
The Relationship Among NGOs, Government, Media and Corporate Sector

Proprietary Research by Strategy One and
Edelman PR Worldwide

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Why We Are Gathered This Morning

We Stand Apart

- Seattle WTO as wake-up call – networked direct action
- Shell/Brent Spar and Monsanto/GM Foods show failure of old model of persuasion
- Pyramid of authority gives way to circle of cross influence
- Must speak to consumer throughout entire process
- UN Global Compact as declaration of principles, not legally binding code of conduct. Can promote best practices. Need more American corporate involvement
- Edelman has committed to be volunteer PR firm for UN Global Compact



Tremendous Opportunity In Proper NGO Relationship Management

- Employees – the secret advantage of motivation cross borders
- Customers – assurance they are buying the right product
- Financial community – position as smart company
- Government – seeks reinforcement of regulation positions
- Our experience to date is positive
 - Chiquita – Rainforest Alliance
 - Home Depot – Forest Stewardship Council



NGOs: Why They are Winning

We Stand Apart

- They play offense all the time
- They take their message to the consumer
- They are ingenious at building coalitions
- They always have a clear agenda
- They move at Internet speed
- They speak in the media's tone



Methodology

We Stand Apart

- Survey of 600 European (UK, Germany, and France) and 200 Australian “Thought Leaders” October 2000
- Survey of 500 U.S. “Thought Leaders” July 2000 and January 2001
- Probe trust, favorability, credibility on five key issues



Our Research Hypotheses

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- Low trust/confidence in government and business gives NGOs credibility – NGOs have halo effect
- NGOs skip elite media and go straight to the consumer through web, popular press, TV
- Business is unsuccessful because they talk science rather than human issues

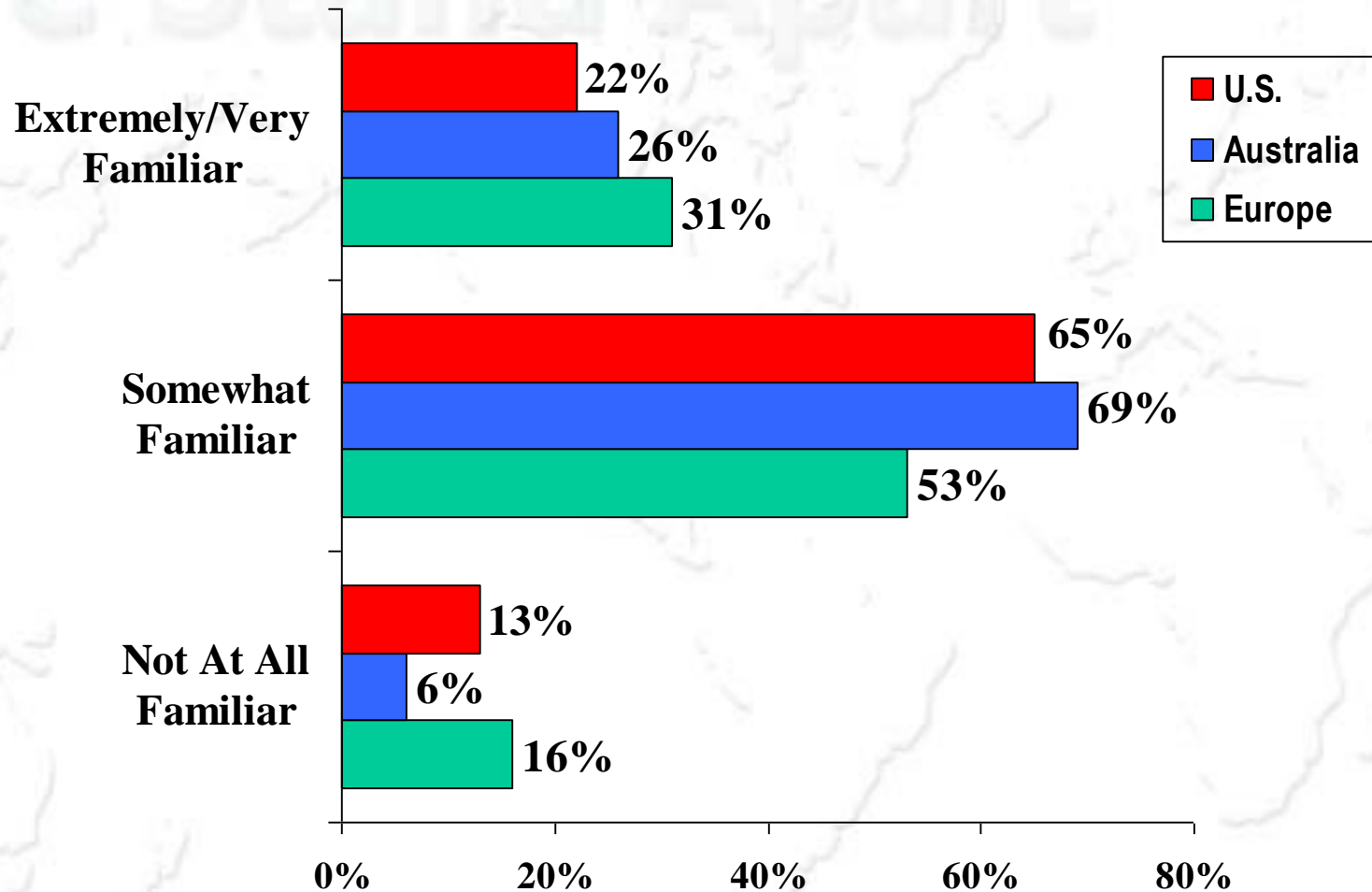


There Is Sense of NGO Positive Momentum and High Degree of Awareness of NGOs

- No discernible difference in awareness across continents
- Real feeling of increased influence over the global agenda



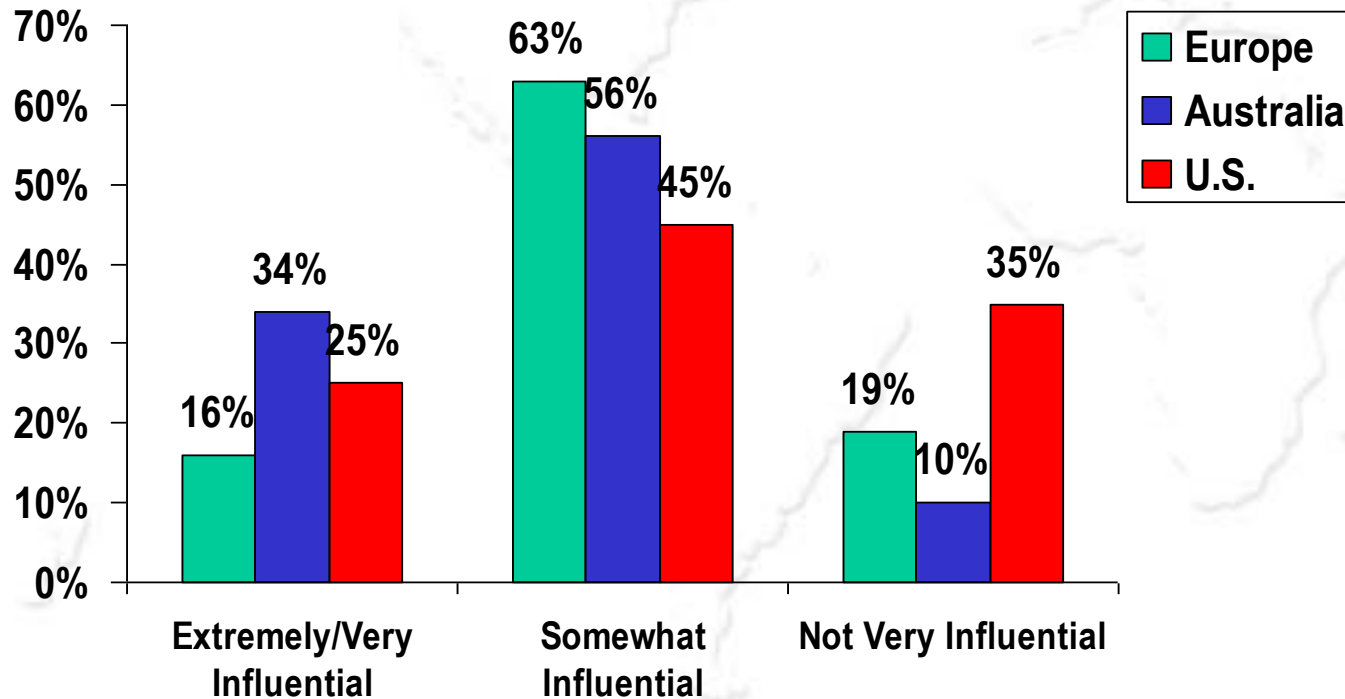
Familiarity With NGOs



Increased Influence

Approximately 75% of Americans, Europeans and Australians feel that NGO influence has increased significantly over the past ten years.

NGO Influence Over Gov't/Business Today

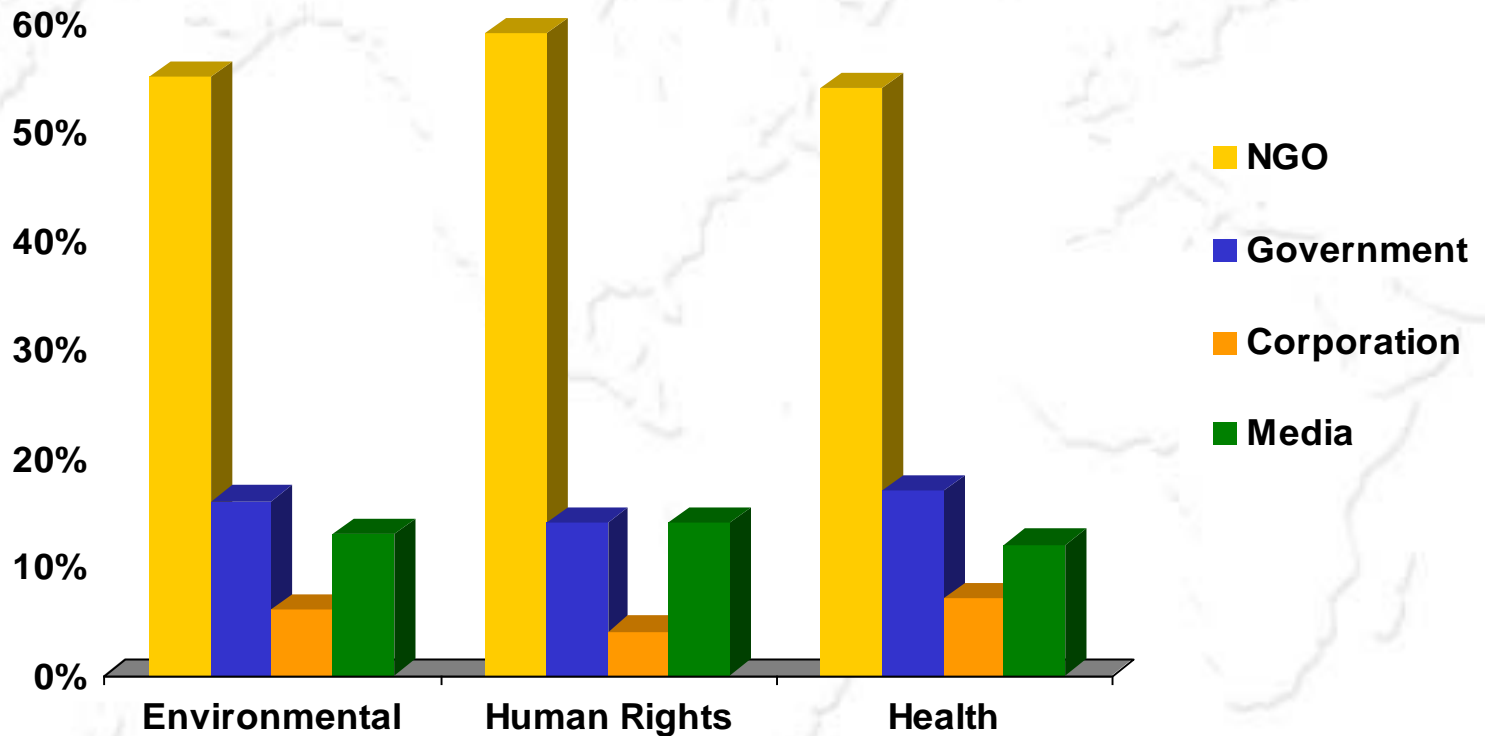


What the World Agrees On – NGOs Are Most Credible Source On Environmental, Social Issues

- Government, corporations, media lag behind
- Our explanation – NGOs seen as selfless crusaders with specific expertise

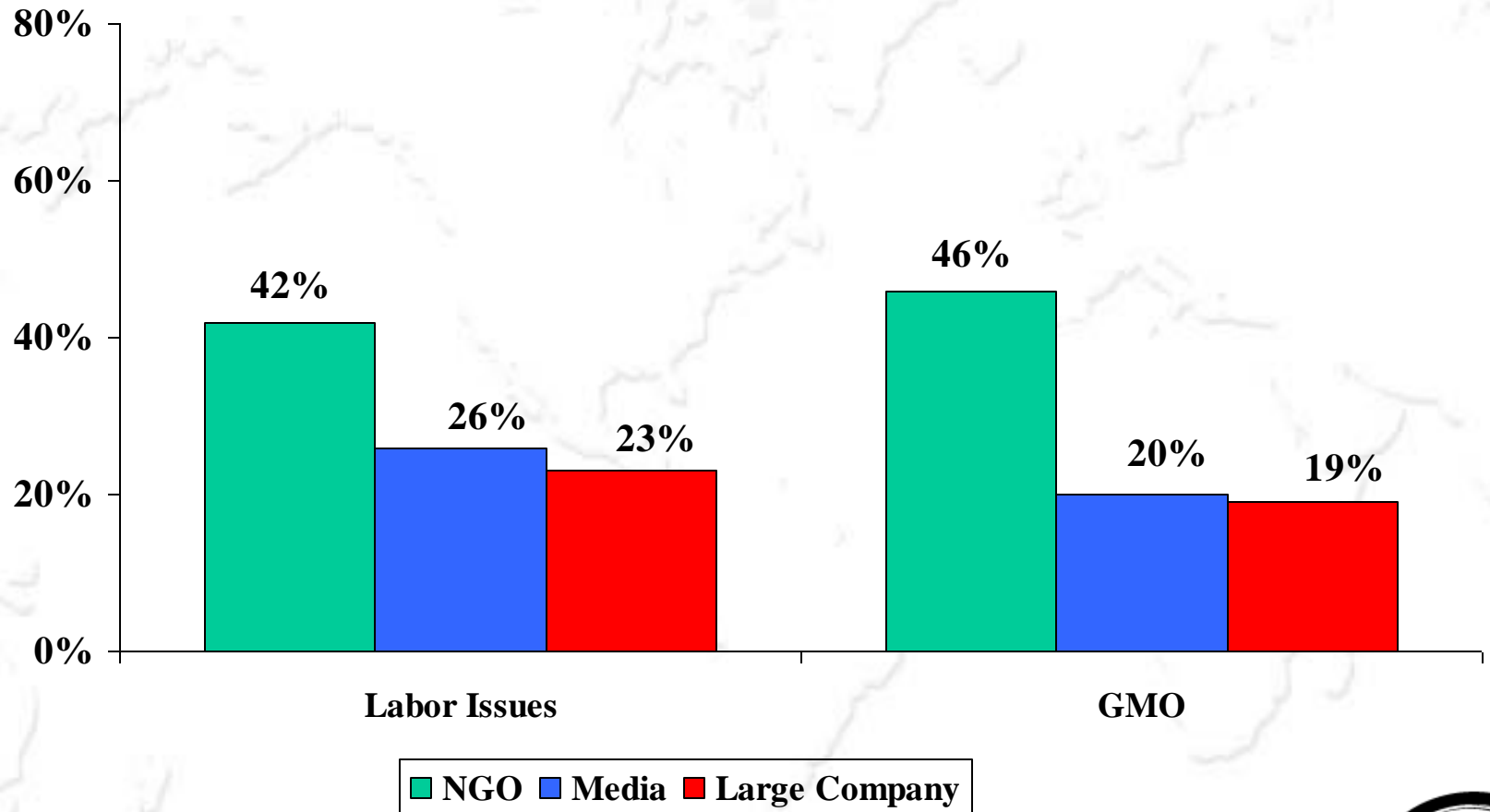


NGOs Dominate Big Issues in Terms of Trust



Source Credibility: U.S.

We Stand Apart



“Trust To Do the Right Thing” – A Real Difference by Continent

	<u>US</u>	<u>Australia</u>	<u>Europe</u>
Business	44	38	32
Government	27	30	36
NGO	36	53	48
Media	20	18	23

Note that NGOs top-rated in trust except in US



“Trust To Do the Right Thing” – A Brand Evaluation Shows Big Gap

	<u>US</u>	<u>Australia</u>	<u>Europe</u>
Exxon	30	16	17
Greenpeace	40	69	65
Nike	40	30	25
Amnesty International	36	80	75
Microsoft	61	34	44

Note that most trusted brand is NGO except in US



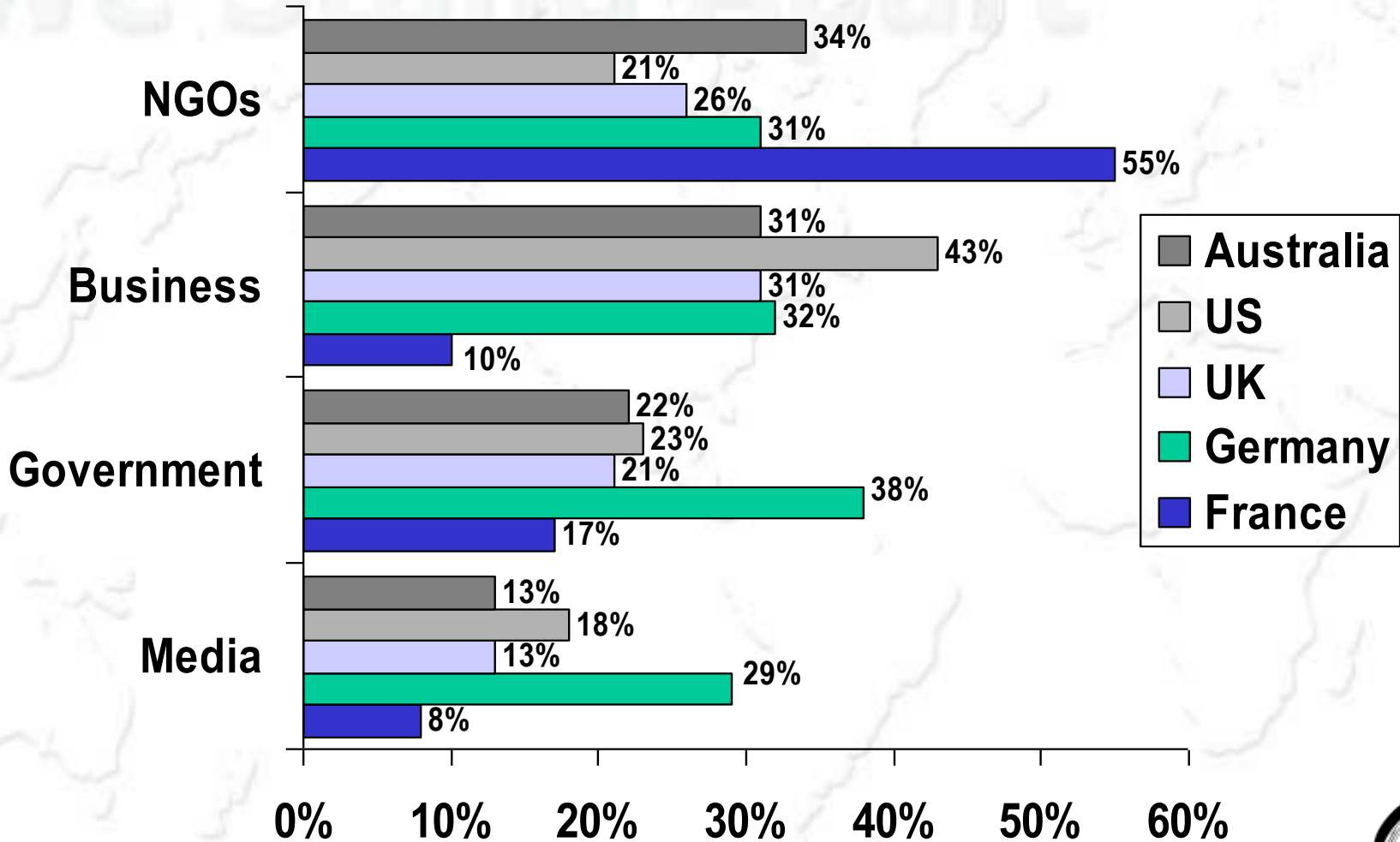
Business, NGOs Have Comparable Favorability Except in US and France, Much Ahead of Government and Media

- Biggest disparity between US and France with business rated highly in US and poorly in France. NGO rating as mirror image
- Government and media lag except in Germany



Favorability

Strong differences in favorability between markets



Why the Large Perception Gap

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- US generally more conservative and has benefited from unprecedented boom – business has made us wealthy!
- Major European health issues (“mad cow” disease, Coca-Cola recall, dioxin) have negative impact on credibility of government and business
- Role of FDA and trust in regulatory process versus vacuum in Europe



Major Difference in US Versus Europe/ Australia on Brand Favorability

- Corporations are ahead in favorability and trust to leading NGOs in US while in Europe/Australia, NGOs are well ahead
- Top NGO brands much less highly ranked in favorability and trust in US
(Greenpeace at 33% in US, 59% in Germany)
(Amnesty International at 28% in US, 67% in Europe)
- Controversial companies do much better in favorability ratings in US than Europe/Australia
(Monsanto at 25% in US, 4% in Europe)



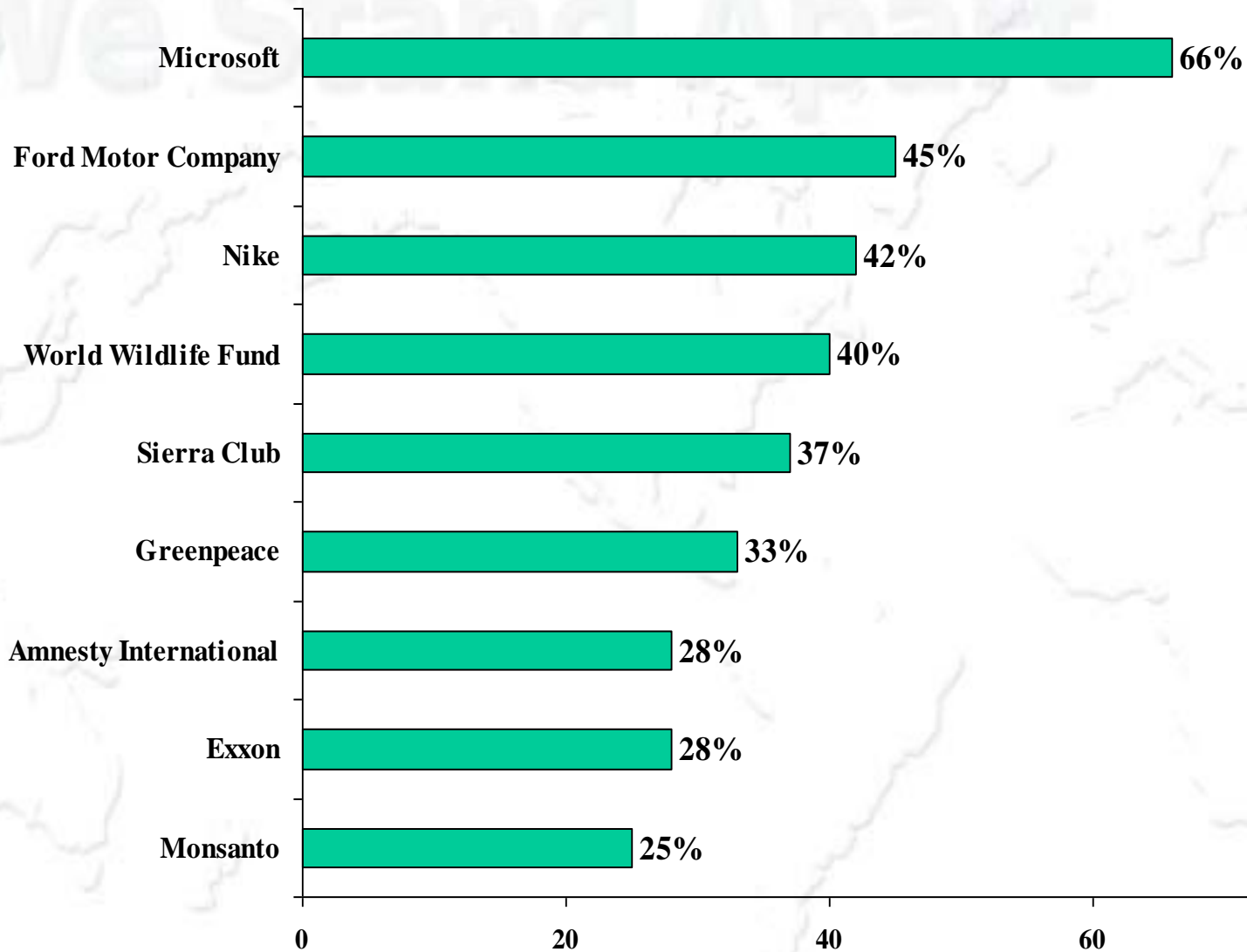
Country Differences On NGO Brands

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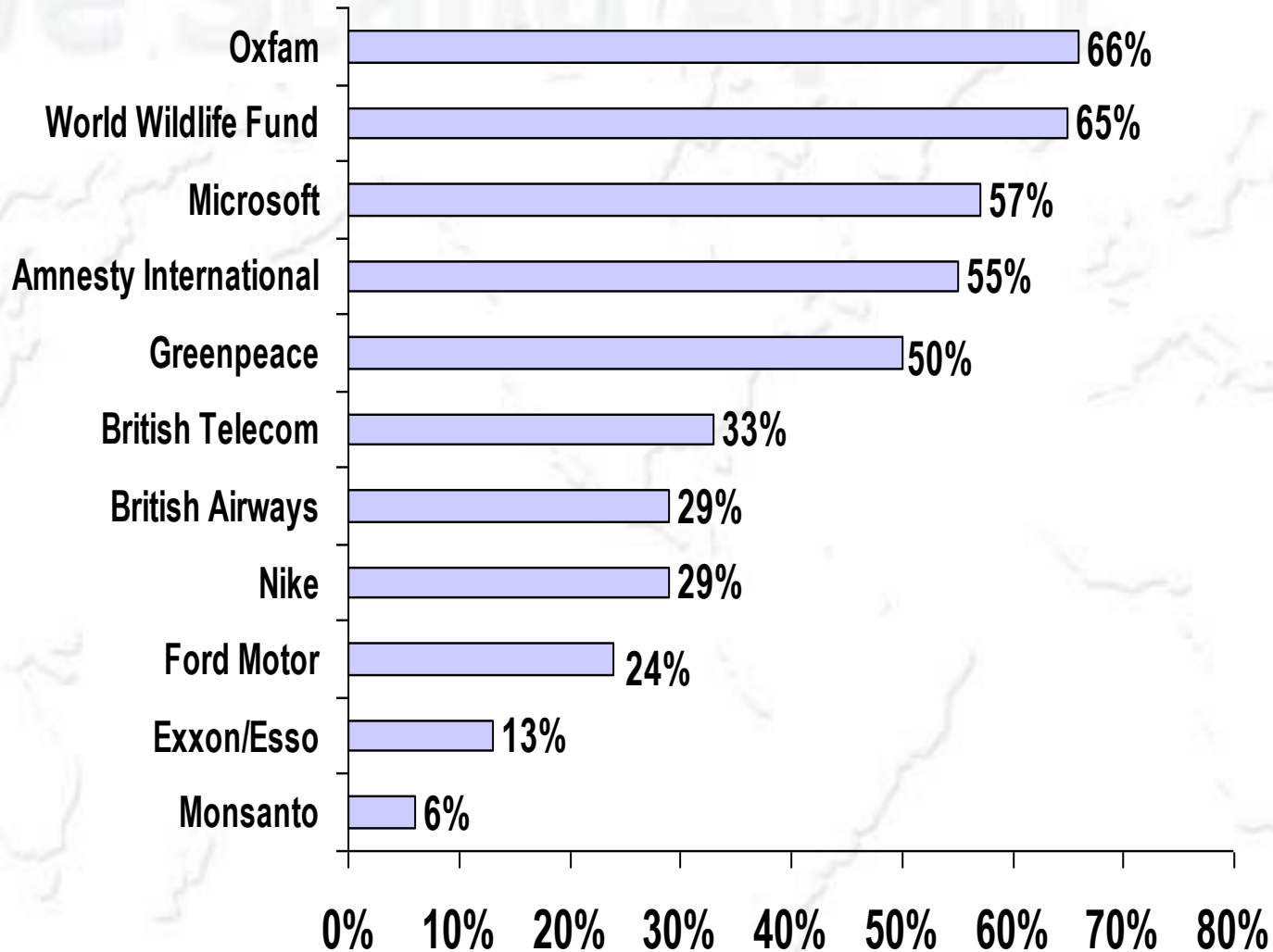
- UK rates Oxfam and WWF most highly
- Amnesty International and WWF have highest ratings in France
- Germany rates Greenpeace and Amnesty International as top “brands”
- US rates WWF and Sierra Club
- Australia rates Amnesty International, Greenpeace



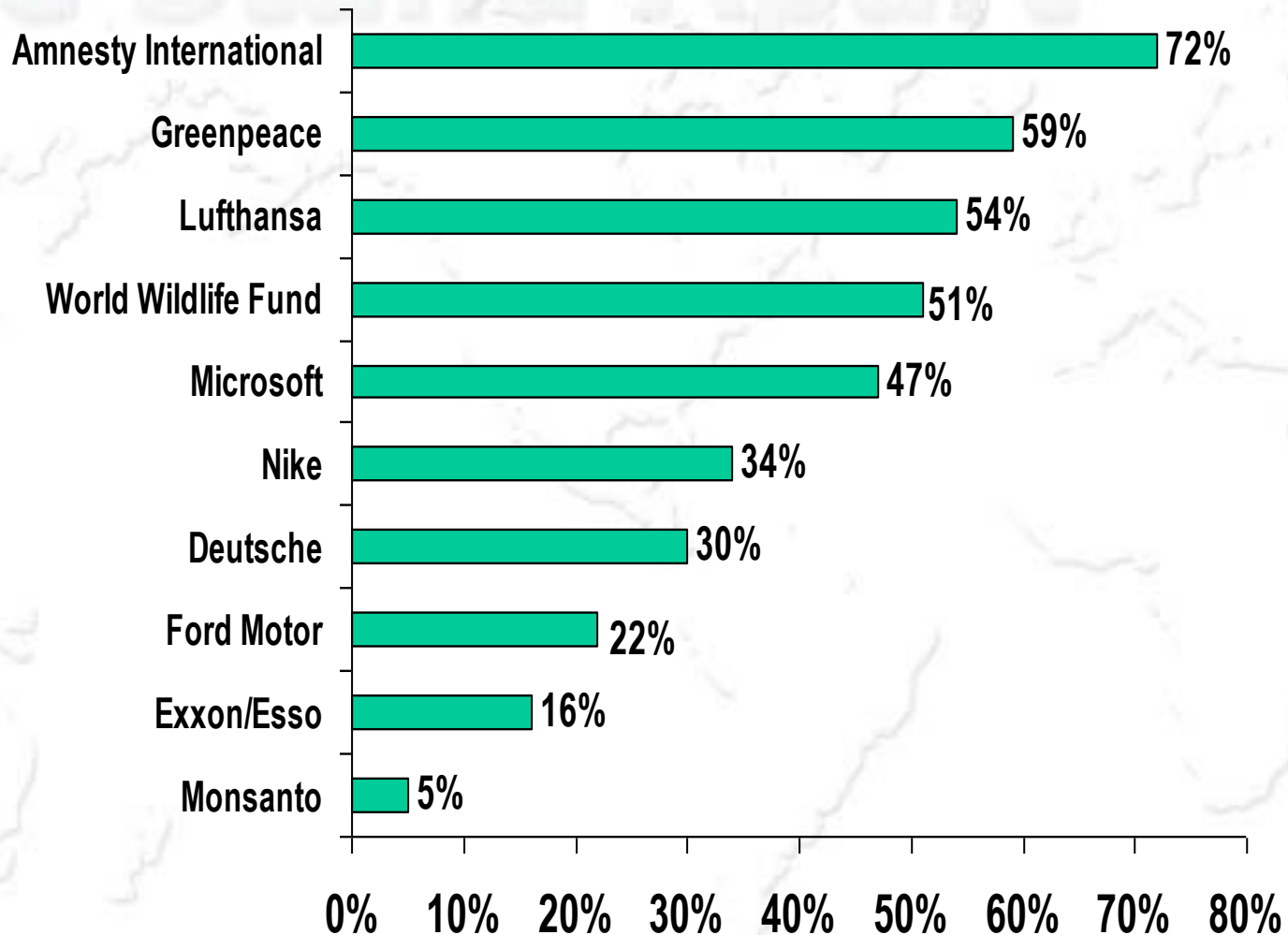
Favorability: U.S.



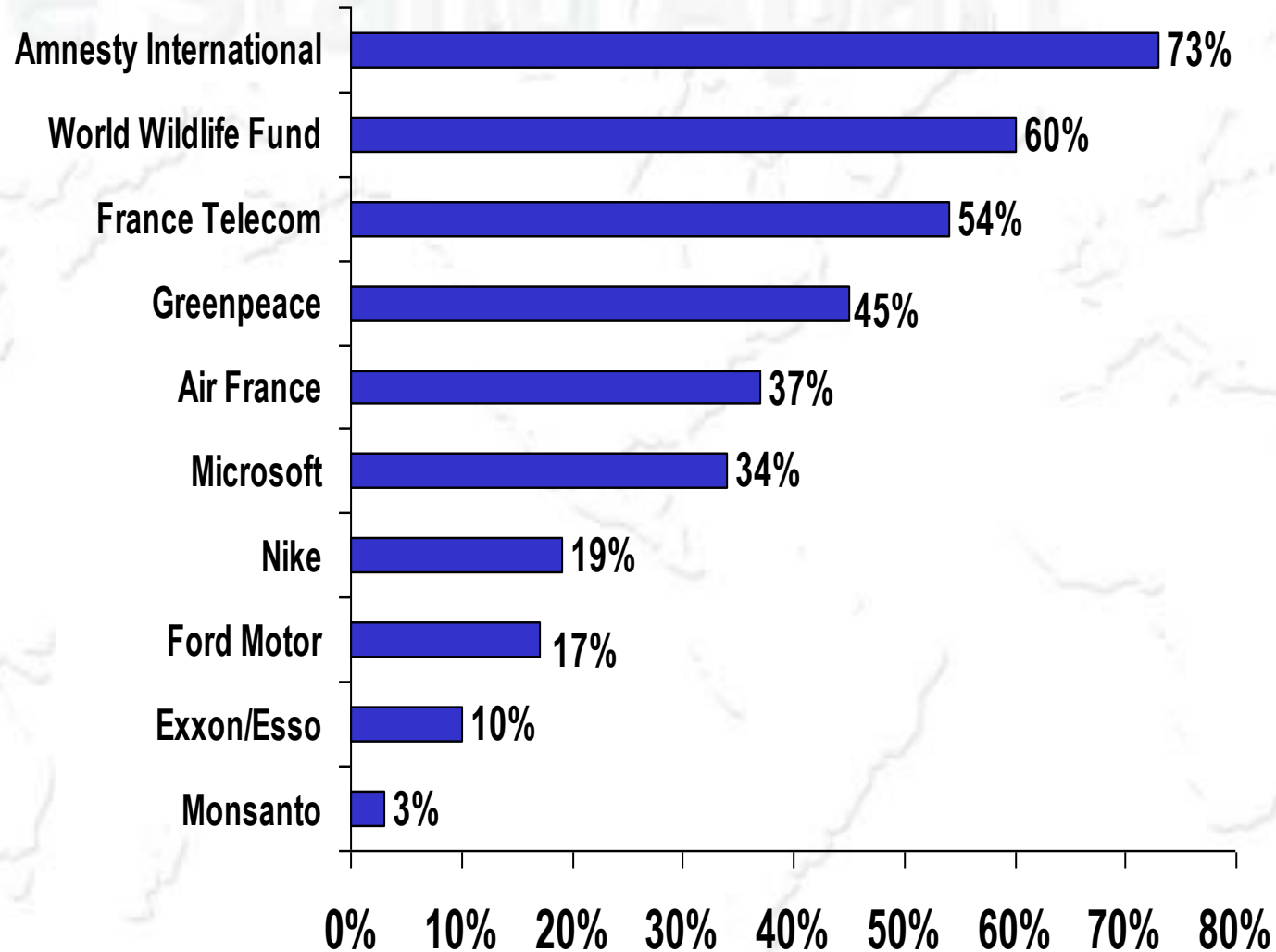
Favorability: UK



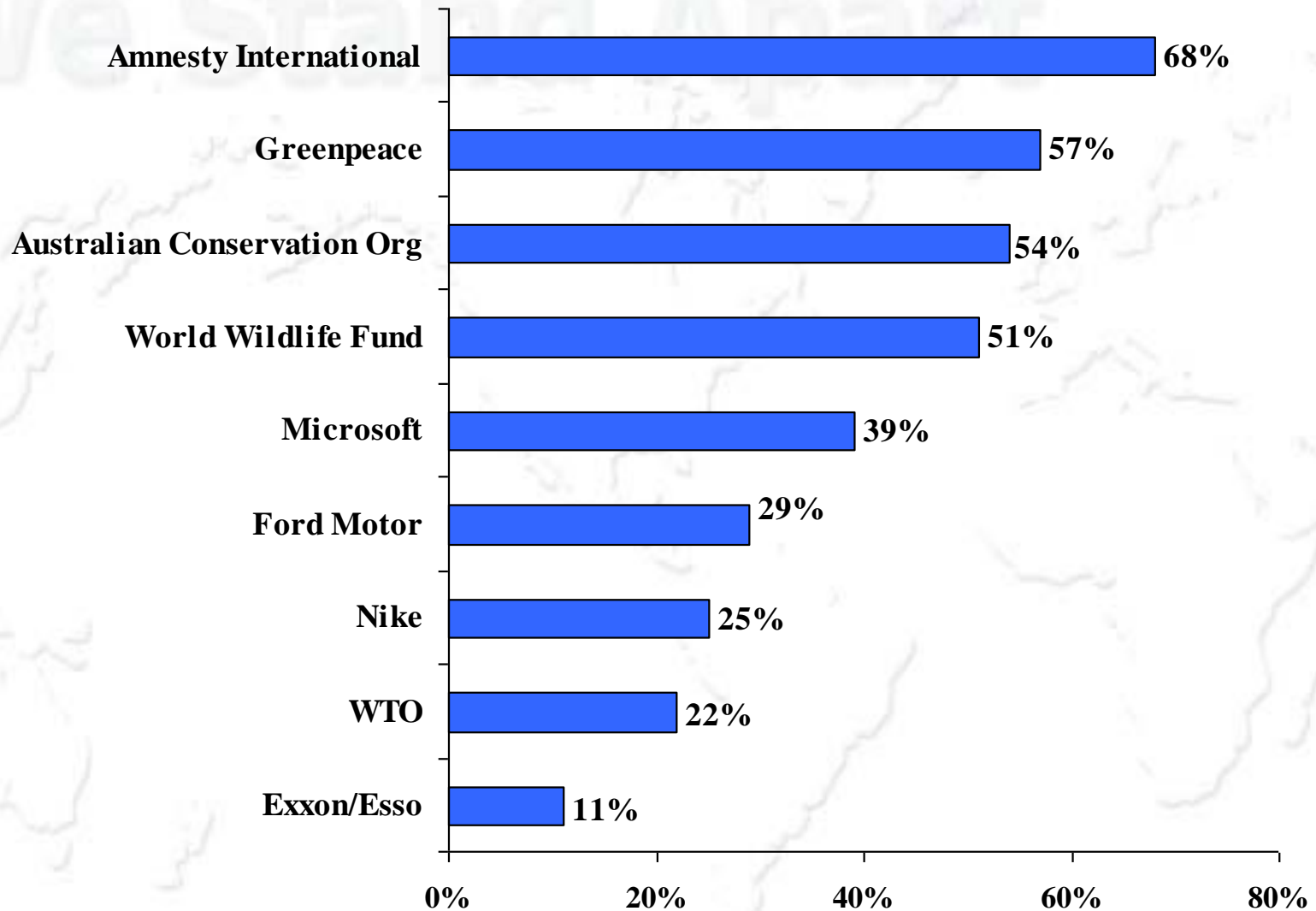
Favorability: Germany



Favorability: France



Favorability: Australia



NGOs and Media

We Stand Apart

- New Adage: “He who is most confrontational gets the most coverage.”
- International media is looking for a powerful villain; business is playing right into that
- Television drives this debate through effective use of emotion

GREENPEACE

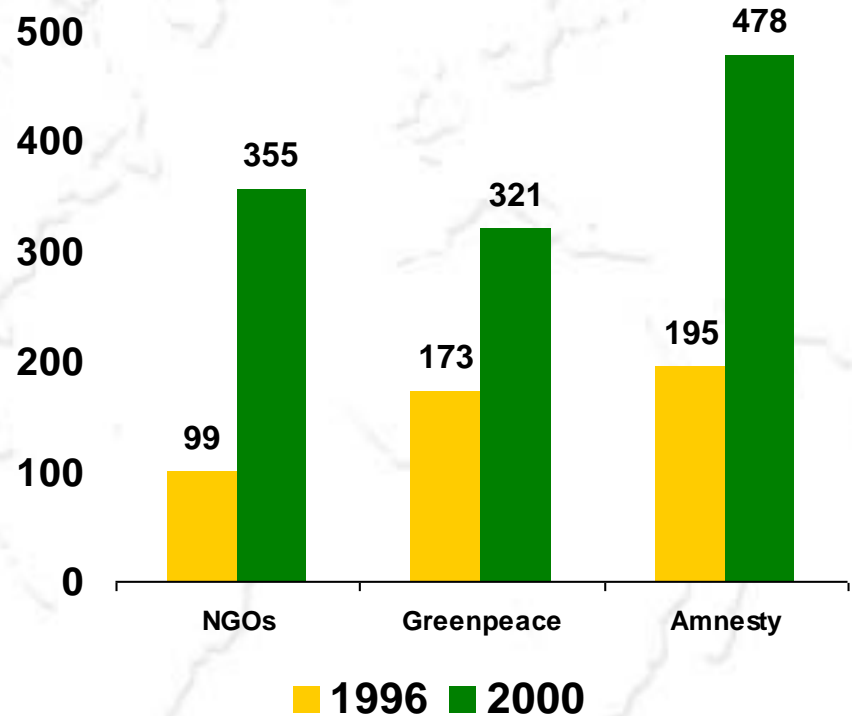
“owns” the environment for the media



NGOs Powered by Media Coverage

We Stand Apart

- Explosion of media coverage for major NGOs
- Nearly quadrupled coverage since 1996



The Situation Could Change Quickly in US

- Bush Administration seen as significantly less responsive to environmental and social agenda
- NGOs have more credibility in US on specific issues (environmental and social)
- Americans tend to be less sympathetic to business in recessions
- Potential “catalytic event”
- But we doubt NGOs will ever have as dominant a position in US as in Europe/Australia



Closing Thought:

NGOs Now Super-Brands

- Globalization provides new markets for 'dominant' NGOs
- NGOs now have to market themselves like any other brand
- Business has to change to win – adopt NGO best practices
- Need custom solutions by region/market – cannot have a simplistic global view
- Will cooperation with business lead to subversion of NGO credibility?
- Which of tomorrow's NGOs should businesses be tracking?
- Will attitudinal gap between US and rest of world be maintained?

