

2024 Brand Expectations Index

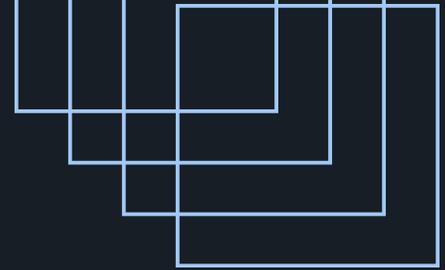
A STUDY INTO ISSUES AND ACTIONS IMPACTING THE REPUTATION AND RELEVANCE OF TODAY'S BRANDS

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BY MISSION NORTH

Mission North's inaugural 2024 Brand Expectations Index reveals clear and surprising trends in how **investments** and **actions** taken by companies on a range of issues impact the public perception of their brands.

Our study of 1,000 adults in the U.S. identifies, dissects, and measures the leading factors that contribute to a brand's overall value and those that detract from it. These findings will help guide CEOs, CCOs, and CMOs in their roles by revealing which actions may improve their brand's reputation, and which can unintentionally hinder it.

Executive Summary



Companies are navigating increasingly complex issues, from AI to sustainability to geopolitics. And the stakes are getting higher: brands are under greater scrutiny and influence from a wider range of stakeholders – including employees, customers, shareholders, and regulators – who often have competing interests.

We are in a perfect storm of complicated issues and conflicting stakeholders, and their rising influence is obscuring the path for companies to win brand loyalty in their markets. And the storm winds change daily.

In the middle of the tempest, it's easy for companies to lose their bearings. Senior-level communicators don't just have a seat at the table today – they're being asked to guide the C-suite to take stances and action without real-time data and based on ever-shifting expectations of the role of business in society.

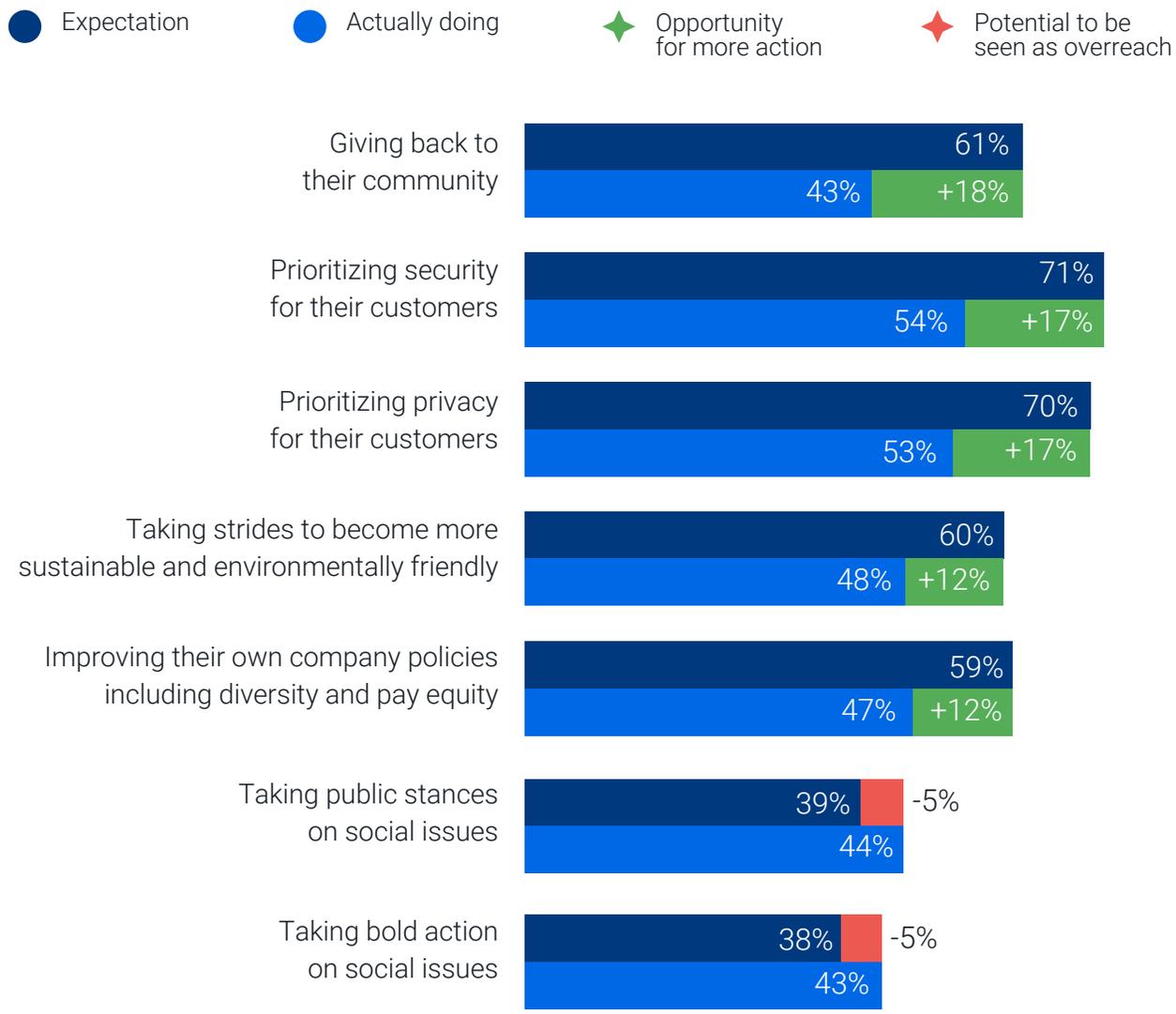
Mission North's research shows a fundamental misalignment between companies' decisions to tackle social issues and people's expectations of these companies. While companies often strive to address social issues in order to be part of larger societal movements and promote their own brand values, the public does not always expect or want them to play that role.

More than two-thirds of survey respondents expect companies to focus on issues core to

their business, employee base and immediate communities, with customer security (71%), customer privacy (70%), and product innovation (66%) topping the list. In short, keep your customers safe, private, and armed with great products. Companies also get credit for protecting their employees and their communities. 61 percent of respondents expect companies to give back to their communities, and 59% expect companies to improve their diversity and pay equity policies.

But when it comes to issues outside their core business and employee base, far less than half of the respondents expect companies to take public stances (39%) and bold actions (38%) on larger social issues. Our data suggests that customers have grown weary of the overreach that some companies make into issues that are too far removed from their business. Our interpretation? Get your house in order before you take on outside issues.

Stronger support for priorities 'at home' and weaker support for stances on social issues further from the core business



We should note that the majority of respondents do want companies to signal their values and ensure alignment about one larger societal issue: sustainability. However, many others say companies should stay singularly focused on providing great products and staying out of the topic du jour.

Businesses can improve their brand relevance by focusing on the biggest gap in unmet expectations. These key areas for improvement are shown in the above chart, where people expect actions on behalf of customers, employees and communities, but do not perceive it being taken. Community-giving, customer security and privacy, and commitments to sustainability are all areas ripe for action to address unmet expectations.

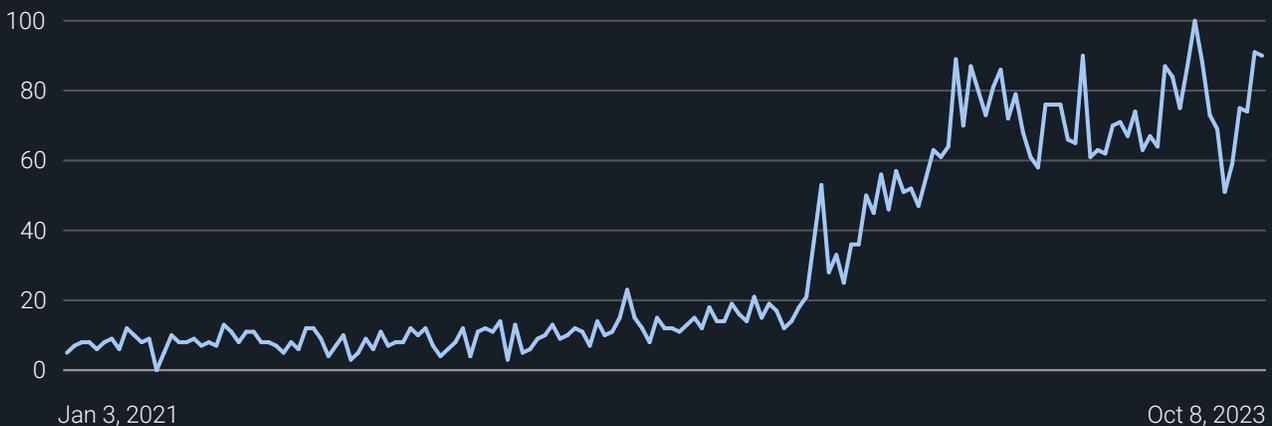
AI also elicits strong feelings among respondents, particularly the ways in which businesses communicate about this fast-emerging technology. While businesses are blanketing their press releases and blog posts with messaging about AI, our survey revealed that 47% more people see AI creating a “more dangerous future” than “a better future.”

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The takeaway is clear: Although AI is currently driving much of the private market investments and market caps of public companies, overusing it in communications may be harming the public perception of their brands. We examine the double-edged sword of AI in its own section on p.12 below, uncovering a clear opportunity for business leaders to communicate about AI in a differentiated and constructive way.

Interest in AI over time





CCOs today must help their organizations navigate the blurred, sometimes imperceptible line between where good business strategy ends and where more risky corporate activism and reputational risk begins.

These are just a few of the top findings from this year's study. In our research, Mission North interrogated the key issues that top executives are facing each day to better understand the answers to inquiries such as:

- What makes companies relevant and valuable to key audiences, including customers?
- What earns a company permission to innovate and take new risks?
- How does a company earn the benefit of the doubt when innovations come up short?
- How do companies determine the difference between actions that will be viewed as relevant to business strategy and ones that will be viewed as intrusive corporate activism?
- When activism is called for, what gives companies permission and confidence to take a stand in ways that increase their odds of engendering support and preventing backlash?
- Which types of actions help companies accrue trust, and which types diminish it?

Read on for detailed findings:

Prioritize reputation-building actions over riskier corporate activism

In recent years, businesses have been on the frontlines of almost every social issue. Today, corporate leaders are reevaluating when, where, and how they engage on such issues – ones that fall outside or adjacent to their core mission and strategic focus. This shift does not seem to imply a full retreat from businesses being a “force for good” in the world, but rather looking inward and “closer to home” to define and deepen impact in ways that are authentic to the enterprise.

Our findings point to opportunities for companies when they act and communicate in areas focused on:

- Making their own decisions on corporate governance
- Focusing on their employees, including diversity and pay equity policies
- Pushing back on government action, either claims that companies disagree with and/or regulations that adversely impact their business
- Giving back to their communities
- Focusing on sustainability

Taking on issues further from a company’s core business, product or service, and employees continues to be a trickier balancing act. The external initiatives that the public is most likely to embrace are those closest to a company’s core products and services. This creates the perception that the company is leading with relevant experience and expertise as it weighs its own stance on an important issue. Acting from a position of authority and issue proximity also helps to buttress against critics who want companies to “stay in their lane.”

Acceptance of “Good Corporate Strategy” initiatives

Strongly accepted

72%

PROGRAMS LINKED TO BRAND/SERVICE

71%

IMPROVING COMPANY POLICIES LIKE DIVERSITY & PAY EQUITY

70% NOT SELLING DANGEROUS, BUT LEGAL PRODUCTS

66% SUPPORTING EMPLOYEES ON SOCIAL ISSUES

Moderately accepted

62%

ESG ADOPTION

60%

SPEAKING IN FAVOR OF ENVIRONMENTAL LEGISLATION

60%

NET ZERO BY 2050

60%

PROGRAMS OUTSIDE CORE BRAND/SERVICE

More controversial

54% SPEAKING AGAINST ANTI-ENVIRONMENTAL POLICIES

48% SPEAKING EXTERNALLY ON SOCIAL ISSUES

36% REJECTING ESG

Somewhat paradoxically – especially when viewed through the lens of the current backlash surrounding ESG – the “inside your walls” initiatives that received the most support were improving diversity and pay equity (71% indicating it’s good corporate strategy) and supporting employees on social issues (66% indicating it’s good corporate strategy).

Our analysis indicates the most effective approaches to corporate advocacy benefit from:

Selectivity:

Be strategic with your cause and ensure it clearly links back to your core business offering or what you are known for.

Corporate policies and culture:

If you can’t link the issue directly to your business, then talk about the issue in terms of how you are supporting or protecting your employees.

Connection to employees:

On most issues, you have support for updating internal policies and making internal business decisions (like what products to sell). Supporters may laud your changes and see your company as a more appealing place to shop or work. While critics may disagree, some will choose not to vocalize their disagreement if they see the ongoing changes aligning with your updated corporate policies.

Identify where you have permission to lead

Strategic communications practitioners often want to understand where their company has permission to engage more deeply and take a stronger stance on a given issue. To deepen our understanding of that need, our survey posed a series of questions exploring how people feel about brand engagement: Should brands “shut up” and focus on products, or is there an expectation for companies to lean into issues to signal alignment with their customers? In the data, key themes emerge:

Consumers support brands pushing back on the government when their business is impacted

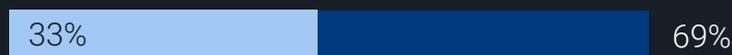
There’s strong agreement that brands should push back on government claims that are false or misleading (33% strongly, 69% overall), and moderate agreement that brands should speak out when legislation or regulation would negatively impact their business (23% strongly, 64% overall).

Consumers will give benefit of the doubt when you come up short, but you have to provide sufficient context.

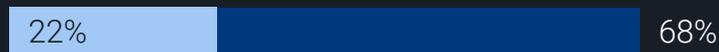
The statement: “I admire brands that try and fail in pursuit of something innovative and special,” scored surprisingly positively (22% strongly agree, 68% total agree). If companies appropriately contextualize their effort – leaning into their attempt to do something “innovative and special” and really own their story – that has the potential to drive more public support than third-party or media coverage of their perceived shortcomings.

Total respondents and how much they agree with the following statements:

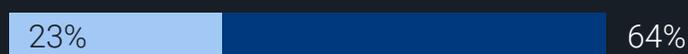
I want brands to push back on claims from the government that are false or misleading.



I admire companies that try and fail in pursuit of something innovative and special.



I respect brands who speak out forcefully when they feel legislation or regulation oversteps and would negatively impact their business.





Build reputation through relevance

The landscape points to clear ways for companies to engage and stay relevant. This can happen when brands choose to take on issues directly and when they don't.



Business-focused relevance:

Focus on unmet customer needs. Giving back to the community, committing to diversity and pay equity, and focusing on sustainability are all areas where we see gaps between what consumers expect and their perceptions of corporate action.



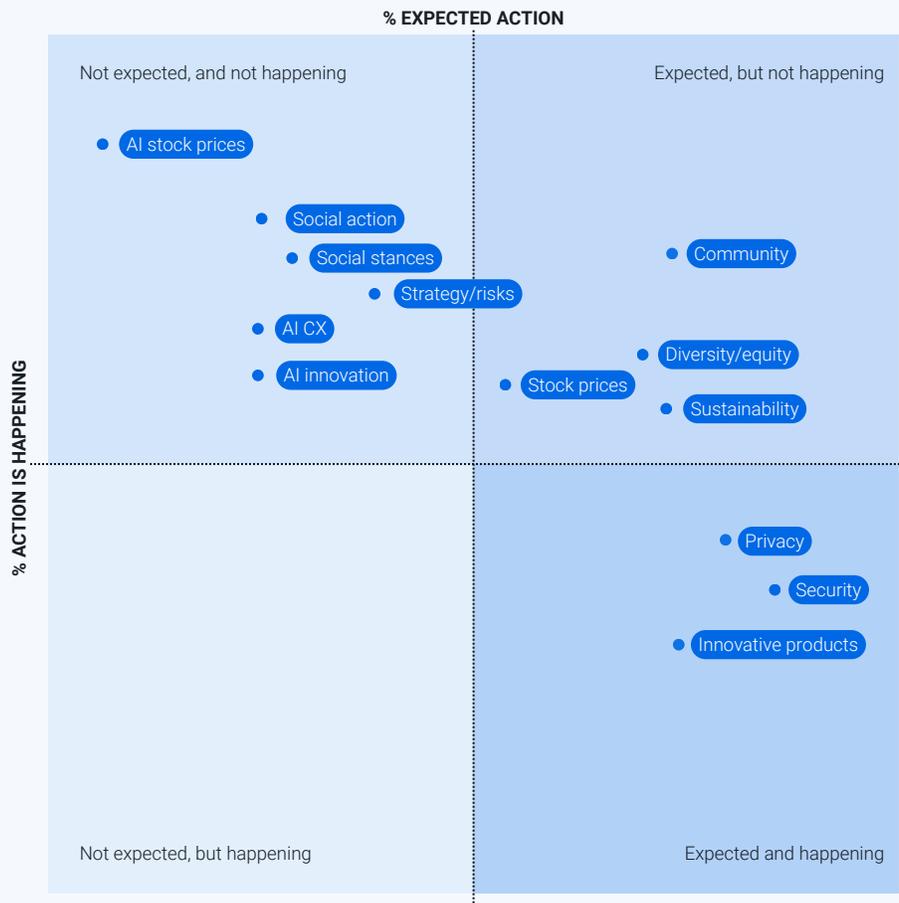
Issue-focused relevance:

Companies get the most credit for protecting their employees and when they link a cause directly to their organization's services.

The one societal issue that rises to the top of the list of consumer expectations – alongside product-centric issues like security, privacy and innovation – is sustainability. Sixty percent of people expect businesses to take meaningful strides to become sustainable.

Comparing stakeholder expectations to perceived actions creates a powerful model for dissecting where and how companies should engage. The chart below merges expectations and perceived actions and helps to pinpoint the opportunities:

Company actions expected vs. happening



Corporate initiatives break down into three of the four quadrants above:

- “Expected and happening”: These are “must-haves” for a successful company. However, they don’t add up to brand relevance on their own.
 - Communications opportunity: Build awareness around what you’re already doing and consider when it’s appropriate to take a degree of credit for already doing it.
- “Expected, but not happening”: This presents the greatest opportunity for companies to engage. Meeting that expectation can help stakeholders take action in an area consumers believe is lacking.
 - Communications opportunity: Demonstrate action being taken and amplify proof.
- “Not expected, and not happening”: Audiences don’t yet expect these initiatives, nor do they know to look for them. Companies should seek to deepen relationships with consumers to understand unmet and unstated needs in the market before introducing new initiatives to create new expectations.
 - Communications opportunity: Listen, generate insights, and test and learn.

Beware the double-edged sword of AI

Many companies are “AI washing” their communications in hopes that simply wrapping stories with that magical acronym will give them longer legs. Not only will this have limited returns, but findings from our survey show this may be a flawed strategy.

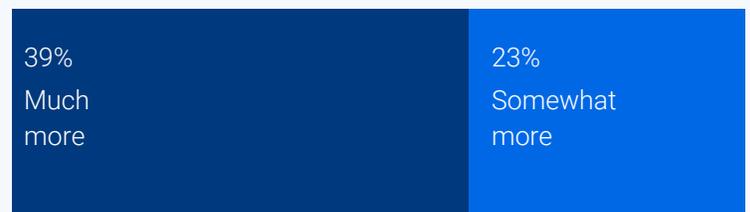
Our survey respondents have strong feelings about the threat AI poses, particularly the potential for the technology to eliminate jobs and impact the workforce. These findings align with [similar results from Pew](#) and others earlier this year, which show the general public views AI with both skepticism and fear.

Our survey results suggest that the fear of AI is largely tied to the negative economic implications of AI tools and how they will be used by businesses. A majority of respondents want companies to “balance” AI with their workforce to avoid layoffs (62%), as opposed to investing heavily in AI (22%). However, it’s helpful to draw out a subtle distinction here: It’s most likely not the AI tools themselves that consumers fear, but rather how the tools will be used by company leadership.

How respondents align with these statements:

“I believe that companies should balance AI or any new technologies with the needs of their workforce. Companies will not stay relevant if they dramatically change their staffing levels and lay off thousands of employees each time new technologies emerge.”

Total support: 62%



“I believe that companies that heavily invest in artificial intelligence (AI) will be able to stay more relevant in the future than companies that don’t invest, even if that means a reduction in staff or layoffs at their company as a result.”

Total support: 22%



AI is still nascent and not widely understood or used by workforces or the general public. Americans don't yet see AI as a primary aspect of expected or realized business activities – either generally or even at their most admired companies. This has created an information vacuum. The nascency of AI, and speculation about its impact on our lives, have left business and government leaders unable to control the narrative. Skepticism and fear of job loss are filling this information vacuum. Our view is that this jobs-driven fear is tied to, and amplified by, our uncertain economy, and future studies will determine whether that sentiment changes with future economic cycles.

Currently, many more respondents see AI as creating a “more dangerous future” (47%) compared to “a better future” (32%). Many of these views on AI are firm. Among those who support the anti-AI statements in each pair, nearly 2:1 hold strong views.

This helps to explain some of the distrust of large corporations, big tech, startups, and AI companies that we see in our research. In fact, AI startups rank among the lowest organizations in trust scores, netting out at just 24% trusted. Small businesses topped the list at 66% trusted, and venture capital ranked lowest at 22% trusted.

How respondents align with these statements:

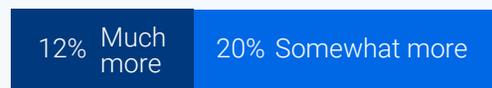
AI makes for a more dangerous future

Total support: 47%



AI makes for a better future

Total support: 32%



This represents an opportunity for communicators. Economic issues and layoffs are already top-of-mind, and associated with AI. While government and business leaders work together to put safeguards in place, communicators and other top executives would be wise to communicate their AI vision to employees and shareholders.

CEOs and CCOs must illustrate what's possible with AI and how it benefits workers and society. AI will evolve roles and responsibilities, improve creativity and productivity, reduce mundane tasks, and create new demands for different jobs that will endure for decades. AI will improve human health by detecting diseases earlier and finding quicker cures. Communicating the vision for AI in an open way can help differentiate the brand and business, address underlying workforce concerns, and provide employees a roadmap for what the future might hold.

A more open communications strategy may help to instill more widespread adoption of AI tools among the skeptical, and improve their work or personal productivity.

| Respondents on how likely they are to trust a company based on these actions | More Likely to Trust | Neutral | Less Likely to Trust | NET Trust |
|--|----------------------|---------|----------------------|-----------|
| Companies that own up to their mistakes | 74% | 17% | 10% | +64 |
| Companies that are future focused | 67% | 22% | 11% | +56 |
| Companies that cut through corporate red tape | 48% | 30% | 23% | +25 |
| Companies that try and fail | 41% | 37% | 22% | +19 |
| Companies that are featured on TV or in national media outlet | 37% | 44% | 19% | +18 |
| Companies that speak to you directly through social media | 41% | 34% | 25% | +16 |
| Companies that use AI to automate their internal process or operations | 34% | 32% | 34% | 0% |
| Companies that use AI to improve how customers think about them | 34% | 29% | 37% | -3 |
| Companies that innovate quickly and worry about government regulations later | 31% | 27% | 42% | -9 |

Conclusion

Across a complex and ever-changing range of issues, companies must walk a tightrope to stay relevant. The further they walk that tightrope, the more risk they bring on themselves. Priorities that are close to their core businesses, such as product innovation, and customer security and privacy, are must-haves for success. By focusing on their employees and communities, businesses earn value for their brands. When companies walk the tightrope further from their base, and take on larger societal issues, they face increased public scrutiny and potential harm to their brands.

As its own standalone issue, AI cuts both ways. While attracting huge attention and investment, AI is still far more feared than welcomed by the general public. When this fear comes down to job loss, communications can play an important role in shifting the narrative around AI towards its transformative potential on very human things and assuaging this fear in the workplace.

There is no single set of principles that can help every company navigate this perfect storm of issues, stakeholders, and their rising influence. Each business will chart its course by looking inward at its employees, culture and values, and outward to data, third-party experts, and the dynamics in its wider landscape. We hope this study, the first in an annual series, serves as a helpful guide along the path ahead.

