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NEWS FOR IMMEDIATE RELEASE

New 18 nation opinion leader study shows the importance of product quality and CSR in Japan for companies seeking to build trust with stakeholders *Global warming identified as the top issue for global companies to address*

TOKYO, JAPAN, 2007 March 1 -- Edelman (www.edelman.jp), Japan's premier international PR consultancy, today announced the Japanese results of a new 18 nation study of opinion leaders.

The eighth annual survey -- the 2007 Edelman Trust Barometer Study conducted by StrategyOne -- polled a total of 150 Japanese opinion leaders (among 3,100 surveyed in 18 countries, including Japan, South Korea, China, US, Canada, UK, Germany, France, Italy, Spain, the Netherlands, Sweden, Poland, Russia, Ireland, India, Mexico, and Brazil).

Japanese opinion leaders led all 18 countries polled in:

- ◆ Believing that global businesses play a role that no other institutions can in addressing major social and environmental challenges (86%);
- ◆ Believing that companies are held accountable by public opinion (92%);
- ◆ Choosing corporate social responsibility as the most important action for global companies seeking to build trust among their employees (61%); and,
- ◆ Being inclined to purchase products or services of companies deemed socially responsible (54%).

"Japanese opinion leaders recognize the power of CSR to build trust for global companies that they believe have a unique role as social and environmental custodians that must answer to public opinion," says Robert Pickard, President of Edelman, North Asia. "They are more inclined to reward or to punish companies depending on the extent to which they are perceived to be socially responsible, and so corporations communicating with Japanese audiences must be ready to articulate what stakeholders hope is the positive reality of their CSR commitment."

NGOs are now the most trusted institution among Japanese opinion leaders


This emerging reality is reflected by the fact that for the first time in the three years that Japanese opinion leaders have been studied as part of the Edelman Trust Barometer, "NGOs in general" are now the most-trusted institution in Japan (55%). This compares to the 53% who trust "government in general," the 52% who trust "business in general" and the 41% who trust "media in general."

Trust in communications channels: newspapers reign supreme in Japan

Although the media as an institution does not command a majority in terms of Japanese opinion leader trust, some 62% regard newspapers as a credible source of information about a company (higher than in the US, EU and China), with television news coverage seen as credible by 55%, radio news by 52% and articles in business magazines by 50%.

Trust in communications sources: company CEO and "person like yourself"

When asked about the credibility of information from different spokespeople when forming an opinion about a company, Japanese opinion leaders rated the CEO of their own company very highly (72% said "extremely" or "very" credible), higher than respondents in the EU, US, or China.



However, some 50% said that “a person like yourself” is “extremely” or “very” credible, significantly more than the 37% who said that about company CEOs in general.

“Companies that want to communicate effectively in Japan need to harness the power of traditional vertical communications through authoritative channels like the newspaper and commanding sources like the CEO,” says Keizo Kumazawa, Deputy Managing Director Edelman Japan. “But the really smart companies should also engage in horizontal communications using today’s new peer-to-peer approaches, and that includes reaching out through social media and entering into new conversations with stakeholder communities online as people build their own webs of trust with people they know.”

Quality products the trust driver, product defects the trust destroyer

Consistent with past Edelman research in Japan, this year’s Edelman Trust Barometer found that quality is the key to earning trust in Japan. When asked which factor is most important to building their trust in a global company, 48% of Japanese opinion leaders said “quality products and services”, more than their Chinese (46%), European (36%), or American (33%) counterparts.

Sixty-eight percent (68%) of Japanese opinion leaders essentially indicated that the lack of quality through “defective products” would undermine their trust in a company most, more than the Chinese (63%), American (55%), or European (46%) opinion leaders who selected that reply.

Japanese eager to reward companies they trust, punish those they do not

When asked about which actions they would engage in concerning companies they regard as socially responsible, a majority of those surveyed (54%) said “purchase their products or services.” The opinion leaders reacted with many more majority-opinion replies when asked which actions they have taken in relation to companies that they do not trust: “refused to buy their products or use their services” (81%); “criticized them to people you know” (65%); “refused to invest in them” (63%); and, “supported legislation controlling or limiting their activities” (55%).

CSR seen through an environmental lens in Japan; global warming “top issue to address”

When asked about which global issue the companies that they trust should address, 79% of the Japanese opinion leaders identified global warming, compared to 56% of the European, 42% of the American and 34% of the Chinese opinion leaders surveyed.

About the 2007 Edelman Trust Barometer

The Edelman Trust Barometer tracks the attitudes of opinion leaders around the world – which institutions, companies, and sources of information they trust, as well as what drives that trust. The eighth annual survey (third annual in Japan) was conducted through 30-minute telephone interviews with 3,100 opinion leaders in 18 countries (Japan, South Korea, China, US, Canada, UK, Germany, France, Italy, Spain, the Netherlands, Sweden, Poland, Russia, Ireland, India, Mexico, and Brazil). 150 Japanese stakeholder interviews were conducted from October to November 2006 by StrategyOne (a research consultancy owned by Daniel J Edelman, Inc.). Opinion leaders are defined as being between 35-64 years of age, university graduates with annual household incomes within the top quartile of the population, and reporting a significant interest and engagement in the media, economic affairs, and policy issues.

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