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CITIZENS IN EMERGING MARKETS OUTPACE THE US AND EUROPE AS MOST ENGAGED IN SOCIAL GOOD

**In India, China, Brazil, Mexico, Consumer Expectations
of Brands to Do Good Top U.S. and Western European Economies,
2010 Edelman goodpurpose Study Finds**

--Consumers Willing to Punish Brands That Don't Support Good Causes--

November 4, 2010, NEW YORK and BEIJING – Consumers in Brazil, China, India, and Mexico are more likely to purchase and promote brands that support good causes, outpacing their peers in the West, according to the fourth annual Edelman goodpurpose® study. In India and China, a commitment to supporting good causes has risen rapidly and dramatically since 2009, with the percentage of adults who are personally involved in supporting a good cause jumping 34 points in India, to 81 percent, and 23 points, to 89 percent, in China. Nearly eight in 10 consumers in each Brazil and Mexico would buy products from companies that support good causes, compared to just over one half (54%) in major Western European economies.

“Brazil, China, India and Mexico have reached a tipping point in terms of economic development and their consumers no longer need to make trade-offs,” said Carol Cone, managing director, Brand & Corporate Citizenship, Edelman. “In emerging markets, the dramatic rise of ‘the citizen consumer’ has happened so quickly because battles over societal issues like natural resources and human rights have taken place right in their backyards. They understand purpose and want it to be at the center of their lives and their everyday interactions with brands,” Ms. Cone said.

While consumers in emerging markets now outrank their peers on several measures of commitment to social purpose, citizens around the world maintain a high level of interest and engagement in cause. For the fourth year running, in all European and North American countries surveyed, purpose is more important than design/innovation or brand loyalty as a purchase trigger



when quality and price are the same. Despite the prolonged recession, two-thirds (66 percent) of global consumers report that they are likely to buy and recommend products and services from companies that support a good cause.

“Purpose is absolutely central to marketing today. It is the ultimate avenue for consumer engagement and inclusion – two vital pieces of the successful marketing puzzle,” said John Quelch, Senior Associate Dean and Lincoln Filene Professor of Business Administration at Harvard Business School and coauthor of *Greater Good: How Good Marketing Makes for Better Democracy* (Harvard Business Press, 2008). “Today’s ‘citizen consumer’ demands that brands supply not products, but solutions - not functions, but benefits. Purpose does just that.”

“Purpose is now the fifth P of marketing. It’s a vital addition to the age-old marketing mix of product, price, place, and promotion,” said Mitch Markson, chief creative officer, Edelman and the founder of Edelman goodpurpose. “Purpose allows brands to have a deeper level of engagement with their consumer—and it also allows consumers to put their own mark on brand marketing by collaborating with brands to tackle important social issues,” Mr. Markson said.

As consumer involvement rises, their expectation of brands and companies remains high. Eighty-six percent of global consumers believe that business needs to place at least equal weight on society’s interests as on those of business. Two-thirds of global respondents expect brands to do something to support a good cause.

While consumers expect that companies show a commitment to good causes, they are also willing to punish those that do not. More than one-third of consumers globally would punish a company that doesn’t actively support a good cause, by criticizing it to others (37 percent), refusing to buy it (37 percent), or sharing negative opinions and experiences (38 percent). Nearly one half (46 percent) would not invest in such a company. “Consider that 40 percent of 18-24-year-olds globally would help promote a socially responsible brand by promoting it on Facebook or Twitter,” Mr. Markson said. “This should sound an alarm to companies, especially given the increasing voice that social media gives today’s consumer.”

Additional Key Findings Include:



- Sixty-nine percent of consumers globally believe corporations are in a uniquely powerful position to make a positive impact on good causes—as high as 80 percent in the U.S. and 82 percent in Mexico.
- Nearly two-thirds of global respondents (64 percent) believe it is no longer enough for corporations to give money; they must integrate good causes into their everyday business
- Seventy percent of global consumers say that a company with fair prices that gives back is more likely to get their business than a company that offers deep discounts and doesn't give back.
- Globally, food and beverage tops the list of industries considered the most involved in good causes, virtually tied with media and healthcare providers.
- “Protecting the environment” ranks as the no. 1 cause that global consumers care about, followed by “improving the quality of healthcare”.
- Globally, 71 percent of consumers believe that projects that protect and sustain the environment can help grow the economy—with even higher numbers for China, Mexico, India, Brazil, and the U.S (87, 81, 81, 79, and 75 percent, respectively).

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About the Edelman goodpurpose Study

The 2010 GoodPurpose study is the firm's 4th annual global consumer study that explores consumer attitudes around social purpose, including their commitment to specific social issues and their expectations of brands and corporations. The survey was conducted by the StrategyOne and consisted of 20-minute interviews in 13 countries among 7,259 adults. Online interviews were conducted in Brazil, Canada, France, Germany, Italy, Japan, Mexico, the Netherlands, UAE, the United Kingdom, and the United States. Face-to-face interviews were conducted in China and India. The study is representative of the country population, except in UAE. UAE is representative of the online population. For more information, visit www.goodpurposecommunity.com.

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