



## America's Most Reputable Technology Companies

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By Susan Adams

When pop icon Taylor Swift objected to Apple's decision not to pay her royalties during the first three months of the tech giant's new music streaming service (it reversed that decision within a day), it was the latest example of Apple attracting terrible publicity because of its high profile in the marketplace. "Apple is in many ways the victim of its own success," says Brad Hecht, vice president and chief research officer at The Reputation Institute (RI), a reputation management consulting firm that puts out annual lists of what it calls the "most reputable" companies in the U.S. and most reputable countries around the world. Now RI, based in New York and Copenhagen, has released a list of the 25 tech companies with the best reputations. See our slideshow above for the top 10 and the list at the end of this post for the top 25.

Apple makes it into the top 25, at 21<sup>st</sup> place, but you'd think it would score higher, given the overwhelming popularity of its products, including the new Apple Watch, which still commands waiting lists. But Hecht points out that Apple is perceived as not just a product maker but an "ecosystem" company that integrates all of its products and services like the new streaming service. "The Taylor Swift incident reinforced the idea that they are not as transparent and open as they could be," says Hecht.

The No. 1 company on the list, Apple rival Samsung, benefits from the fact that consumers see it primarily as a product maker. The Korean tech company is known in the U.S. mainly for its popular tablets and smartphones like the new Galaxy S6 and Galaxy S6 Edge. Samsung provoked some laughs at Apple's expense last fall when it released a series of YouTube videos in its "Note the Difference" campaign. The videos showed two actors wearing royal blue t-shirts as though they were working in an Apple store, saying, "Two years for us to do something groundbreaking and here it is. . . a bigger screen!" Samsung was selling large-screen smartphones long before Apple introduced its large models this year.

Apple also got hit hard in 2012 by the [negative publicity](#) surrounding exploitative working conditions at the Chinese Foxconn plant that manufactures Apple products. But [news reports](#) also revealed findings by a nonprofit called China Labor Watch, which reported that Samsung products were being produced under similarly onerous conditions in Samsung-run factories and by Samsung contractors who were employing underage workers and pressuring employees to put in maximum overtime. Though both Apple and Samsung pledged to inspect the factories and improve working conditions, Apple was hit hard by the news while people seemed barely to register the labor issues at Samsung.

Consumers also seem to discount Apple's many CSR efforts, like its construction of an energy-efficient micro-hydro plant to power its Prineville, OR data center and its pledge to use wastewater rather than clean water in many of its manufacturing facilities.


Samsung has laudable environmentally-friendly programs too, like its promise to reduce greenhouse gas emissions, recycle the hazardous waste from its products and its donation of Samsung products to schools. "They've done a good job positioning themselves as an informal, casual company and differentiating themselves on the corporate side," says Hecht, pointing to their old tagline, "Designed for Humans." "Their corporate positioning is that they're making sure everyone in the world can prosper."

The No. 2 company, Hewlett-Packard, is a remarkable story given the fact that its market value does not reflected its strong reputation. Since former CEO Mark Hurd left under a cloud of uncertainty and scandal involving Hurd's alleged use of company funds to pay a contractor who then brought charges of sexual harassment (the company determined its sexual harassment policy was not violated), the stock floundered and then recovered somewhat but is still down at least \$10 from its highs when Hurd was in charge (Hurd resigned saying he did not live up to "the standard and principles of trust, respect and integrity that I had espoused at H.P."). But people seem to have forgotten and/or forgiven that scandal and, Hecht says, they feel "an emotional connection" to the company. "People still have a very positive emotional halo around the company which harkens back to its history," says Hecht. "They were the first company built out of a garage." The "HP Way" slogan gave it the reputation as a company focused on doing both the right thing for its employees and for its consumers. And while its printers, laptops and tablets don't have the cult following of Apple's products, they are still seen as reliable workhorses by most consumers. Hecht says it's less clear whether the side of the business focusing on analytics and cloud computing will be as well-received by the public.

Microsoft, in third place, is a striking example of a company that was once perceived as a monopolist and is now a benevolent force. Back in the '90s it was the subject of various anti-trust findings in the U.S. and Europe over illegally trying to monopolize the browser market and bundling its products. But consumers have largely forgotten that dark period and Microsoft was won points for, among other things, being transparent about its hiring of women and minorities at a time when the media has exposed the failure of tech companies

to diversify their workforces. In its 2014 annual report Microsoft said that its female workforce grew from 24% to 28% and the number of women and minorities in executive roles rose from 24% to 27%. Those are still dismal numbers in my view, but they are at least a sign of progress. CEO Satya Nadella, in charge since 2014, has won praise for a more open and flexible leadership style than predecessor Steve Ballmer, making it easier, for instance, to convert apps written for Apple and Google's mobile operating systems to run on Windows. "Microsoft does extremely well in people's perception of leadership and innovation," says Hecht.

To put together its list, RI looks at consumers' perception of companies. It uses a survey that asks first whether the respondents feel they know a company well. Then they ask respondents to rank four basic statements on a scale of one to seven: "I trust this company," "I admire this company," "I have a good feeling about this company," and "This company has an overall good reputation." Next respondents rank seven more statements including, "This company makes or sells innovative products or innovates in the way it does business." Each company earns a "RepTrak" score on a 100-point scale. Reputation Institute asked about 60 tech companies and 4,000 people participated in the ranking. All the companies are not U.S.-based but they had to have a substantial U.S. presence to be considered for the survey.

You'll see the other ten companies that round out the top 10 in the slideshow above (Google, SAP and Intel follow Microsoft) and the list of the 25 top tech companies below. Click [here](#)  for the RI report ( you have to register to download the report).

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