrorist recruitment/propaganda: 58%
- Very high executive pay: 57%
- Child safety online: 56%
- US government surveillance: 49%
- Negative effects on home-grown business: 44%

Source: Brunswick Insight
People feel personally vulnerable

*Only 6% have a high trust in Internet companies to use their data appropriately — whilst 54% have low trust*

Source: Ipsos MORI, July 2014
Transparency is important, but it’s not a silver bullet

Q: Companies should give you more detail upfront on what data is being collected about you when you visit their website

85

9

Q: I often don’t bother fully reading the terms and conditions on a website before accepting them

67

28

Source: Ipsos MORI. Global Trends 2014
3. National security

Terrorism trumps privacy
Terrorists’ use of digital is a major public concern

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Source: Brunswick Insight
Terrorist attacks have changed the debate on surveillance.

“We expect the internet companies to do all they can. Their networks are being used to plot murder and mayhem. It is their social responsibility to act on this. And we expect them to live up to it.”

(Prime Minister David Cameron)
Politicians are committed to action

“Are we going to allow a means of communication that is simply not possible to monitor? No, we must not. If I am Prime Minister after the next election I will make sure we legislate accordingly.”

(Prime Minister David Cameron)
UK public backs new surveillance legislation

Q. The UK needs stricter laws to force internet and social media companies to give the security services more information they hold about suspected criminals

Source: Brunswick Insight
...Even if it means companies holding onto their personal data

Q: Do you think that communications companies should be required to retain everyone’s data — internet browsing history, emails, voice calls, social media interactions, and mobile messaging — for 12 months? Police and intelligence agencies would have access to this information for anti terrorism purposes?

Source: YouGov, January 2015
What can be done about it?

Considerations for companies coming to the UK

How you’re positioned
The way you communicate and what you say

* 

How you form relationships
Your ability to build coalitions and consensus

* 

How you behave
The way you go about business, as well as the products and services you sell
# Methodology

Brunswick Insight data is based on a survey conducted with UK media attentives.

<table>
<thead>
<tr>
<th>UK media attentives</th>
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<tbody>
<tr>
<td><strong>Audience</strong></td>
</tr>
<tr>
<td>Daily consumers of multiple quality media sources (including: print/online editions of national broadsheet newspapers, business newspapers (e.g. Financial Times, WSJ), news/current affairs magazines; main national radio and television news programmes).</td>
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<tr>
<td>Media attentives represent c.15% of the UK population.</td>
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<table>
<thead>
<tr>
<th>Sample size</th>
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<tr>
<td>n=412 UK adults</td>
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<table>
<thead>
<tr>
<th>Fieldwork dates</th>
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<tbody>
<tr>
<td>17th-22nd December 2014</td>
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<table>
<thead>
<tr>
<th>Mode</th>
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Thank you.

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