





**Onclusive**

# **Managing Corporate Reputation with PESTLE Analysis**



# Your Corporate Reputation Is Your Biggest Brand Asset.

Gone are the days when business success was measured solely by profitability. Corporate reputation has become the most important brand asset—a company with a favorable public image is more appealing to customers, employees, investors, and other stakeholders.

This puts communications and PR front and center as the stewards of corporate reputation. However, today there are many internal and external influencers that affect how companies and brands are perceived. These factors need to be constantly monitored and addressed to allow PR pros to get ahead of any reputation concerns and strategically shape their corporate image.

# 90%

**Intangible assets such as corporate reputation now command over 90% of the S&P500 market value.**

Source: [Ocean Tomo Intangible Asset Market Value Study, 2020](#)

While you're likely familiar with ESG (**E**nvironmental, **S**ocial and **G**overnance) performance as one of the most important measures of corporate reputation, we'd like to introduce a similar tool called PESTLE analysis. It helps a company to better understand **P**olitical, **E**conomic, **S**ocial, **T**echnological, **L**egal and **E**nvironmental factors affecting its image, value and growth.

In the age of social media, managing corporate reputation is a complex undertaking. PESTLE analysis, powered by robust media monitoring and social listening technology, can help. In this whitepaper, we'd like to offer you best practices for managing corporate reputation with PESTLE analysis and using sentiment monitoring, social listening and trending topics to understand how macro factors are affecting your brands and competitors—so that you can influence your organization's success where it matters most.

**RICHARD BRANSON**

Founder of the Virgin Group, investor and author

*Your brand name is only as good as your reputation.*

# Table of Contents

- **The link between sustainability and corporate reputation** \_\_\_\_\_ 4
- **What is PESTLE analysis, and why use it for PR** \_\_\_\_\_ 6
- **How to manage your corporate reputation with PESTLE analysis** \_\_\_\_\_ 10
- **Using sentiment monitoring, social listening and tracking trends for PESTLE analysis** \_\_\_\_\_ 14
- **Putting it all together: improving your corporate reputation with the right data** \_\_\_\_\_ 19

# The Link Between Sustainability And Corporate Reputation

In the past twenty-five years, the world has seen an exponential growth in the number of companies reporting environmental, social and governance (ESG) data. Investor interest in ESG data has also grown rapidly.

According to [Wikipedia](#), ESG is an evaluation of a firm's collective conscientiousness for social and environmental factors. It's a form of corporate social credit score based on specific metrics related to a company's intangible assets, which have become critical in business valuation. Ultimately, ESG is used to measure sustainability and societal impact of an organization.

## ADENA FRIEDMAN

Nasdaq CEO - ["2020 Is a 'Tipping Point' for ESG"](#)

*Companies are starting to incorporate sustainability into their core business models. Most notably, BlackRock – the world's largest asset manager with about \$7 trillion assets under management – announced several unprecedented initiatives to place sustainability at the center of its investment approach – a significant shift that could have wide reverberations for companies globally.*

Corporate reputation, and therefore, business growth are increasingly impacted by a company's ESG score. Customers, employees, investors and other stakeholders want to deal with companies that embrace practices such as fair trade, consumer protection, employee diversity and inclusion, and responsible governance.

A recent Harvard Business Review article highlighted exactly how incorporating sustainability into corporate strategy is good for business. To start with, it promotes innovation and reduces risk that comes with challenges and disruptions caused by climate change and diminishing natural resources. Good ESG practices were also overwhelmingly found to decrease costs, improve business performance and as a result, increase stock prices.

Perhaps most importantly, sustainability in business dramatically increases customer loyalty and employee retention. Multiple studies show that today's consumers increasingly turn to brands known for their social and environmental responsibility. In fact, Unilever claims its "brands with purpose" are growing at twice the rate as others in their portfolio.

When it comes to employee recruitment and loyalty, sustainability strategies make a difference by providing value to society and promoting a sense of purpose within the corporate culture, as well as treating employees as critical stakeholders.

PESTLE (Political, Economic, Social, Technological, Legal and Environmental) analysis can serve as a similar measure of corporate reputation. This useful tool provides a bird's eye view of your external environment, which makes it an even more important indicator of your company's public image than what you say about yourself and what journalists say about you in the media—because it is earned directly from your most important stakeholders, including customers, employees and the community in which your company operates.

# 2/3rds

**Nearly two-thirds of consumers across six international markets believe they “have a responsibility to purchase products that are good for the environment and society”—82% in emerging markets and 42% in developed markets.**

Source: [Harvard Business Review, The Comprehensive Business Case for Sustainability](#)

**Perceptions measured by ESG and PESTLE are earned by generating key stakeholder trust and affinity over time, which is at the heart of the communications function.**

Earning trust through building long-term relationships with their external and internal audiences, communities and the media is what communications pros excel at. This ability is rooted in listening and developing ways to initiate and join conversations that contribute to mutually beneficial outcomes.

This is a critical moment for communicators to take the lead in shaping their corporate reputation at an even greater scale by having their finger on the pulse of ongoing changes and knowing their environment so well that they can guide their executive team in making reputation-enhancing decisions in the face of any adversity. The opportunity for PR pros to step into the role of a strategic advisor to the C-suite about possible consequences of various business decisions has never been greater than it is today.

Advocating for PESTLE analysis as an input into your organization's overall strategic plan doesn't just help you get a seat at the table. It also empowers you to prove the value of PR to your executives.

**By making a business** case for new strategies based on a thorough understanding of the political, economic, social, technological, legal and environmental dynamics and implications, you can positively and tangibly influence business performance, customer loyalty and employee retention at your organization.

# What Is PESTLE Analysis, And Why Use It For PR

## Let's start with the definition of PESTLE analysis:

PESTLE analysis is a tool that allows you to see and understand the macro environment of your organization or business. Specifically, it helps to understand external factors (political, economic, social, technological, legal and environmental) and their influences on your company.

PESTLE provides a high-level view of the external environment from multiple perspectives that are all essential to monitor, both during the planning cycle and on an ongoing basis. The categories PESTLE looks at identify forces that affect every business, but different types of businesses are impacted by each category to different degrees.



Political



Economic



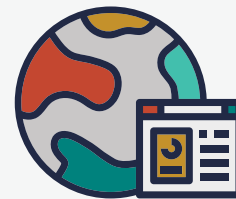
Social



Technological



Legal



Environmental

Before we get into the “why” of PESTLE analysis, let's first review each group of factors and their scope.



## Political Factors

These factors reveal how a government influences the overall economy or a specific industry, which may affect the way your business operates or generates revenue. Here are some examples of political factors to consider:

- Current legislature
- Tax policies
- Fiscal policy
- Trade restrictions
- Political stability



## Economic Factors

This category looks at the economy and how it may impact your company's business decisions in the short- and long-term. Here are a few examples of economic factors that might be important to track:

- Unemployment
- Interest rates
- Inflation rates
- Foreign exchange rates
- Consumer confidence and spending



## Social Factors

Social environment analysis in your country and / or industry may reveal particular attitudes, societal trends and behaviors, or any shifts thereof, to keep in mind for your business. Some examples include:

- Cultural and lifestyle trends
- Demographics
- Population shifts
- Buying behavior
- Public health & safety issues such as pandemics



## Technological Factors

These factors examine technological advancements that are pertinent to the overall economy and consumer demand, as well as your particular industry or your specific company. Relevant technological factors may include:

- Major technology breakthroughs
- Artificial intelligence (AI)
- Automation
- Research and development
- Cybersecurity

# 40%

**Technology will change the landscape in dramatic ways. Virtual communication has already transformed the industry, and more than 40% of communicators believe it will continue to drive change in the next three to five years. Artificial intelligence will rise in importance, as will mobile communications.**

Source: Ragan Communications, Communications Benchmark Report 2021



## Legal Factors

These factors account for both the external legal environment that your business operates in and your internal corporate policies developed in response to these laws. Here are a few examples of legal considerations to keep an eye on:

- Consumer protection
- Health and safety standards
- Employment and labor laws
- Copyright and patent laws
- Risk and liability exposure



## Environmental Factors

These are the conditions created by your organization's physical environment, including global aspects such as the climate and local considerations such as geography, as well as your company's impact on the environment:

- Emissions & carbon footprint
- Climate change
- Geographical location
- Weather patterns, natural disasters
- Ethical sourcing

**Given the magnitude of the external influences and the fact that most of these are outside of your control, it is clear that they must be carefully monitored and navigated so that your company and brand continue to grow and thrive within these parameters.**



## Why Use PESTLE Analysis

PESTLE provides an excellent framework for organizations to have an awareness of the broader atmosphere and its impact on their success. This type of analysis allows you as a communications professional to be better prepared for any shifts, opportunities, challenges and adversity that may come your way at any moment.

That said, including PESTLE analysis in your PR toolkit does more than simply ensure that a crisis won't catch you by surprise. If PESTLE becomes a part of your ongoing communications strategy and planning process, it can help you get the attention of your executive team. When it comes to brand reputation, the stakes are high and you are the primary reputation expert in your organization. With PESTLE analysis at your fingertips, you'll be able to provide valuable input into executive decision-making and demonstrate how communications can influence the trajectory of your business.

This also means that analysis, preparation and planning are essential to maximize your brand's chances of success. PESTLE allows you to proactively set your messaging and delivery channels ahead of time, and react quickly when sudden changes take place. In a crisis, transparency and speed of response make all the difference—and having a thorough analysis already in place will empower you and your team to be knowledgeable and nimble at the same time.

Keep in mind that different industries and types of businesses will assign different weights to the PESTLE categories. For example, a retailer may be more cognizant of economic conditions that drive sales, while a highly-regulated pharmaceutical brand may focus more on the political and legal aspects.

### PHILIP LYNCH

Product Director, Global Insights & Social, Kantar Reputation Intelligence

*The thing I like about PESTLE is it's a framework that allows us to logically sequence often disconnected conversations in a way that we see the relevance to us and to our organization. It's not just a question of understanding reputation risk management or crisis communications. PESTLE is a gateway to understanding where there are opportunities for you to establish awareness and good will with your audiences in areas that are important to them - and you then become relevant in those areas.*

# How To Manage Your Corporate Reputation With PESTLE Analysis

While PESTLE analysis has fallen under the senior executive, marketing or HR umbrella up until now, modern communicators have an immediate opportunity to create value for their organizations by contributing to this process with their own, unique expertise and tools.

As a strategic communicator, you've established a dialogue with your brand's most important external and internal audiences—customers, prospects, investors, policy makers, regulators, NGOs, analysts, employees and society at large—especially if social media efforts are a part of your team. This means that you already have a process in place to listen to these diverse stakeholders and collect information that is critical to your brand reputation.

The purpose of PESTLE is continuous collection and analysis of this information with the goal of spotting opportunities and concerns early on and discerning how to act on them in a deliberate way. Communications and marketing are best positioned to own this entire process, serving as subject matter experts and advisers when it comes to understanding their audiences and influencing their company's public image.

If PESTLE analysis doesn't yet exist at your company, you can become the driving force behind it and take ownership of it. And if it already does, you can play a key role by providing essential inputs and recommendations through your understanding of media coverage, tone and sentiment, social trends and emerging issues and topics.

## How To Do a PESTLE Analysis

There are many ways to implement PESTLE analysis in an organization, depending on the size of your business, company culture, leadership styles, existing processes and tools, and other factors. It could involve live conversations and interviews, online research and using technology that could help you automate some of it.

Regardless of the exact details of the protocol that will work for your particular company, here are the five general steps that encompass PESTLE analysis:



## 1. Identify the relevant PESTLE factors and determine the scope of research.

Some factors may be critical to your business while others could be deemed secondary. We are not just talking about the PESTLE categories here—all six of them affect every organization to a certain extent— but rather about getting granular and identifying the factors underneath each category that are the most influential.

You can ask the following questions in this part of the process:

- What is the current political situation and how much is it likely to affect our industry / company?
- What are the economic factors that we need to consider?
- How important are the cultural and other social trends to our reputation?
- How can technological innovations affect our market and brand in the near future?
- What is the regulatory environment like for our industry, and is there any legislation in development that can influence our business?
- Are there particular environmental concerns we should be thinking about?

Once you know where you need to spend the most time, you can narrow down the scope of your research, including the sources of information, primary and secondary research methods, and any automated trackers and other technology you may want to set up.



## 2. Gather the information.

Based on the scope you outlined in the first step, now you can develop a plan to gather the information that you need for your analysis. In this step, you'll determine exactly how the data will be collected, over which period of time, who will be involved in collecting and analyzing the data, and how the findings will be compiled and presented. This could span several people or be a cross-functional effort.

You may want to create or download a template to record the information so that as you repeat the process, you can compare and contrast apples to apples over time. [There are many PESTLE analysis templates available online.](#)

### MICHAEL DOLMATCH

Director of Communications, Yext

*Yext's press efforts span regions from North America to Asia, and it can be extremely difficult to measure our coverage metrics globally in a reliable way. It's critical for my team to have access to advanced metrics to inform our communications strategy, and Onclusive makes this much easier.*



### 3. Analyze the data you've collected.

Your company may have a data and analytics team that you could tap into for this step. If not, smart tools like Onclusive can automate this process for you, or you could combine the two and make your analytics team's job easier. We'll provide a detailed overview of these tools in the next section of the whitepaper, so we'll just briefly touch on them here.

AI-driven technology behind the Onclusive platform makes it easy for you to set up your media monitoring, social listening and trend tracking from the get-go. You can always come back and edit your setup to include more brand names, company names or keywords that are important to your brand, as well. And our built-in reporting templates simplify generating actionable insights from billions of data points being collected every day.



### 4. Assess the implications of each PESTLE factor on your brand image.

Once you've done some analysis of your data, it should become clear which factors could have the most impact or cause issues for your corporate reputation. While you've made reasonable assumptions in step one, real-world data may or may not support these assumptions. It will also allow you to make more accurate estimates in the future so that you could better anticipate how each factor can influence your public image.

In this step, you'll also want to brainstorm the options to take advantage of the opportunities and mitigate the risks that emerged from your research. This piece is critical before you move on to the final step in the process, which involves making decisions on how to take action based on the insights you've gained so far.



### 5. Decide which actions to take with the goal of enhancing your corporate reputation.

Having your research documented is very helpful for this next step, which involves presenting and discussing your findings with stakeholders and decision-makers in your organization. This will most likely include your executive team.

You can use our brand new [business case guide and template](#) to document your thoughts and outline your corporate reputation strategy and recommendations in a way that speaks the language of the C-suite. During the discussions with the stakeholders, you will collectively decide which actions must be taken and which trends you should continue to monitor on an ongoing basis.

# PESTLE Analysis Best Practices

## When to do it

- PESTLE analysis is an ongoing process for monitoring changes in your business environment. It's a must during annual planning and budgeting, and it should also be done ahead of any significant shifts in your business, major product launches, entering new markets or industry categories, and other big initiatives.
- During a crisis, a PESTLE review can be a game-changer. While anticipating specific crises is outside your control, when one happens it's important to stay on top of the changing dynamics in the external environment and quickly craft a response that is beneficial to all the key stakeholders.

## Who should be involved

- Communications should be involved in conducting the PESTLE analysis as a strategic advisor to executive leadership about enhancing corporate reputation. Ultimately, the C-suite is the primary decision-maker when it comes to the next steps.
- Collaborating with marketing, product, sales, analytics and other stakeholder-facing and data-crunching teams in the business may also be necessary to include multiple perspectives, lean on one another and capitalize on existing expertise and resources within your organization for the best outcomes.
- Other internal and external experts may provide additional input into your PESTLE analysis, such as market research organizations.

## How to get started and optimize the process

- Start small—analytics is still relatively new to communications and PR, and it's easy to get overwhelmed with the data. Make sure that you focus on the most important factors and findings first, and analyze those before collecting and sorting through more information.
- Before making conclusions and recommendations, keep in mind that the future doesn't necessarily depend on the past or the present. Conditions are always changing, and future projects may very well be influenced by evolving factors.
- PESTLE analysis doesn't have to be a standalone undertaking. It can be used in combination with other business analysis tools, such as SWOT analysis, Porter's Five Forces, or competitive analysis. A bigger picture may be helpful for taking more impactful action.

**A well-executed PESTLE analysis results in a comprehensive view of external factors that are affecting your corporate reputation right now and / or may do so in the future. To help you automate the steps of collecting and analyzing the data, in the next section of the whitepaper we'll provide an overview of modern technology available from media monitoring and PR measurement companies such as Onclusive.**

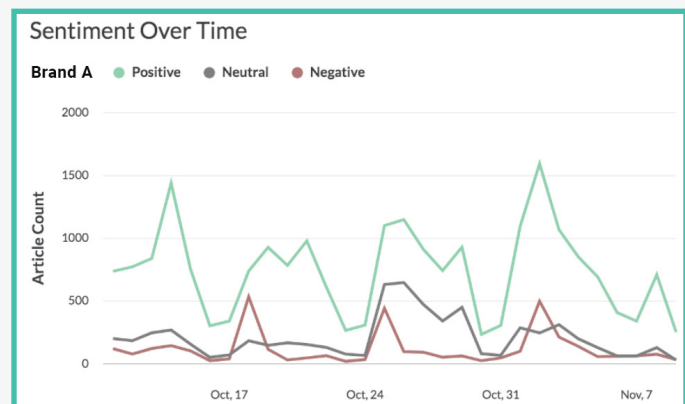
# Using Sentiment Monitoring, Social Listening And Tracking Trends For PESTLE Analysis

## Sentiment Monitoring

Sentiment monitoring helps companies measure brand health by tracking key stakeholder perceptions of their own brands, products and spokespeople, as well as competitors. Sentiment analysis looks at this data and extracts actionable insights that enable organizations to improve their brand reputation.

Onclusive offers **comprehensive earned and social media sentiment monitoring and analysis** that uses artificial intelligence to deliver a detailed look into the tone of media coverage. Our sentiment analysis model is based on the latest deep learning and Natural Language Processing (NLP) research and supports 100+ languages.

Onclusive's analysis dives deeper than just the aggregate sentiment snapshot of your total media coverage. You can also drill down on the sentiment of each article and even each "entity" within an article, such as a person, a place or a concept covered in the article. With social media sentiment, you'll be able to stay on top of how your audience feels about specific conversation topics, as well. Finally, you can track sentiment trends over time.



How does this relate to PESTLE analysis? While sentiment monitoring and analysis technically falls under the Social Factors category of PESTLE since it tracks opinions, attitudes and buying behavior, brand perception is often affected by other factors, including political, economic and environmental influencers. As such, it is a comprehensive metric of how all of the PESTLE factors come together to shape stakeholder views of your brand.

### What you can do with sentiment insights:

- Get a complete view of your current brand sentiment, as well as that of your competitors
- Hone your messaging by understanding how specific messages resonate with your audiences
- Discover what to do to make sure you get more positive mentions and features that enhance your brand reputation
- Evaluate how sentiment is trending over time to gauge whether your reputation strategies are working
- Increase your media and social engagement by creating content that earns journalist attention and better resonates with your brand's audience

## Customer Example



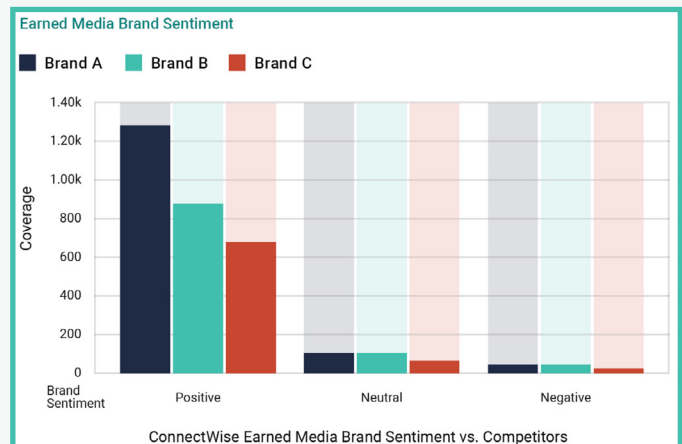
ConnectWise, an IT software company that empowers Technology Solution Providers to achieve success in their As-a-Service business with intelligent software, expert services, an immersive IT community, and a vast ecosystem of integrations, was seeking a technology partner that could evolve with them. As their communications team grew from an independent consultant to in-house staff with an agency partner on three continents, they wanted to see the difference in the volume and quality of their media coverage, and the results against their goals. ConnectWise chose Onclusive as their media monitoring, media relations and PR measurement partner to help them reach those goals, including improved corporate reputation.

Over their first three years working with Onclusive, ConnectWise saw the power of data not only for better understanding their performance, but also for showing their value to executives. They expanded from using Onclusive solely for media monitoring and media relations to building data-driven PR strategies. As they shared reports about the outcomes of their work with their board, executive team, and the entire company during town halls, the communications team had more internal discussions about the value of the PR function and expanded partnerships with other departments to reach business goals.

## The Results

Based on the data and insights from Onclusive, from January 1, 2020 and through the first quarter of 2021 ConnectWise achieved these key results:

- **Comprehensive Earned Media Coverage:** 55% increase
- **Earned Media Brand Sentiment:** up to 52% of market positive sentiment
- **Earned Media Share of Voice:** up to 52%
- **Owned Media Share of Voice:** up to 48%
- **Owned Media Power of Voice™:** up to 75%

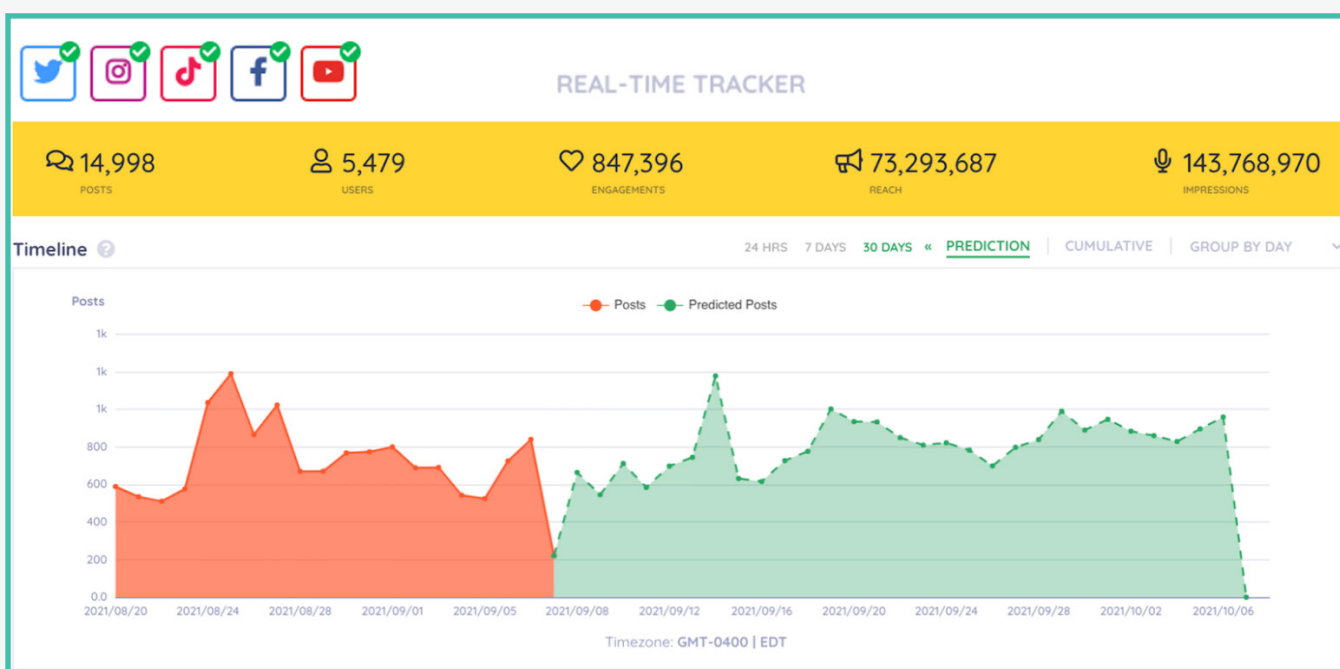


[Read The Full Case Study](#)

## Social Listening

Social listening allows organizations to track what is being said about them, their competitors and industry topics on social media. It is also an invaluable source of customer feedback, and it creates opportunities for two-way conversations with key stakeholders. Social listening can help pinpoint influential opinion leaders in the digital space who may be essential to shaping a brand's public image.

With Onclusive's **enterprise-grade social listening technology**, you can monitor mentions of your company, competitors, topics, and influencers, as well as social sentiment, in real time. By getting a holistic view of social in addition to earned and owned media, you can manage your brand reputation by surfacing mentions that matter across all channels.



Onclusive captures all direct and indirect brand mentions, keywords and hashtags on all major social media networks including Twitter, Facebook, Instagram, YouTube and TikTok. We also offer a comprehensive dashboard to monitor all social accounts relevant to your brand, including your competitors, and a volume predictions feature to help you get ahead of the game.

When it comes to PESTLE analysis, while at first glance social listening once again falls under the Social Factors category of PESTLE, you can set up your social listening to track any PESTLE factor, including new technology, legislature, economic shifts, and more.



## What you can do with social listening insights:

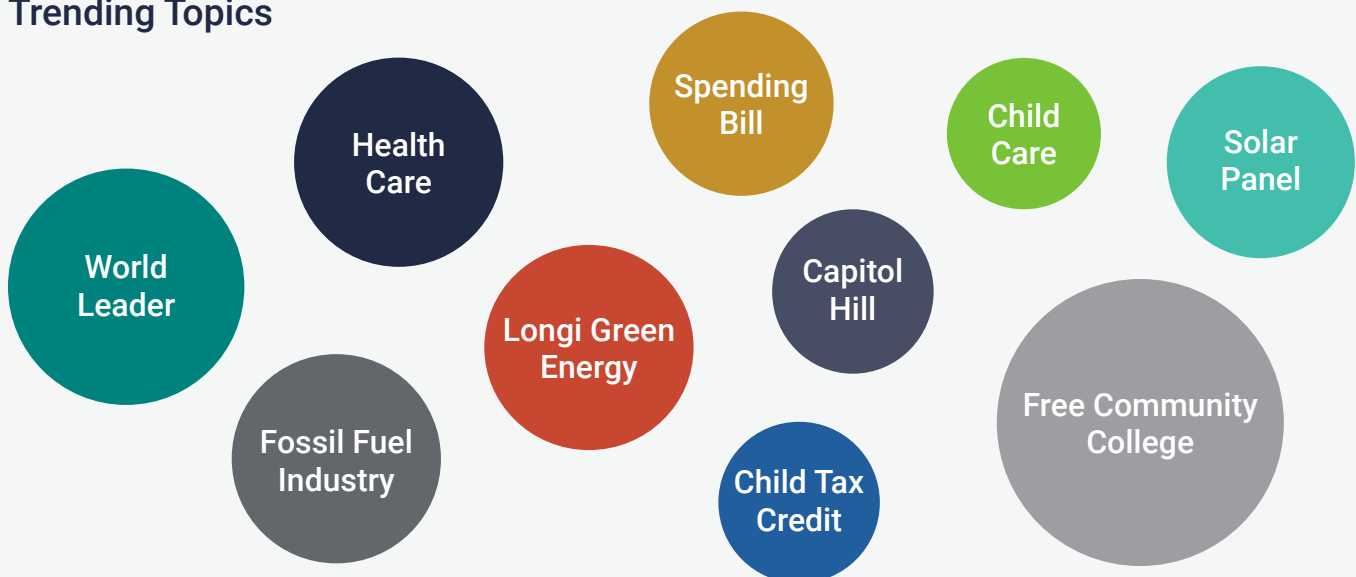
- Monitor conversations about your brand and about your competitors to discover important influencers and shape your strategic decision-making
- Boost social engagement and create impactful content that grows your followers and improves your corporate reputation
- Monitor all competitor mentions to insert your brand into meaningful conversations that allow you to become a proven thought leader in your industry
- Plan ahead with Onclusive's volume predictions, which will notify you when your posts are about to go viral
- Show the value of your social strategy and its impact on your brand reputation

## Current Trends

Monitoring current trends across the entire media landscape that is relevant to your industry and brand is critical to understanding key reputation drivers and potential risks. Having this data at your fingertips covers all six PESTLE categories, allowing effective crisis response and informing communications strategies to grow brand value and equity.

Onclusive provides **unified earned, owned and social media monitoring** with the most complete and accurate news and social media coverage available across digital, newswire, print, broadcast, radio, and all major social platforms. You can monitor your company and products, competitor brands, and any other keywords that are important to your business.

## Trending Topics



By monitoring trending topics and conversations happening now, you can stay ahead of your competition, crises and emerging opportunities. To dive deeper on the coverage that matters most for your goals, you can use our extensive search and filtering capabilities, including article relevance, publication tier, reach, social media engagement and sentiment, along with standard filters like date, publication name, author, geography, language and more.

## What you can do with comprehensive media monitoring:

- Understand the holistic view of your external environment to gauge your current reputation and inform future strategies
- Catch emerging trends and crises early so that you can be strategic with your communications activity
- Get as granular with your research and analysis as you need to be, by looking at the key metrics at the article level
- Proactively manage your corporate reputation instead of being reactive
- Prove the total impact of your communications strategy on your public image

## Using Sentiment Monitoring, Social Listening And Current Trend Insights In PESTLE Analysis

Congratulations, you've done the most important part of PESTLE analysis—setting yourself up for success with the right technology and tools! The next step is to sort through the information provided by your sentiment analysis, social listening and trend tracking. As you're going through the data, use your PESTLE template to add the key findings under specific categories.

During this process, it's smart to consult with marketing, sales, customer success, data analytics and any other teams in your organization that are also collecting or processing this type of information. Together, you can assess the implications of your findings, identify major opportunities and threats, develop your commendations and then, finally, present your recommendations to the C-suite.

### PHILIP LYNCH

Product Director, Global Insights & Social, Kantar Reputation Intelligence

*People traditionally use sentiment analysis for risk identification, but you can also use it as an opportunity. If a company has already demonstrated that it can engage positively on complex issues, it can broaden its engagement strategy and drive a stronger, more positive position [in weaker areas]...overtime we are looking to build equity across the board because we're never going to know when we need to rely on that equity.*

# Putting It All Together: Improving Corporate Reputation With The Right Data

The biggest takeaway we'd like to offer from our overview of managing corporate reputation using PESTLE analysis is that access to the right information at the right time makes all the difference. An analysis of external factors that influence reputation provides the data input that businesses need to make an objective assessment of the current situation, where they'd like to be, and how to get there.

In summary, a PESTLE analysis can help communicators and business leaders:

- Gain alignment on the external environment of your business
- Get clarity on the current state of your public image and actions to improve it
- Be better prepared for the unexpected and improve brand resilience
- Inform strategic planning and tactical crisis response
- Prioritize resources to proactively manage corporate reputation

**PESTLE analysis is a powerful tool that can assist with planning, execution and measurement of your communications strategies—including improving corporate reputation.**

# Onclusive

**Onclusive** empowers the world's leading brands and agencies to modernize communications, increase performance and demonstrate value. The inventors of **PR Attribution™** and **Power of Voice™**, Onclusive measures the true impact of content on a company's bottom line. Manage your entire PR workflow and pitch, monitor and showcase your success with Onclusive's integrated product suite.

Leading global brands and agencies including Airbnb, 23andMe, H&R Block, Experian, Monster, Edmunds, Sophos, Omnicom Public Relations Group and MSLGROUP partner with Onclusive to improve their communications. For more information, visit [onclusive.com](https://onclusive.com), email [info@onclusive.com](mailto:info@onclusive.com) and follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

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