



The Fourth Edelman Survey on **Trust & Credibility**

Presented by
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Methodology

Edelman conducted its fourth semi-annual trust and credibility survey.

Research carried out among 850 opinion leaders: 400 in the United States and 450 in Europe – 150 each in the United Kingdom, France and Germany.

- College educated
- Ages 35 to 64
- Above \$75K (or equivalent) household income
- Reported a significant interest and engagement in the media, economic and policy affairs.

Research fielded between 14 December 2002 and 10 January 2003.

- The margin of error is $\pm 4.9\%$ for the U.S. sample and $\pm 4.6\%$ for the European sample.

Big Picture Findings

The United States and Europe have diverging views on trust.

In the United States, despite corporate scandals and recession, trust in business has gone up, while trust in government has declined from its 9/11 peak.

In Europe, trust in business has dropped.

In both regions, NGOs are now the most trusted institutions.

Consistent with last year, major corporations are the most trusted brands in the United States, while in Europe the most trusted brands continue to be NGOs.

- Opinion leaders in both regions exhibit highest levels of trust in the company they work for, particularly in the United States.

Trust varies significantly by industry sector.

- In the United States and Europe, consumer goods sectors are most trusted while the retail financial sector is least credible.
- Certain major U.S. brands are significantly less trusted in Europe.

Opinion leaders find third-party authorities most trustworthy, especially academics and doctors.

- Stories in the media are more credible than advertising by a margin of eight to one.

Key Findings on Trust 2001 - 2003

Semi-annual tracking data show that despite corporate scandals of 2002, trust in business has increased in the United States, but eroded in Europe.

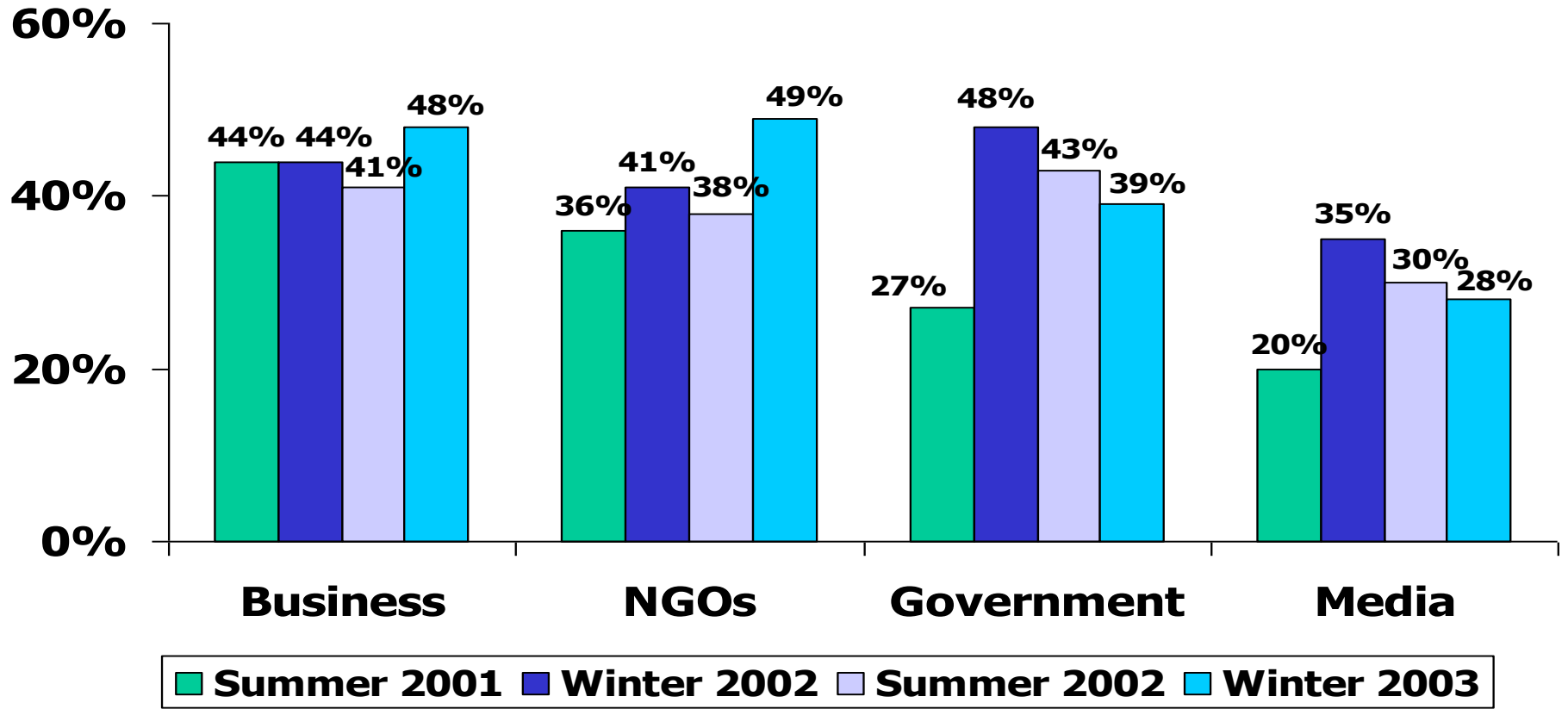
- In the United States, trust in government has slipped from its post-9/11 high, and remains low in Europe.
- NGOs are growing in influence and authority. They are ranked equal to business in the United States, but in Europe outrank business, government, and media.
- Media maintains some strength, but is off its 9/11 high.

Opinion leaders report highest levels of trust in the company they work for.

- Credibility declines as companies are perceived as more global.

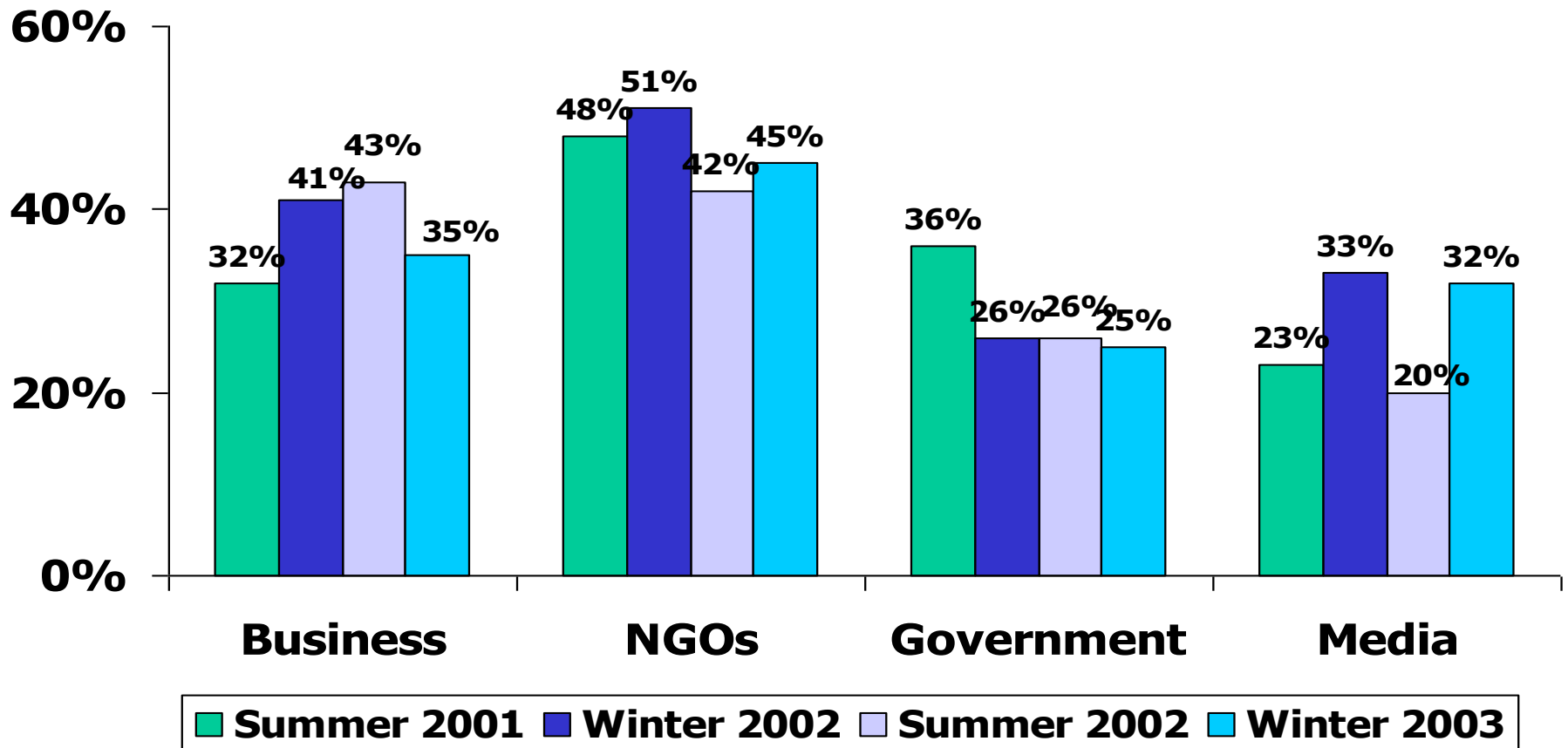
US Trust in Institutions (Tracked 2001-2003)

Now I would like you to tell me how much you TRUST each to do what is right. Please use a 9-point scale where one means that you "DO NOT TRUST THEM AT ALL" and nine means that you "TRUST THEM A GREAT DEAL". [TOP FOUR BOXES SHOWN]



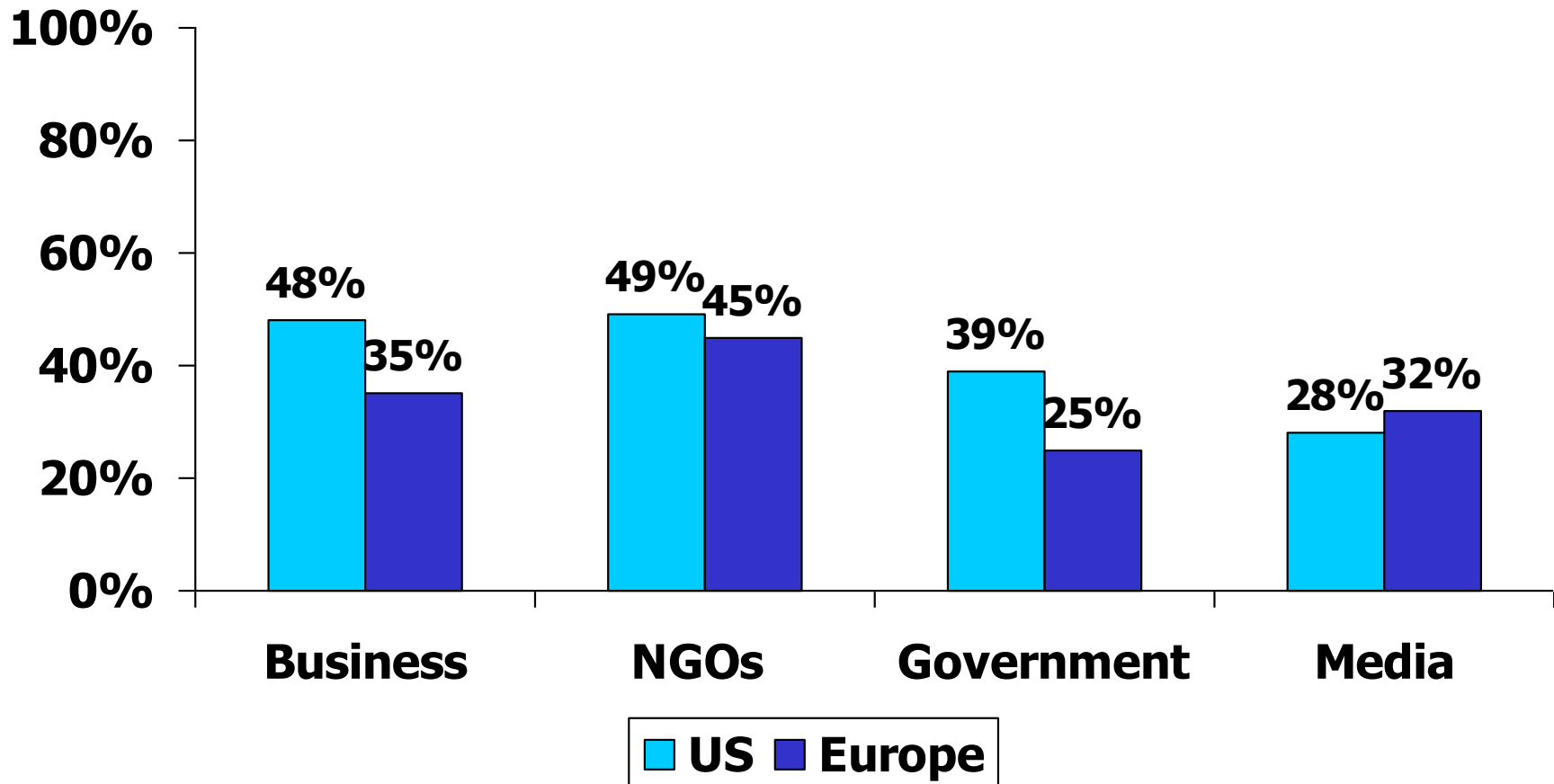
European Trust in Institutions (Tracked 2001-2003)

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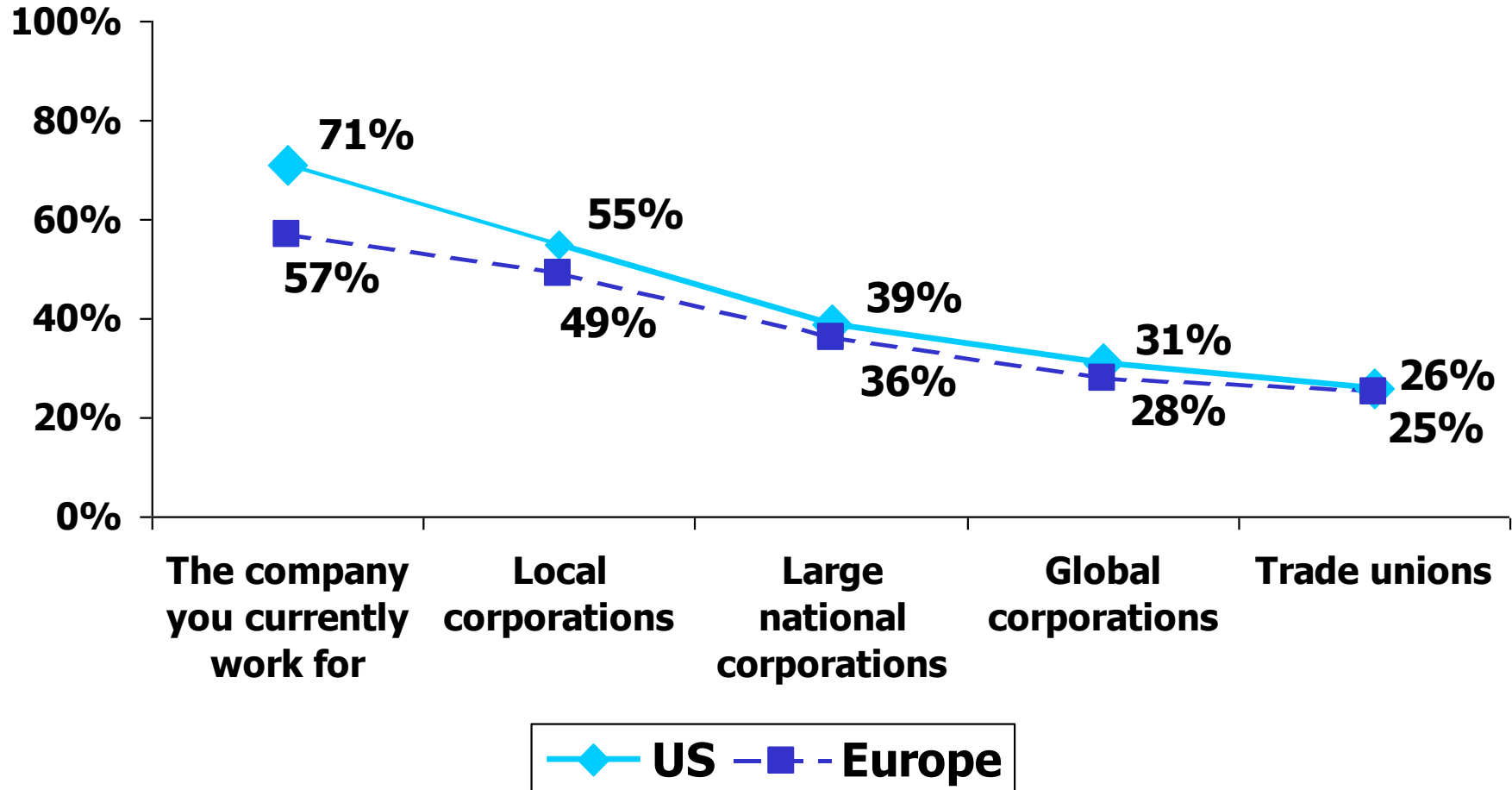
Trust in Institutions 2003

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Trust in Institutions

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Industry Sectors Under Siege

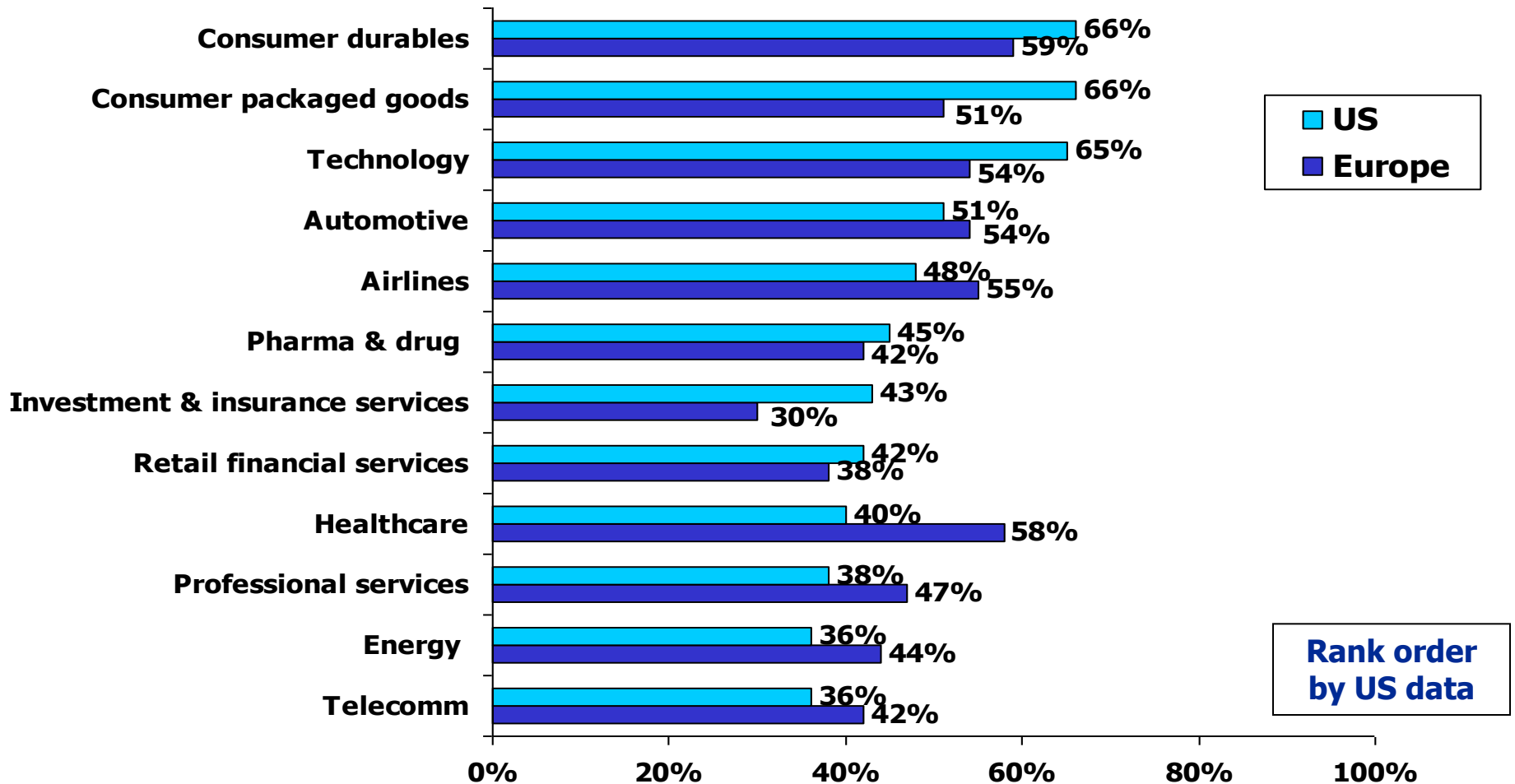
Across all regions, technology, consumer durables, and consumer packaged goods sectors command high levels of trust.

However...

- In the United States, scandals and criminal investigations have contributed to making energy, telecommunications, and professional services (including accounting) the least trusted industries.
- In Europe, investment/insurance and retail financial services sectors are least credible, while healthcare and airlines enjoy high trust.

Benchmark: Trust in Sectors

Now I would like you to tell me how much you TRUST each to do what is right. Please use a 9-point scale where one means that you "DO NOT TRUST THEM AT ALL" and nine means that you "TRUST THEM A GREAT DEAL".



Brand Evaluator

In the United States, mega-brands like Microsoft and Ford command higher levels of trust than NGOs like Greenpeace.

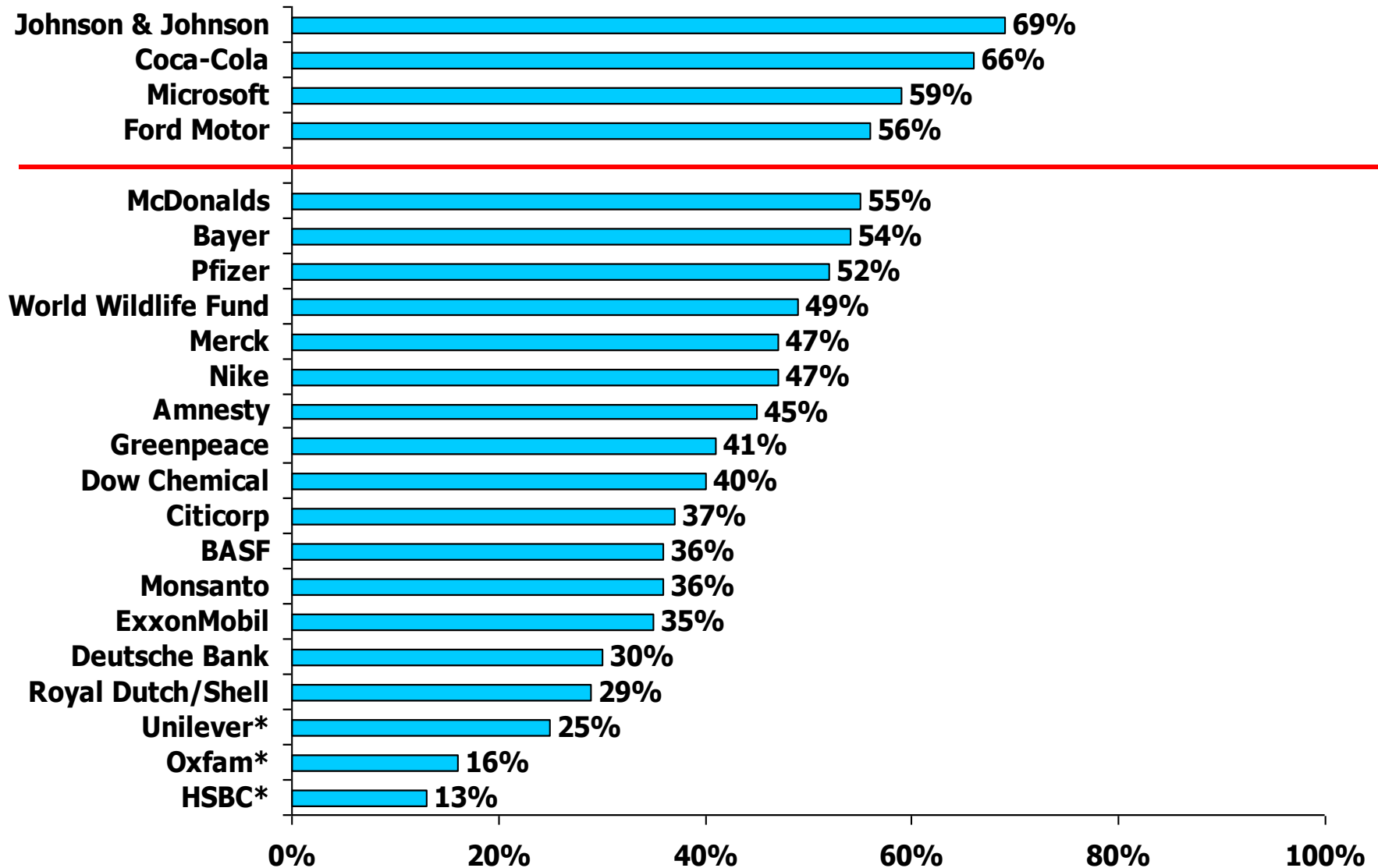
- But, U.S. tracking data show that NGOs are gaining in the ranks.

The most trusted brands in Europe are NGOs, but the gap is closing between the least trusted NGO and the strongest corporate brand.

Certain U.S. consumer brands (notably McDonalds and Coca-Cola) are less trusted in European markets.

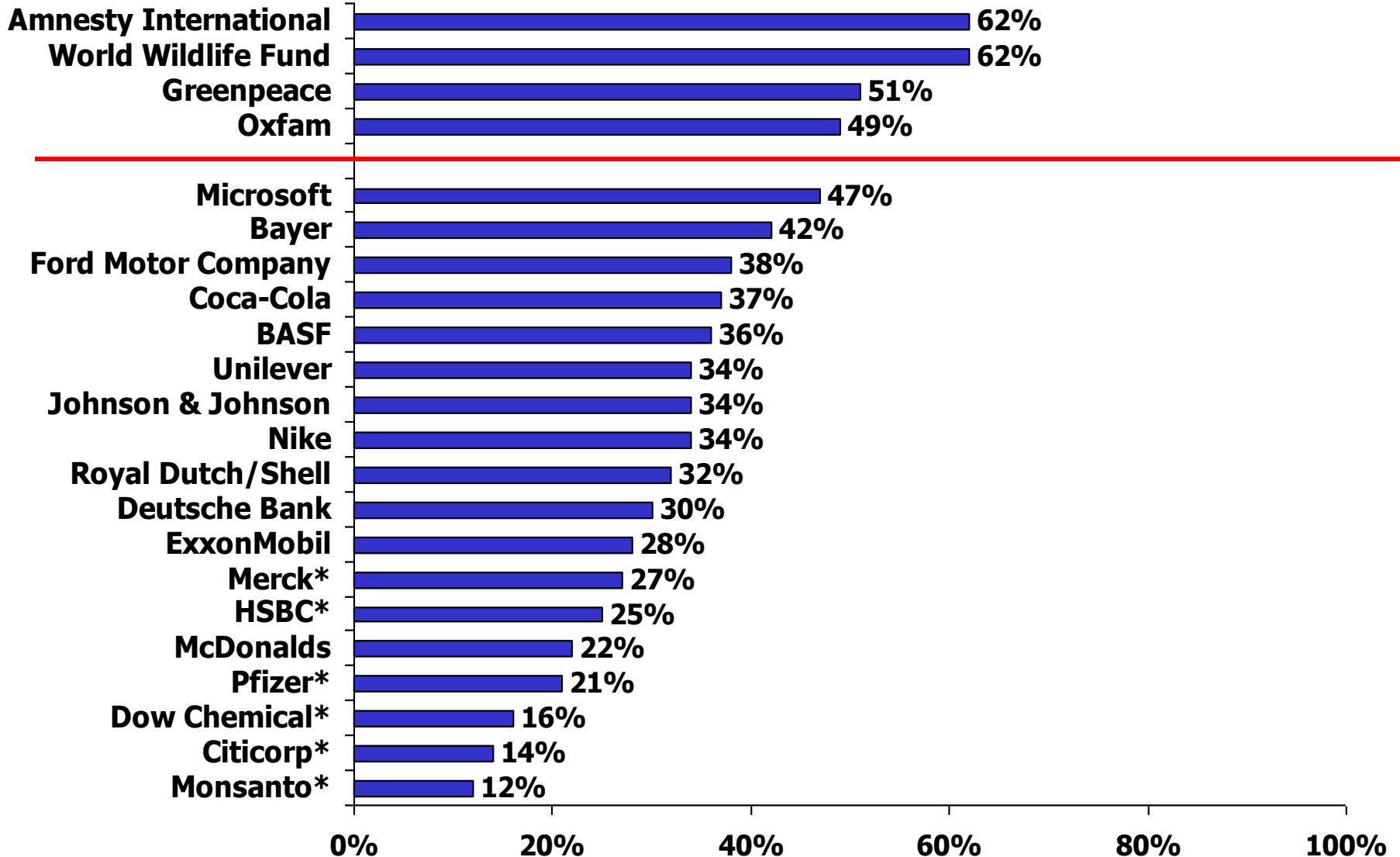
- However, major European brands (e.g. Deutsche Bank) maintain comparable trust levels in the United States and in Europe.

Brand Evaluator – US 2003



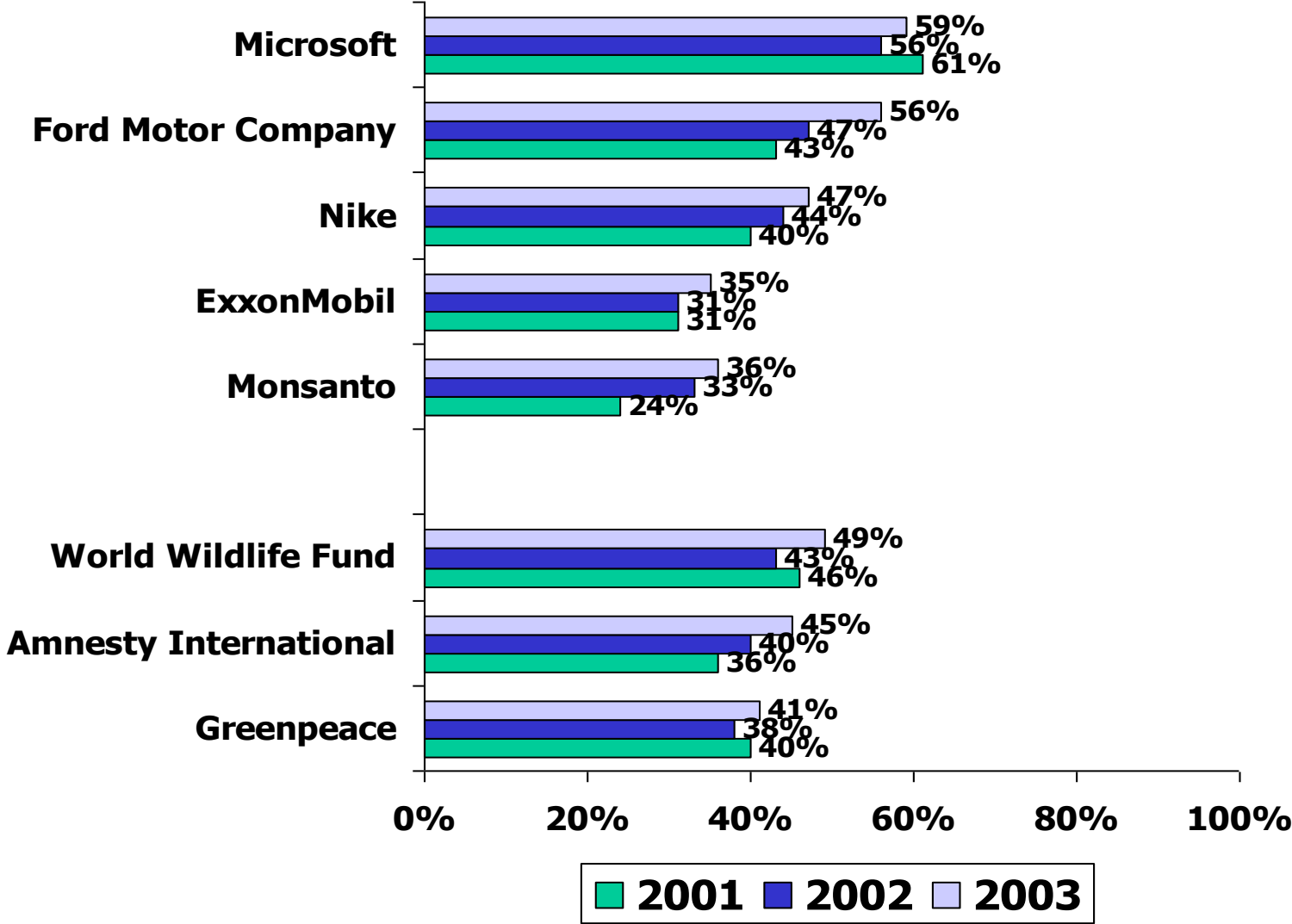
* "Never Heard Of%" over 15

Brand Evaluator – Europe 2003



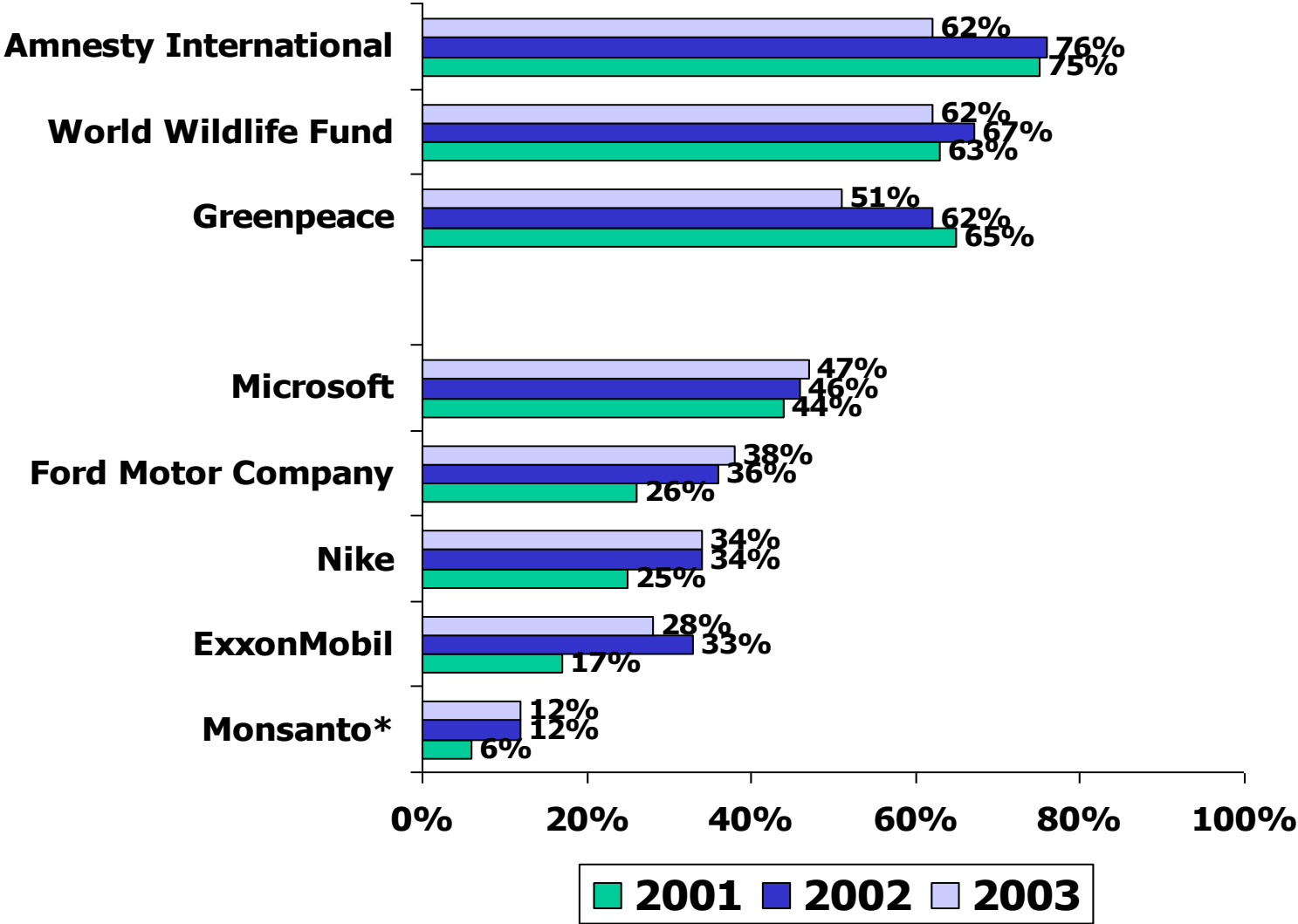
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US Trust : NGO/Brand Highlights (Tracked 2001-2003)



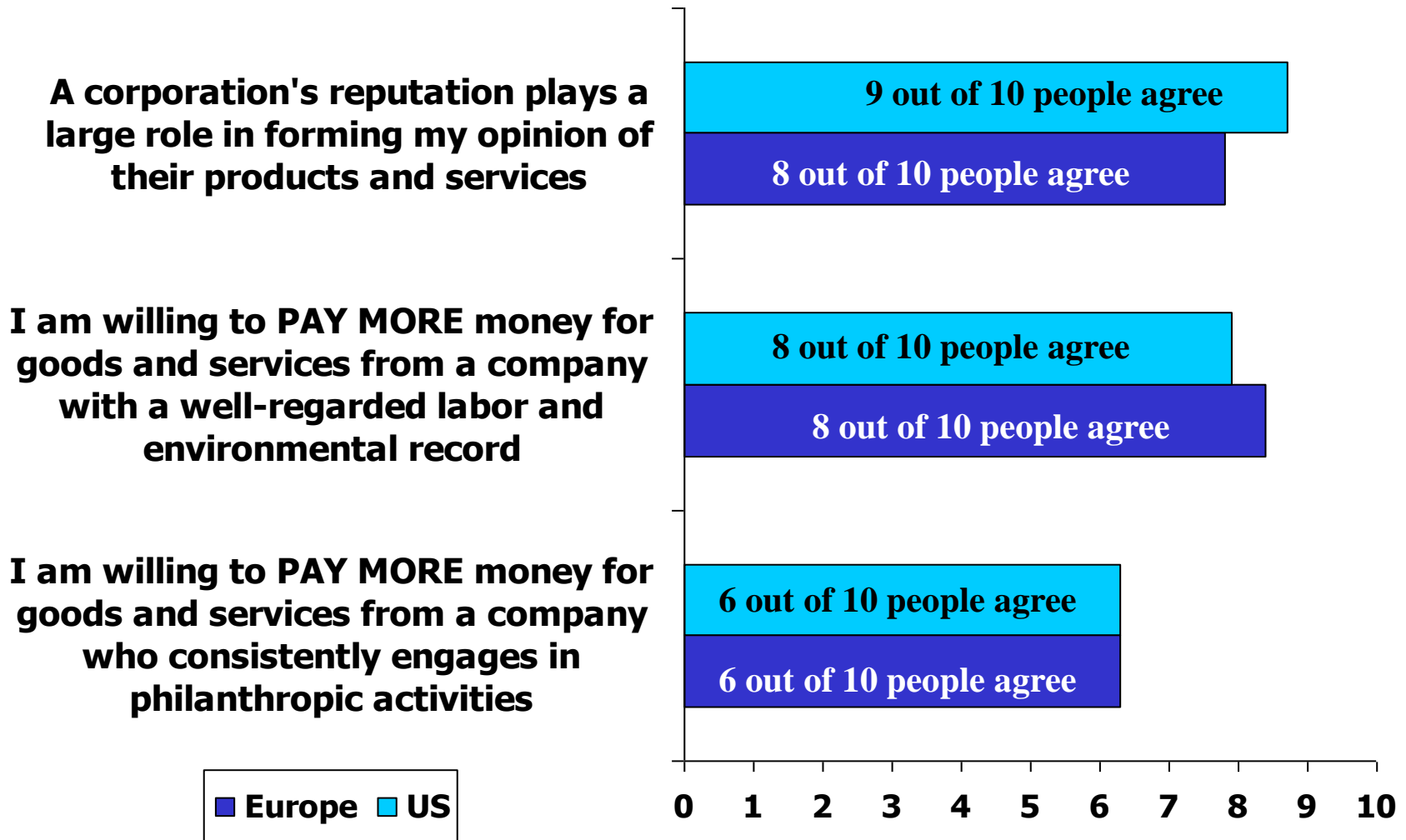
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Europe Trust : NGO/Brand Highlights (Tracked 2001-2003)



* "Never Heard Of%" over 15

Impact of Corporate Reputation



Percentage saying they "Agree" or "Strongly Agree"

The Credible Source: Stories in the Media

Overall, advertising is not seen as a source of credible information about a company.

Earned media is significantly more trusted than paid media to deliver information about a company.

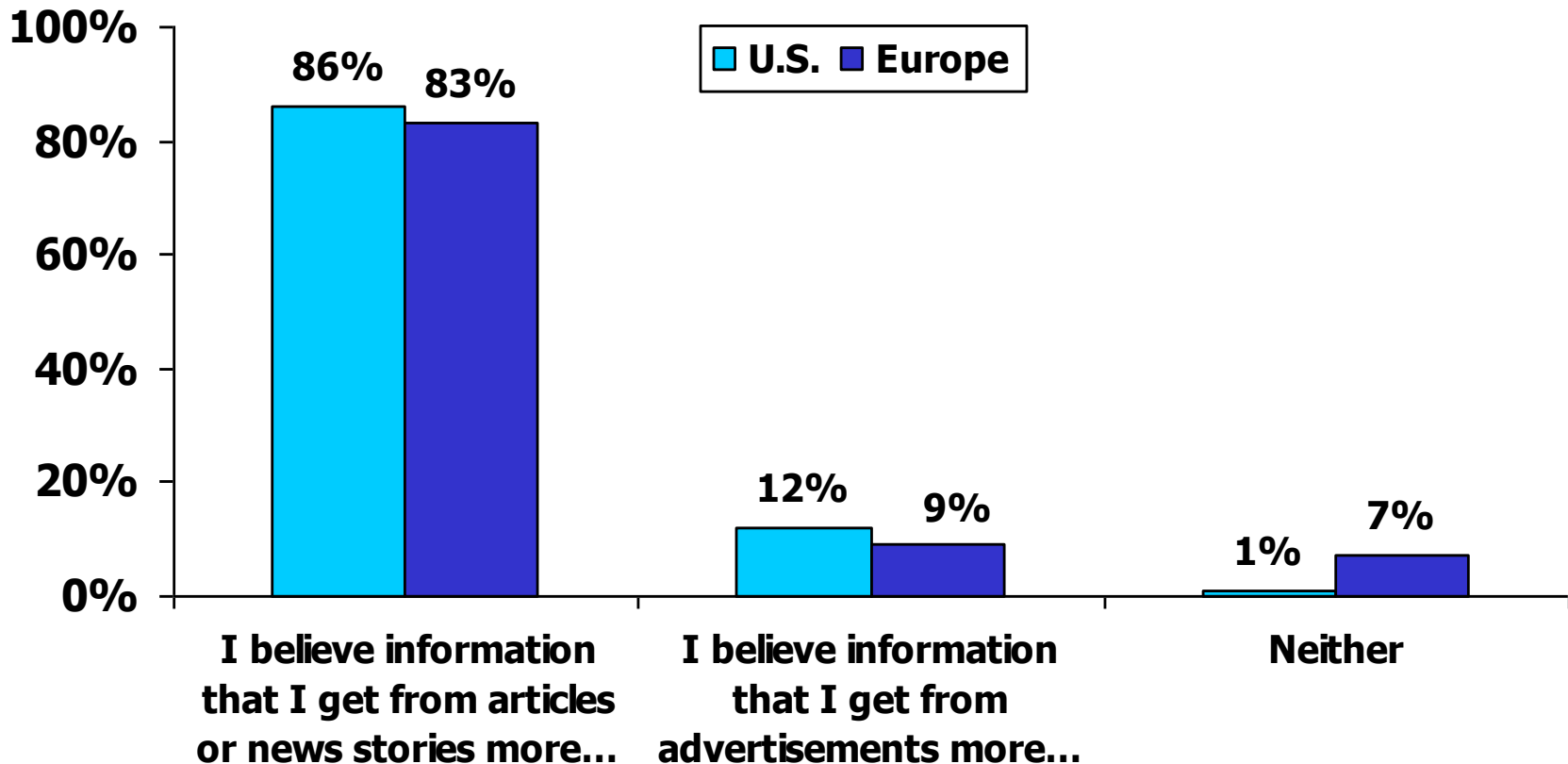
- Print has high credibility across the board, particularly business magazines.
- Radio and TV news are significantly more trusted in Europe than in the United States.

Advertising vs. Articles in Media

Please tell me which statement you agree with more.

I believe information that I get from articles or news stories more than I believe information that I get from advertisements

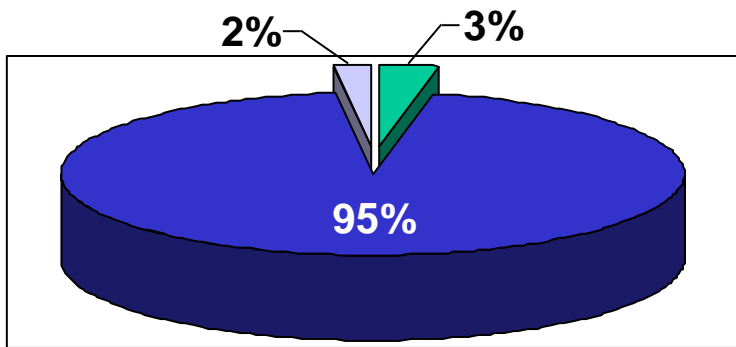
I believe information that I get from advertisements more than I believe information that I get from articles or news stories



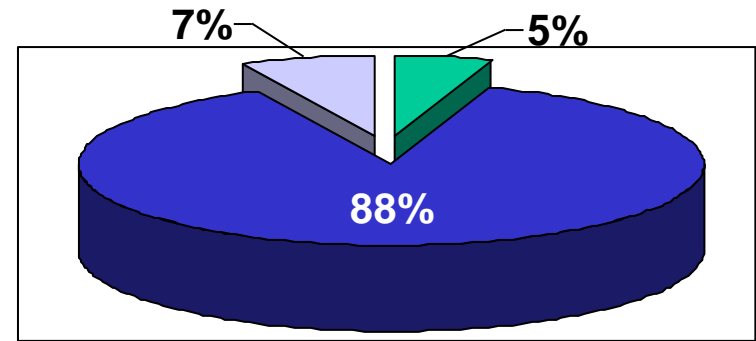
Advertising vs. Articles in Media

If you were to see an advertisement three times from three different sources and you were to see a news story three times in three different sources, which one would you believe more? The three advertisements or the three news stories?

US



Europe

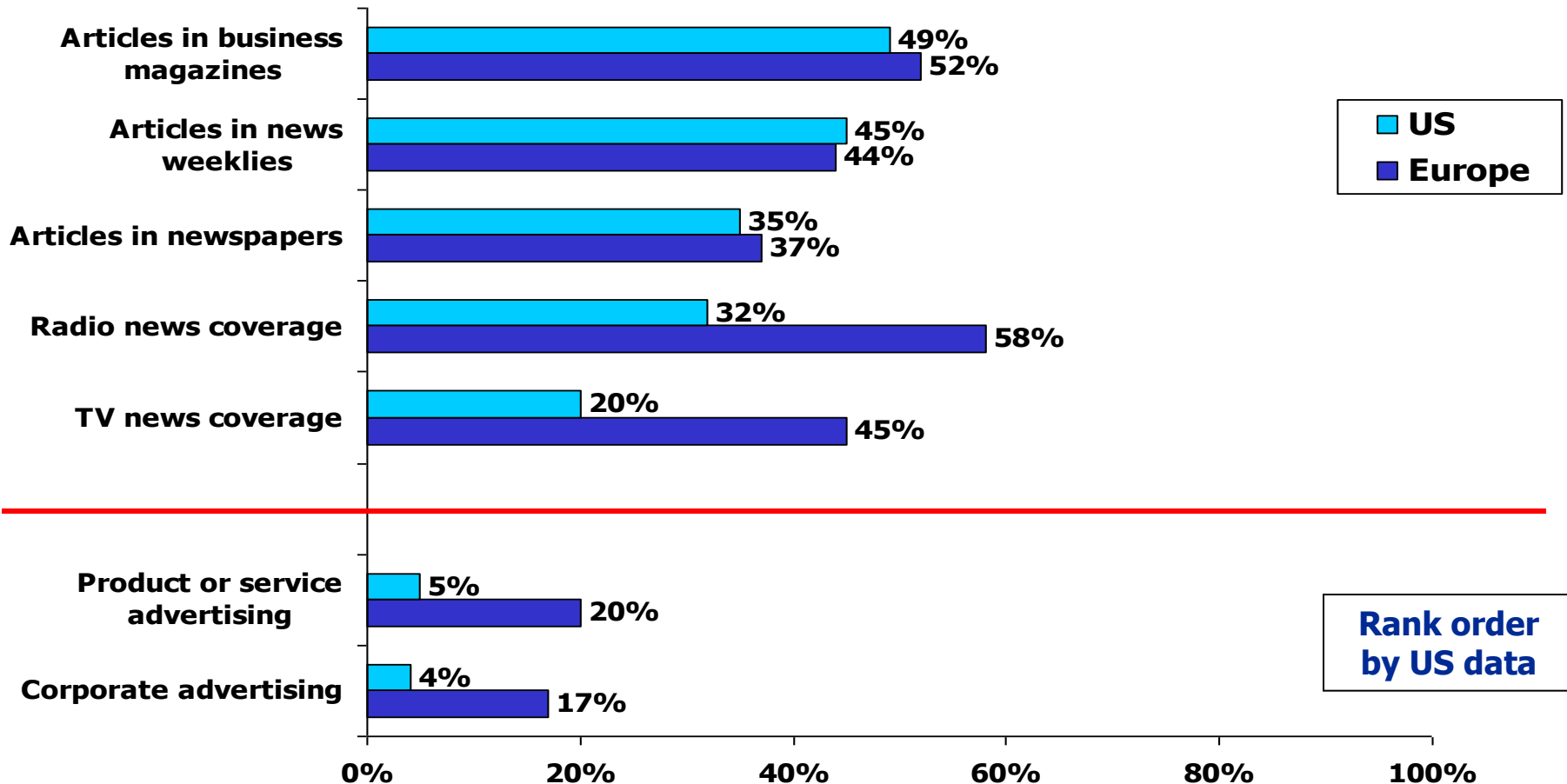


- The 3 advertisements
- The 3 news stories
- Neither

- The 3 advertisements
- The 3 news stories
- Neither

Types of Media Coverage

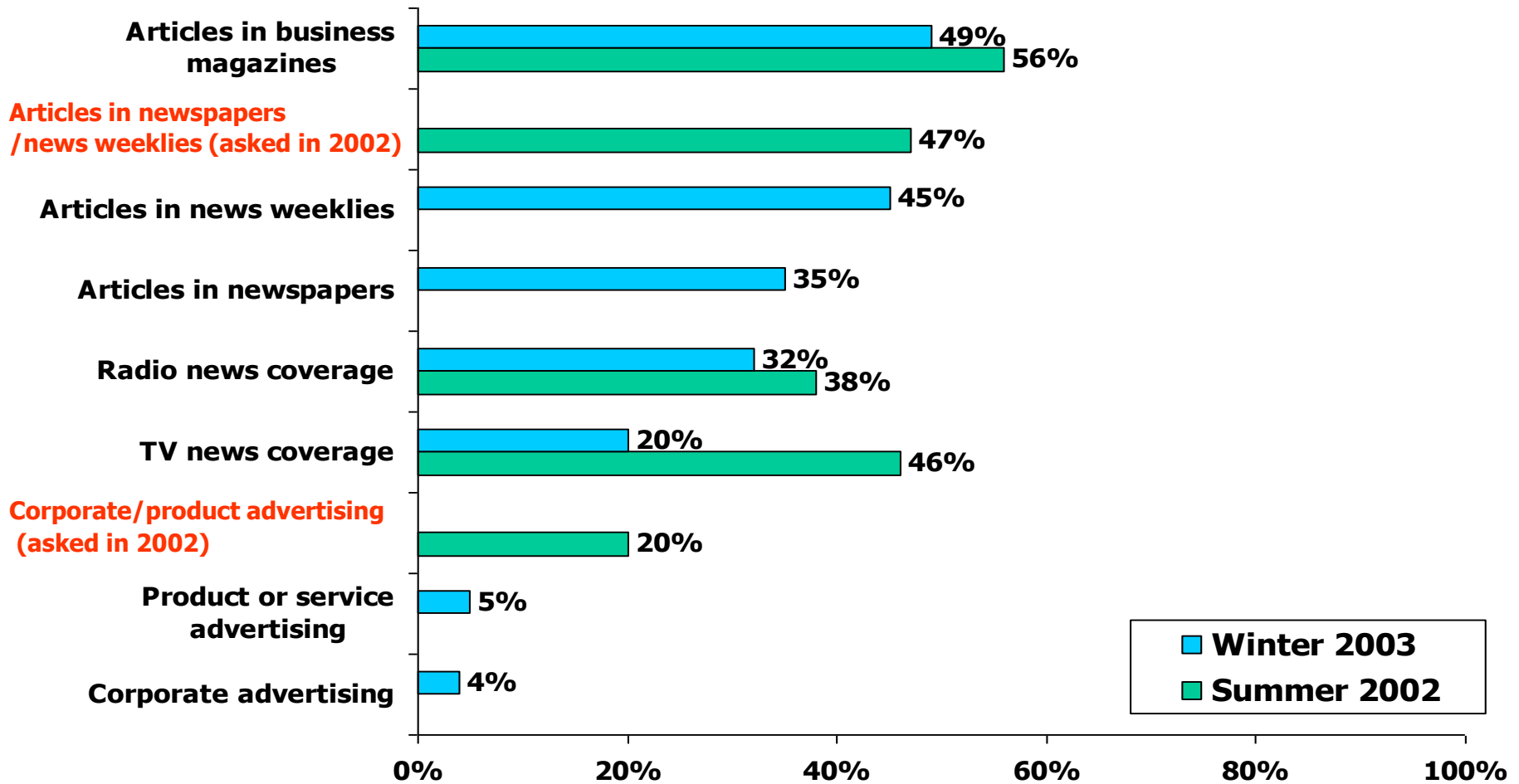
In general, how credible do you feel each of the following sources is for information about a company? Is information about a company that you get from (INSERT SOURCE) extremely credible, very credible, somewhat credible, or not credible at all?



Percentage saying source is "Extremely" or "Very Credible"

US: Types of Media Coverage (Tracked)

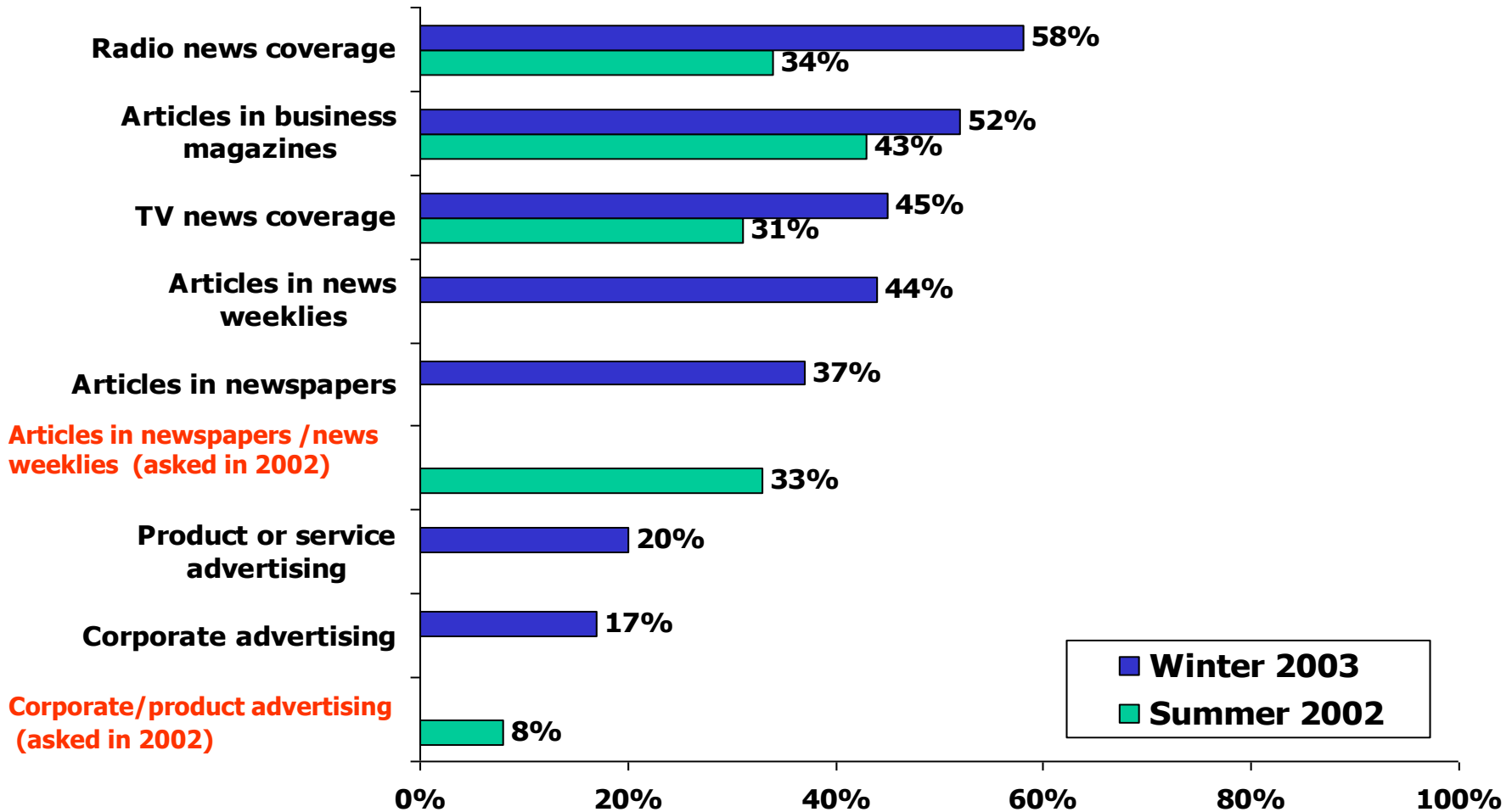
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Europe: Types of Media Coverage (Tracked)

In general, how credible do you feel each of the following sources is for information about a company? Is information about a company that you get from (INSERT SOURCE) extremely credible, very credible, somewhat credible, or not credible at all?



Percentage saying source is "Extremely" or "Very Credible"

Credibility and Communications Sources

Experts, outside authorities, and those who are seen as having no vested interest in the company, are among the most trusted spokespersons.

- Across all regions, this includes academics, doctors, and representatives of NGOs.

Those perceived to be in the pay of companies are the least credible spokespersons.

- Across all regions, this includes corporate public relations representatives, entertainers/athletes, and union reps.

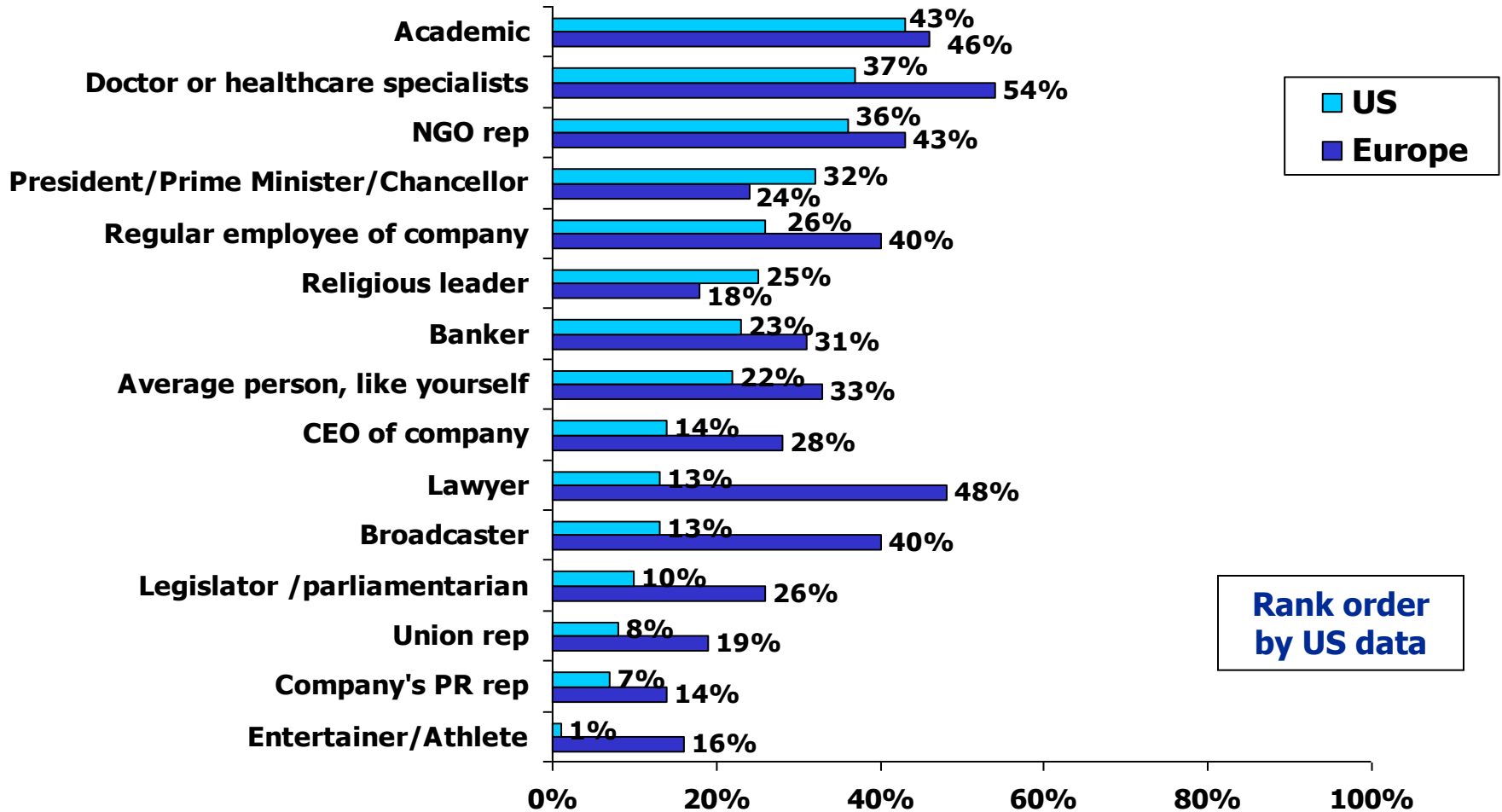
Multiple stories in the media generate higher levels of trust than single sources.

Primary players in the “web of trust” are friends, family and independents.

- In the United States, opinion leaders are twice as likely to trust a regular employee than a CEO to give them credible information about a company.

Credibility of Information Spokespersons

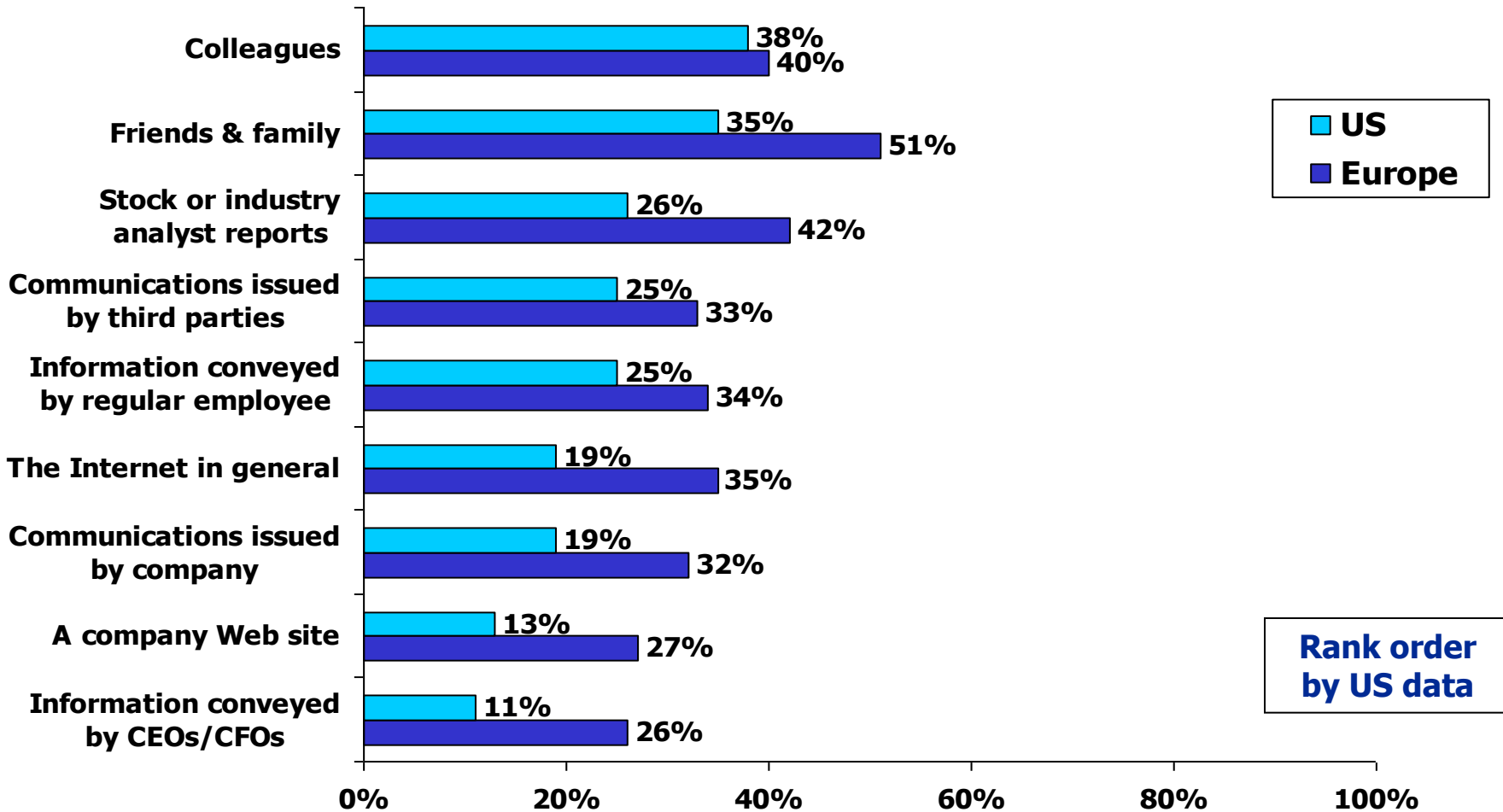
In general, when forming an opinion of a company, if you received information from (INSERT PERSON) about this company, how credible would the information be? Would it be extremely credible, very credible, somewhat credible, or not credible at all?



Percentage saying source is "Extremely" or "Very Credible"

Credibility of Communications Sources

In general, how credible do you feel each of the following sources is for information about a company? Is information about a company that you get from (INSERT SOURCE) extremely credible, very credible, somewhat credible, or not credible at all?

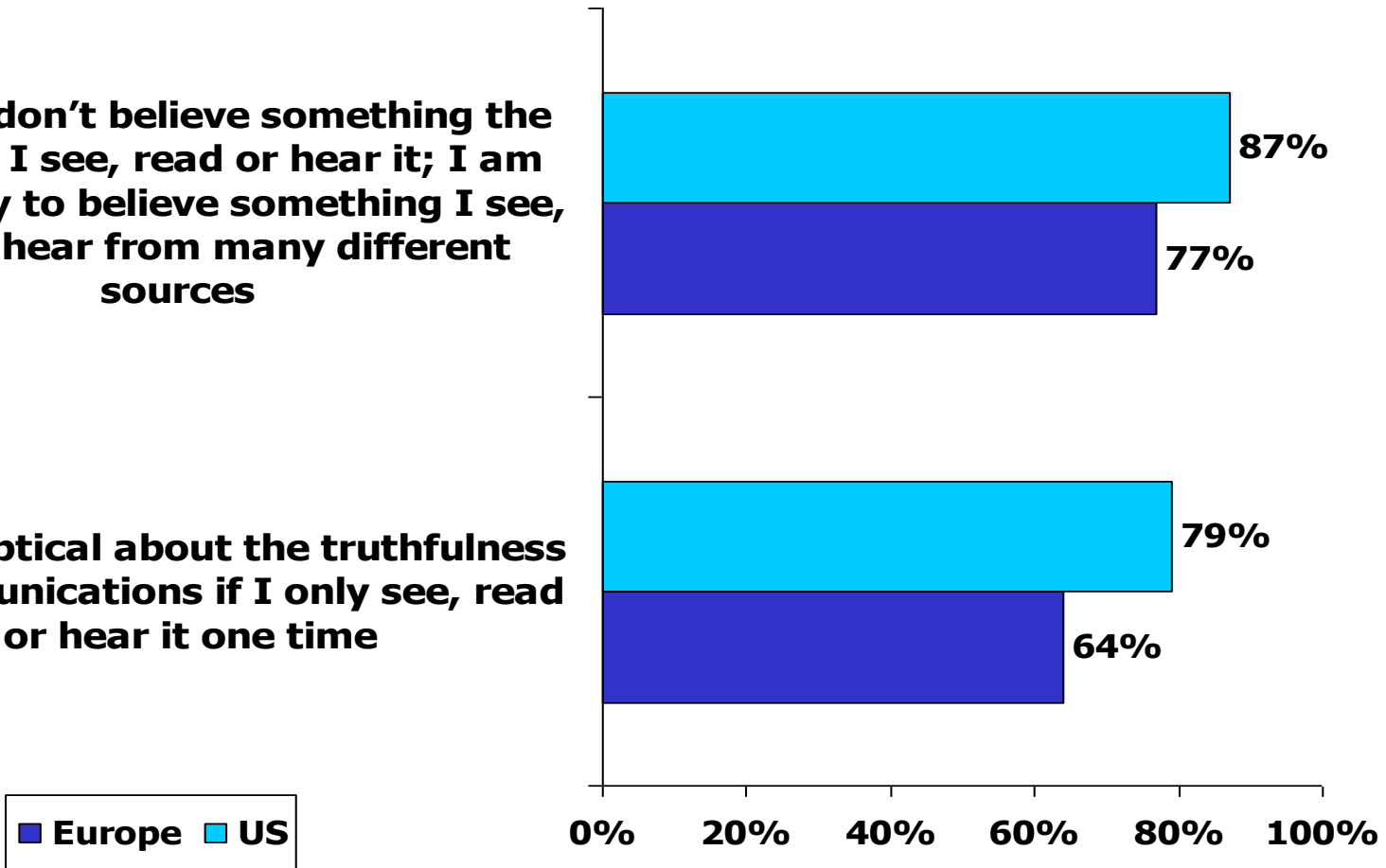


Percentage saying source is "Extremely" or "Very Credible"

Frequency of Communications

I usually don't believe something the first time I see, read or hear it; I am more likely to believe something I see, read or hear from many different sources

I am skeptical about the truthfulness of communications if I only see, read or hear it one time



Percentage saying they "Agree" or "Strongly Agree"

Conclusions

Business retains enough credibility in the United States to take a leadership role.

There is a clarion call to European business to step up to fill a trust vacuum in the region.

Business must:

- Interact with multiple stakeholders (NGOs, employees) and go outside traditional constituencies, (e.g. Wall Street, regulators).
- Work on these relationships every day – not sporadically.
- Not try to “buy the dialogue” through paid media, but rather engage in it through sustained transparency and a commitment to shared values.



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