

TCSA 2018 Executive Summary
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*Prepared Independently by Plus 94 Research
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Introduction to TCSA

TCSA is the premium reputation research product produced annually by Plus 94 and published by Independent Newspapers. The parties are involved in this project because they believe reputation is the single biggest asset of any business, and represents its social compact to do business successfully. It is even more important in an emerging market like South Africa because of the need to create jobs, grow and transform the economy. The 2018 instalment of the survey boasts a total of 204 top businesses, a new record. This document is a short summary of detailed results. The measure is based on an interrogation of 8 crucial pillars, each with several poignant attributes.



What makes TCSA unique is that most corporate and brand measures tend to be limited to aspects of product excellence and recognition or visibility. These are only two elements of a full TCSA measure as used since 2001 in South Africa. Some of the more important dimensions of the TCSA approach that set it apart include an exhaustive enquiry on Corporate Social Responsibility, Black Economic Empowerment, Vision and Leadership, Workplace Environment and Financial Performance. While noting of the rank of a business is important, what is even more significant is gaining knowledge about the main drivers of reputation. Such drivers, as revealed over the years, are not limited to recognition, and or products and services.

Sample and Methodology

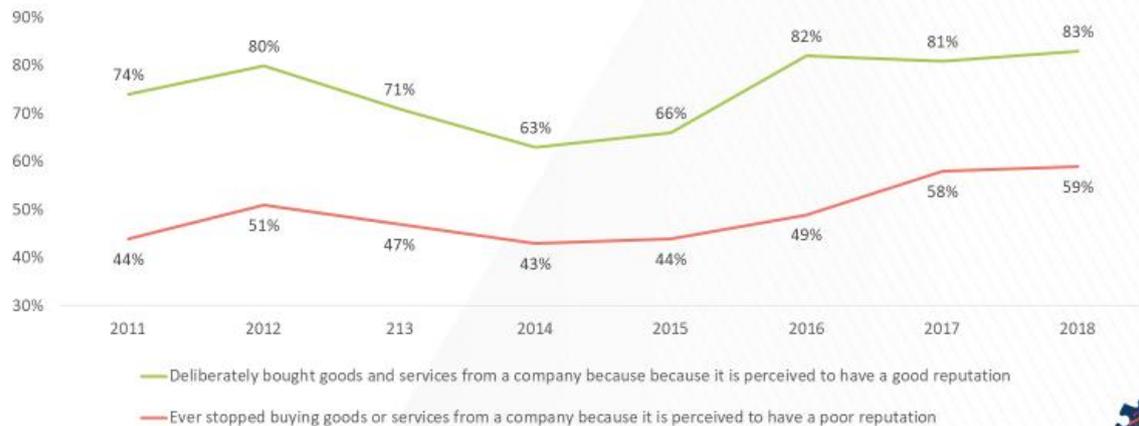
The research was conducted face-to-face with the respondents using Tablet Assisted Personal Interviewing. As this is a general public survey, the inclusion criteria was the likelihood of familiarity and visibility of the entity rated. The sole purpose of screening out obscure and less visible businesses was to avert speculative ratings.

The results are analysed within industry sectors and across them overall. Owing to the skew of purchasing power towards major urban centres, the survey was conducted in September 2018 in urban areas across all nine provinces. The final sample achieved was 2501 respondents. The sample is representative of all key demographic groups such as age, race, income and gender, being made up mostly of Living Standard Measures 5 to 10. The weighting which mirrored goods purchase propensity had 30% of respondents with a personal income of R20000 a month and above.

Highlights of Key Findings

1. The results show that the public expects the businesses they interact with the most in retail, banking and telecommunications to have the best reputation performances.
2. Prominent retail names where this expectation applies are Pick 'n Pay, Woolworths, Checkers and Spar.
3. Companies that advertise aggressively and capture the public's attention are expected to go beyond just their products and services in the role that they play in society.
4. When visible businesses, of whom much is expected, underperform as judged by the public, their reputations are more vulnerable to being harshly criticised.
5. Some names that were exposed to adverse judgements by a section of the sample base included Shoprite, Eskom, Boxer, KFC, Cambridge Food and Pep Stores.
6. An important trend in the market is that boycott behaviour (59%) is increasing for companies with poor reputations, and endorsement by purchase action increasing for companies with a good reputation (83%).
7. This means that customer disapproval of companies with poor reputations is at an all time high, while rewarding good reputations is also higher than at any time in the past.
8. In the past 12 months, 38% of respondents had commented about businesses either positively or negatively on social media, this showing an increase in the liability of all businesses' to higher levels of public scrutiny.

Deliberately Bought Goods due to Good Reputation and Stopped Buying due to Bad Reputation of the Company



- The exhaustive, 8 pillar reputation, did prove that association with reputation and actual reputation did not always coincide as the association was often a proxy for familiarity and interaction, while familiarity was only a fraction of corporate reputation.
- Coca Cola was the most reputable business followed in order by Pick ‘n Pay, Dis-Chem, KFC and Samsung. The top 50 companies are shown in the table below, from 1st to 50th.

TCSA – Companies’ Reputation Scores (TCSA Results)

TOP 50 Advertising Spend Companies (n = 2501)															
Company	Reputation Index (out of 100)					Ranking	Company	Reputation Index (out of 100)					Ranking		
	2018	2017	2016	2015	2014			2018	2017	2016	2015	2014			
Coca-Cola	78.53	83.89	89.00	83.22	85.68	91.20	1	Standard Bank	70.21	74.93	81.40	80.88	82.15	89.25	26
Pick n Pay	78.50	81.21	80.39	80.09	84.85	87.11	2	Mugg & Bean	70.18	77.36	76.93	72.77	77.83	-	27
Dis-Chem	74.67	78.47	80.22	76.95	76.57	84.04	3	Unilever SA	69.96	77.18	80.14	78.98	82.79	84.62	28
Kentucky Fried Chicken	74.00	76.30	79.41	78.87	81.67	86.25	4	Wimpy	69.91	75.14	75.40	73.22	78.22	-	29
Samsung	73.82	84.00	81.10	78.97	-	-	5	Cell C	68.64	73.81	75.99	75.77	81.04	80.44	30
Pep	73.81	78.70	76.20	75.90	75.69	80.20	6	Spitz	68.54	74.15	80.32	75.22	78.87	83.71	31
Capitec	73.77	80.18	80.74	75.09	78.04	84.47	7	Adcock Ingram	68.09	73.53	76.01	75.35	77.12	79.78	32
Shoprite	73.70	75.81	80.34	77.70	79.10	82.00	8	ABIn Bev	67.97	79.90	78.72	77.16	82.18	85.83	33
Beiersdorf	73.55	79.29	81.63	75.79	78.92	83.18	9	ABSA	67.57	74.81	78.55	78.83	81.66	86.19	34
Makro	73.51	79.73	78.00	76.82	79.20	80.44	10	Mondelez South Africa	66.93	76.45	82.05	79.21	81.68	85.79	35
Edgars	73.34	78.64	82.38	77.99	78.44	84.59	11	Clientele Life	66.89	73.81	77.54	74.65	78.52	81.09	36
Telkom SA	73.07	75.13	78.99	77.78	83.44	84.08	12	Chicken Licken	66.53	77.75	77.61	73.08	73.48	83.13	37
Vodacom	73.04	79.83	83.37	81.78	84.60	87.71	13	Kurt Geiger	66.03	87.86	-	-	-	-	38
Spar South Africa	73.03	78.31	81.11	79.30	80.80	83.20	14	Outsurance Insurance	65.88	72.87	78.78	76.00	79.82	81.29	39
MTN	72.78	75.16	82.25	78.93	84.56	87.64	15	Tiger Brands	65.26	77.15	80.02	77.01	78.88	81.63	40
Multichoice	72.65	78.32	81.14	81.49	80.71	82.20	16	Heineken International	64.03	77.56	80.58	-	-	-	41
Colgate Palmolive	72.62	-	-	-	-	-	17	Diageo	63.93	71.54	80.61	-	-	-	42
Nestle	72.45	79.88	79.59	77.27	82.18	86.22	18	Ford Motor Company	63.91	72.43	79.86	78.78	82.00	80.74	43
Volkswagen	72.38	80.28	83.73	80.72	84.00	84.43	19	Green Cross	63.72	72.14	-	-	-	-	44
Fruit Veg City	72.27	-	-	-	-	-	20	Fish Aways	61.53	73.80	79.55	84.98	79.16	-	45
First National Bank	72.12	76.98	73.10	79.42	81.94	87.06	21	Hollard Group	60.23	73.76	75.28	66.93	78.60	81.19	46
Clicks	71.63	79.85	82.14	76.96	79.05	84.59	22	All Life	59.42	71.89	72.56	-	-	-	47
Toyota South Africa	71.25	78.18	84.79	81.92	84.00	86.74	23	Budget Insurance	58.34	68.48	75.18	75.01	-	-	48
Old Mutual	70.80	78.81	82.33	79.32	80.96	85.10	24	Distell	57.70	71.83	77.81	79.92	79.54	79.61	49
Nedbank	70.85	75.90	81.99	78.72	80.19	84.58	25	Trivago	57.85	-	-	-	-	-	50

- Reputation scores ranged from nearly 58 for Trivago to about 80 for Coca Cola. The maximum reputation score is 100.

12. The overall scoring has over the years been declining partly because of lack of substantive economic growth and market pessimism. The other reason is the imposition in 2018 of data weighting reflective of familiarity levels so that scores carry more weight where respondents are more familiar with the business they are talking about.
13. Unlike the US market, there is no domination of tech companies in South Africa, with Samsung being the only one in the Top 10. There is an obvious skew towards retail and consumables companies, more than say services businesses.

Reputation Scores for Top 10 Companies Trended

Rank	COMPANY	Year						6 year Trend
		2013	2014	2015	2016	2017	2018	
1	Coca-Cola	91.20	85.68	83.22	89.00	83.69	78.53	
2	Pick n Pay	87.11	84.85	80.69	80.39	81.21	76.50	
3	Dis-chem	84.04	76.57	76.95	80.22	78.47	74.67	
4	Kentucky Fried Chicken	86.25	81.67	78.87	79.41	76.30	74.00	
5	Samsung			78.97	81.10	84.00	73.82	
6	Pep	80.20	75.69	75.90	76.20	76.70	73.81	
7	Capitec	84.47	78.04	75.09	80.74	80.18	73.77	
8	Shoprite	82.00	79.10	77.70	80.34	75.81	73.70	
9	Beiersdorf	83.18	78.92	75.79	81.63	79.29	73.55	
10	Makro	80.44	79.20	76.82	78.00	79.73	73.51	



The table above shows the rate of decline in overall reputation scores since 2013.

14. Category or product field winners are shown in the chart below. The banking category which in the past was dominated by Standard Bank and FNB was for the first time won by Capitec, underpinning their incessant rise in a competitive environment with at least four major established competitors.
15. Another interesting finding is that the SABC, in spite of some of its recent challenges won two categories, the media and state owned enterprises.
16. This might be because reputation is much broader than just the top spontaneous associations with a business.
17. In the same vein, Sasol won the Oil and Gas companies category, while Telkom Mobile won the Telecommunication and Technology field ahead of past winners like MTN and Vodacom.
18. In a turbulent year for auditing firms, Deloitte won this category followed by Moore Stephens.
19. ABInBev, one of a few companies with a reputation management division, won the alcoholic beverages category, while Huletts came out tops in the edible goods range.

TCSA Category Winners

Segment	3rd Position	2nd Position	Winner
Overall Top 10	Dis-chem	Pick n Pay	Coca-Cola
Alcoholic Beverages	DIAGEO	Heineken International	ABInBev
Auditing Firms	Ernst & Young	Moore Stephens	Deloitte
Banking	Nedbank	First National Bank	Capitec
Consumer Goods Edible	Kelloggs CO SA	Nestle	Hullets
Consumer Goods Range	Pioneer Foods	Unilever SA	Colgate Palmolive
Entertainment	Show Max.Com	Ster-Kinekor Films	Nu-metro
Fashion Retail Shopping	Edgars	Pep	Truworths
Fast Food Outlets	Debonairs	Kentucky Fried Chicken	McDonald's
Grocery Retail Shopping	Shoprite	Checkers	Pick n Pay
Home Stores	Builders Warehouse	Verimark	Makro
Investment companies & Long term insurance	Sanlam	Clientele Life	Old Mutual
Media	eTV	Multichoice	SABC
Motor Manufacturers	Toyota South Africa	Volkswagen	BMW
Oil & Gas companies	Shell	Engen	Sasol
Online Classifieds	Junk Mail	OLX	Gumtree
Personal Care	Dark and Lovely	Revlon	Beiersdorf
Pharmaceutical	Pick n Pay Health	Clicks	Dis-chem
Short Term Insurance	Miway Insurance Ltd	Dial Direct	Outsurance Insurance
Soft Beverages	Red Bull	Liqui-Fruit	Coca-Cola
State Owned Enterprises	Eskom	Telkom SA	SABC
Telecommunication and Technology	Telkom SA	Samsung	Telkom Mobile

20. A common thread running through 4 companies of the top 5 companies in terms of the total reputation is that they all performed well in aspects relating to products and services, workplace environment and image associations.
21. Dis-Chem the fifth company also had image associations and workplace environment as its main reputation drivers.
22. The detailed findings show that consumers most valued innovative and cost effective products produced by a company with good and employees that was also a good company to work for. Such a business would be well known and loved.
23. Attributes dealing with communication were considerably impactful for Coca Cola, KFC and Samsung, while Pick 'n Pay was recognised on the financial performance dimension.

Key Drivers of Reputation for Top 5 Reputable Companies

Company	Key Dimension	Attribute
Coca-Cola	<ul style="list-style-type: none"> • Products and Services • Workplace Environment • Image and Associations (Recognition) • Corporate Social Responsibility • Communication 	<ul style="list-style-type: none"> ✓ The company's ability to offer products and services that are good value for money ✓ The company looks like a good company to work for ✓ Being well accepted (loved) ✓ It creates jobs for the local communities where it operates ✓ The company uses all important channels to communicate and share information
Pick n Pay	<ul style="list-style-type: none"> • Products and Services • Financial Performance • Image and Associations (Recognition) • Workplace Environment 	<ul style="list-style-type: none"> ✓ The company's ability to develop innovative products and services ✓ The company tends to out-perform its competitors ✓ Being well known (awareness) ✓ The company looks like a good company to work for
Dis-chem	<ul style="list-style-type: none"> • Workplace Environment • Image and Associations (Recognition) 	<ul style="list-style-type: none"> ✓ The company promotes skills development among its staff ✓ Being well accepted (loved) ✓ The company looks like a company that would have good employees
Kentucky Fried Chicken	<ul style="list-style-type: none"> • Communication • Workplace Environment 	<ul style="list-style-type: none"> ✓ The company uses all important channels to communicate and share information ✓ The company looks like a company that would have good employees ✓ The company treats views of its stakeholders as if they were very important
Samsung South Africa	<ul style="list-style-type: none"> • Products and Services • Workplace Environment • Image and Associations (Recognition) • Communication 	<ul style="list-style-type: none"> ✓ The company's ability to offer products and services that are good value for money ✓ The company looks like a company that would have good employees ✓ Being well known (awareness) ✓ The company uses all important channels to communicate and share information

24. Pillars that drive reputation differ for various companies, the same way the scores themselves are variable.
25. Even where the same attributes are mentioned often their relative impact is not the same. The survey shows a decline in reputation scores and increasing consumer activism on social media as well as boycott behaviour.
26. In all, the study confirmed that reputation can be deliberately managed by targeting specific variables, as well as, indirectly, that measuring it at least annually is an important aspect of its objective and informed management.

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