The Relationship Among NGOs, Government, Media and Corporate Sector

Proprietary Research by Strategy One and Edelman PR Worldwide

January 2001
Why We Are Gathered This Morning

• 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

- 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

- Survey of 600 European (UK, Germany, and France) and 200 Australian “Thought Leaders” October 2000
- Probe trust, favorability, credibility on five key issues
Our Research Hypotheses

• 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

- Extremely/Very Familiar:
  - U.S.: 22%
  - Australia: 26%
  - Europe: 31%
- Somewhat Familiar:
  - U.S.: 65%
  - Australia: 69%
  - Europe: 53%
- Not At All Familiar:
  - U.S.: 13%
  - Australia: 6%
  - Europe: 16%
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

- Environmental
- Human Rights
- Health

Categories: NGO, Government, Corporation, Media
Source Credibility: U.S.

- Labor Issues:
  - NGO: 42%
  - Media: 26%
  - Large Company: 23%

- GMO:
  - NGO: 46%
  - Media: 20%
  - Large Company: 19%
"Trust To Do the Right Thing" –
A Real Difference by Continent

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Note that NGOs top-rated in trust except in US
“Trust To Do the Right Thing” –
A Brand Evaluation Shows Big Gap

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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

- NGOs
  - Australia: 34%
  - US: 26%
  - UK: 21%
  - Germany: 31%
  - France: 17%

- Business
  - Australia: 43%
  - US: 32%
  - UK: 31%
  - Germany: 31%
  - France: 10%

- Government
  - Australia: 22%
  - US: 23%
  - UK: 21%
  - Germany: 38%
  - France: 17%

- Media
  - Australia: 13%
  - US: 18%
  - UK: 13%
  - Germany: 29%
  - France: 8%
Why the Large Perception Gap

- 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

- 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.

- Microsoft: 66%
- Ford Motor Company: 45%
- Nike: 42%
- World Wildlife Fund: 40%
- Sierra Club: 37%
- Greenpeace: 33%
- Amnesty International: 28%
- Exxon: 28%
- Monsanto: 25%
Favorability: UK

- Oxfam: 66%
- World Wildlife Fund: 65%
- Microsoft: 57%
- Amnesty International: 55%
- Greenpeace: 50%
- British Telecom: 33%
- British Airways: 29%
- Nike: 29%
- Ford Motor: 24%
- Exxon/Essco: 13%
- Monsanto: 6%
Favorability: Germany

- Amnesty International: 72%
- Greenpeace: 59%
- Lufthansa: 54%
- World Wildlife Fund: 51%
- Microsoft: 47%
- Nike: 34%
- Deutsche: 30%
- Ford Motor: 22%
- Exxon/Essco: 16%
- Monsanto: 5%
Favorability: France

- Amnesty International: 73%
- World Wildlife Fund: 60%
- France Telecom: 54%
- Greenpeace: 45%
- Air France: 37%
- Microsoft: 34%
- Nike: 19%
- Ford Motor: 17%
- Exxon/Essco: 10%
- Monsanto: 3%
NGOs and Media

- 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
• 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?