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Methodology

Edelman conducted its sixth annual trust and credibility survey.

Research was carried out among 1500 opinion leaders: 400 in the United States; 450 in Europe – 150 each in the United Kingdom, France and Germany; 200 in China, and 150 each in Brazil, Canada and Japan

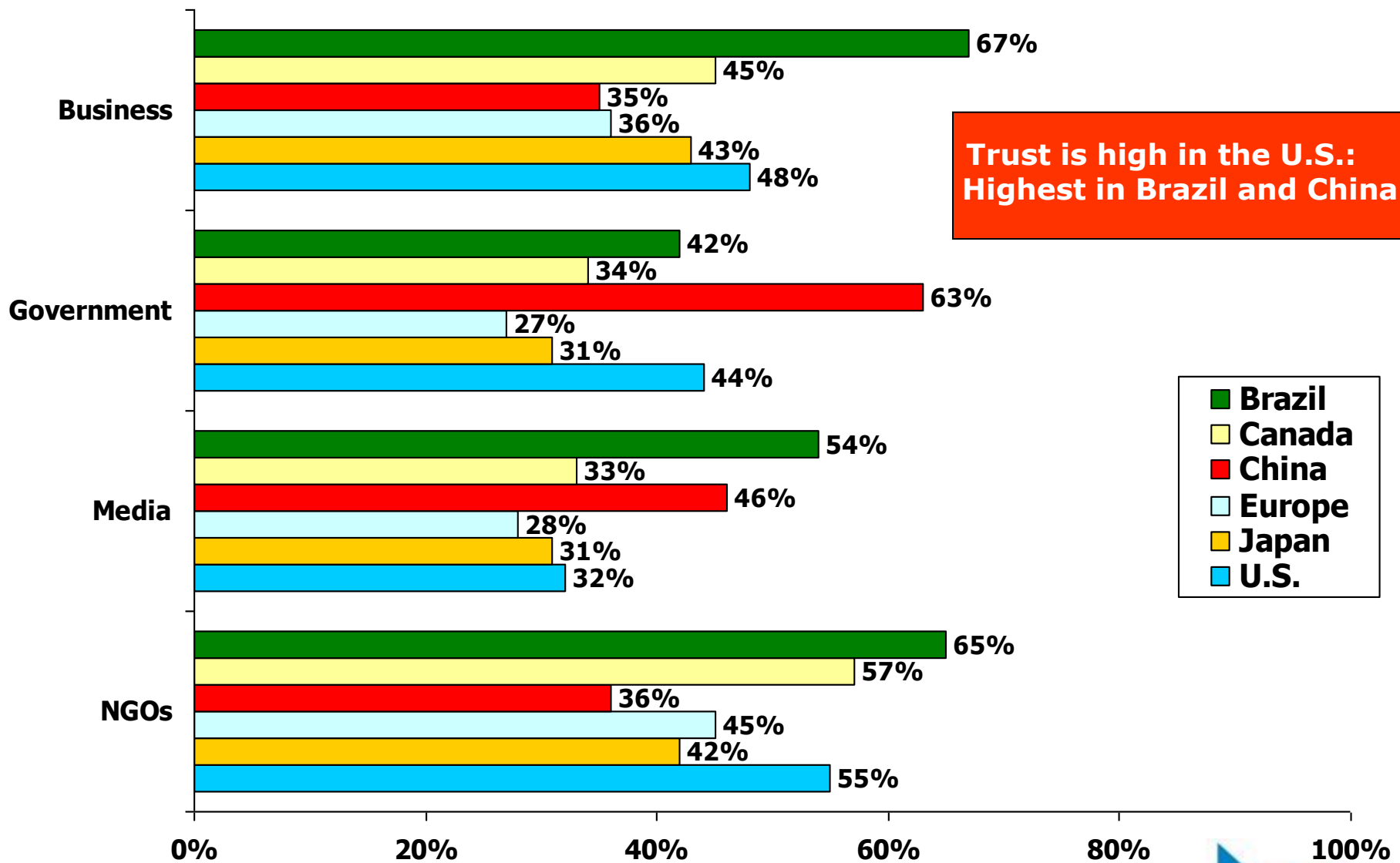
- College educated
- Ages 35 to 64
- Above \$75K (or equivalent) household income
- Reported a significant interest and engagement in the media, economic and policy affairs.

The study was a 25-minute telephone survey conducted in December 2004.

- The margin of error is $\pm 4.9\%$ for the U.S. sample, $\pm 4.6\%$ for the European sample, $\pm 6.9\%$ for the China sample (Shanghai, Beijing and Guangzhou only), and $\pm 8.0\%$ for the UK, France, Germany, Canada, Japan and Brazil samples.

Trust in Institutions 2005: Global

Tell me how much you TRUST each institution to do what is right.... ?



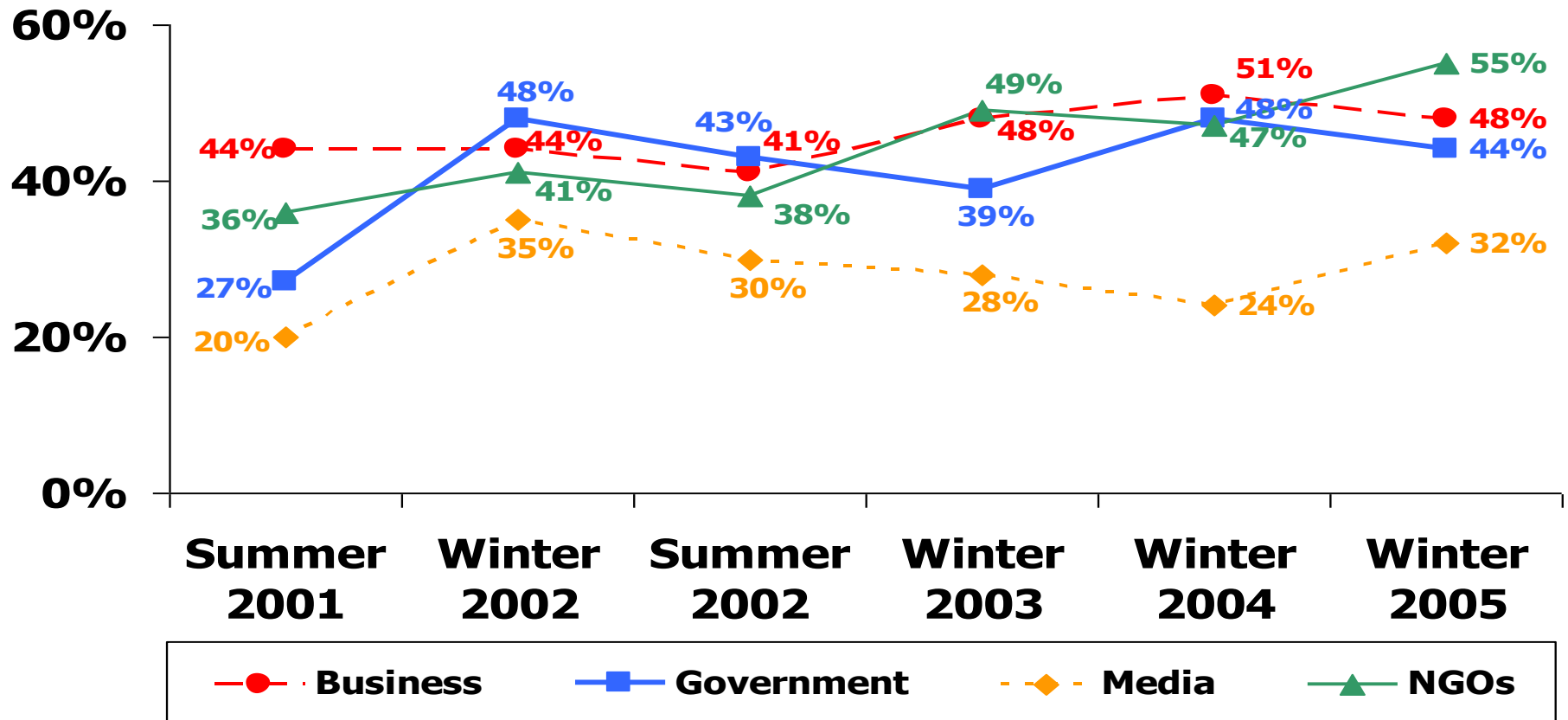
Trust is high in the U.S.:
Highest in Brazil and China

- Brazil
- Canada
- China
- Europe
- Japan
- U.S.

U.S. Trust in Institutions '01 – '05

Tell me how much you TRUST each institution to do what is right... ?

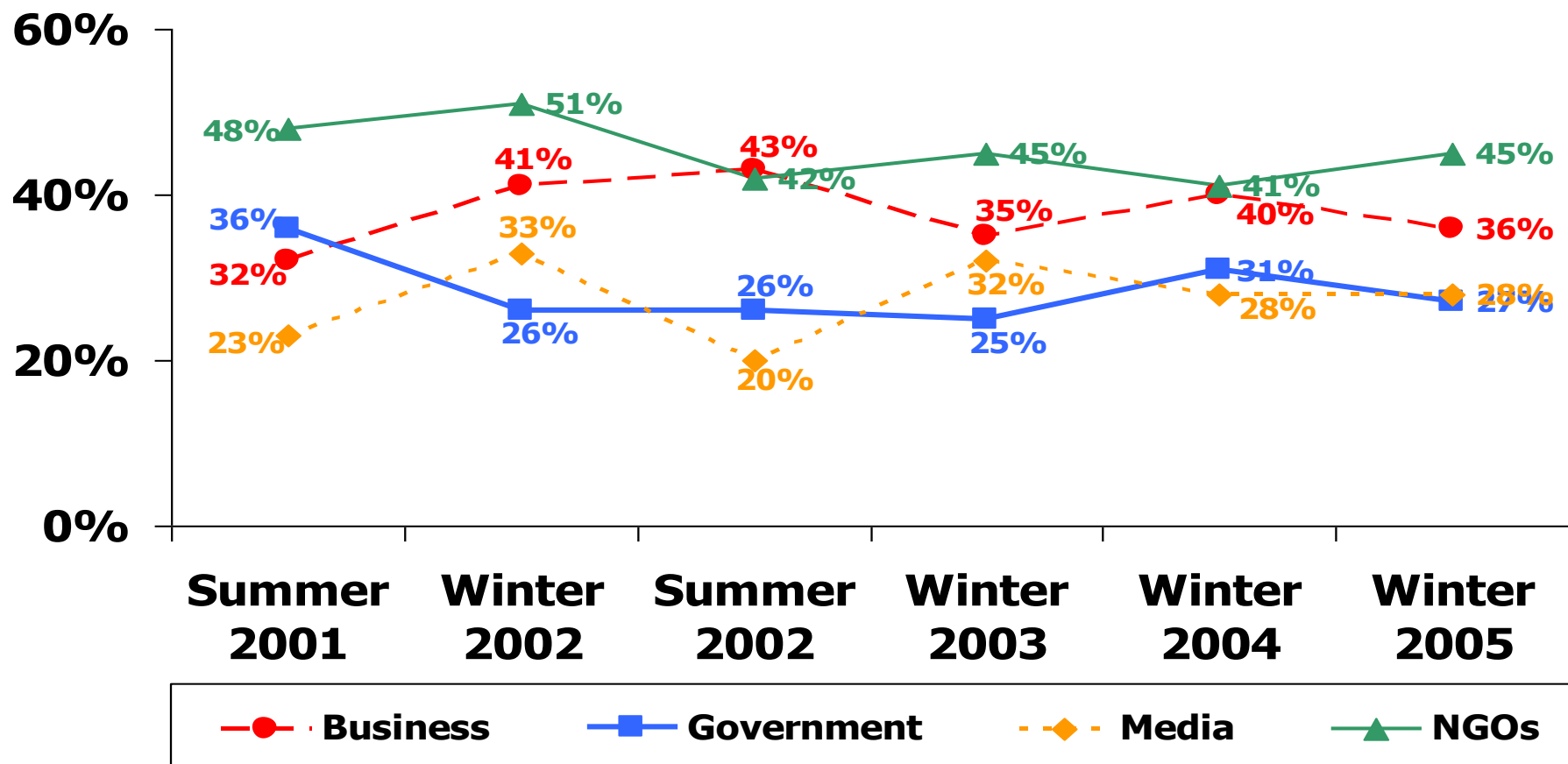
- Trust improved since Summer 2001
- NGOs: Now the most trusted institution



Europe's Trust in Institutions '01 – '05

Tell me how much you TRUST each institution to do what is right... ?

- Trust is significantly lower than the U.S.
- Trust in government declined
- NGOs remain most trusted institution

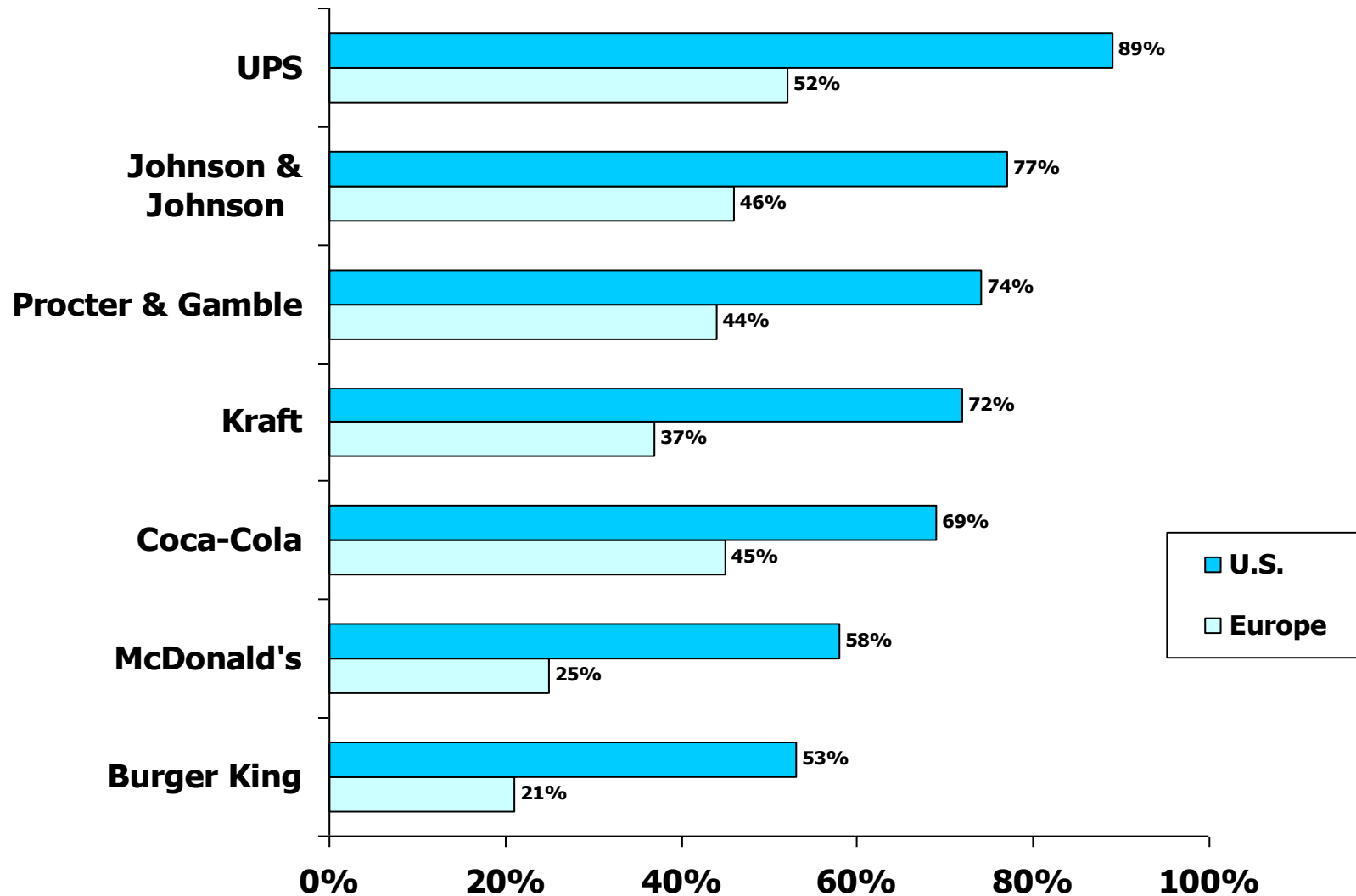


Trust in Leading Corporations 2005

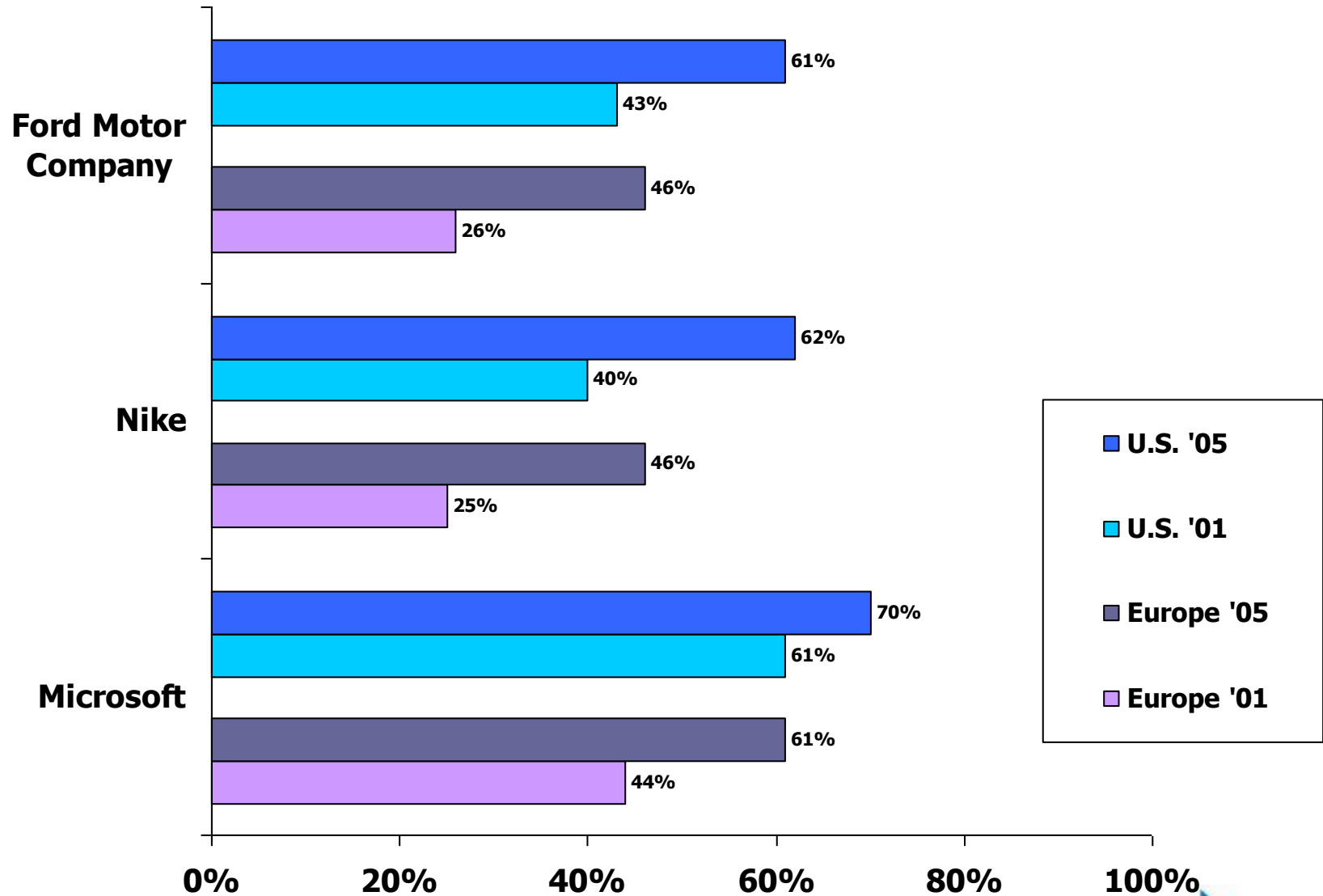
- U.S. trust in corporations is high; equivalent to China and Brazil
- Significant “**trust discount**” for major U.S. brands operating in Europe and Canada, but not in Brazil and China
 - UK trust in major U.S. companies is the lowest in Europe
 - Problem most acute for iconic American brands
 - Problem can be repaired
- No “trust discount” for Asian or European brands operating anywhere in the world.
- Technology companies seem to have a halo effect compared to other industry sectors.

American Companies Have a Trust Deficit in Europe

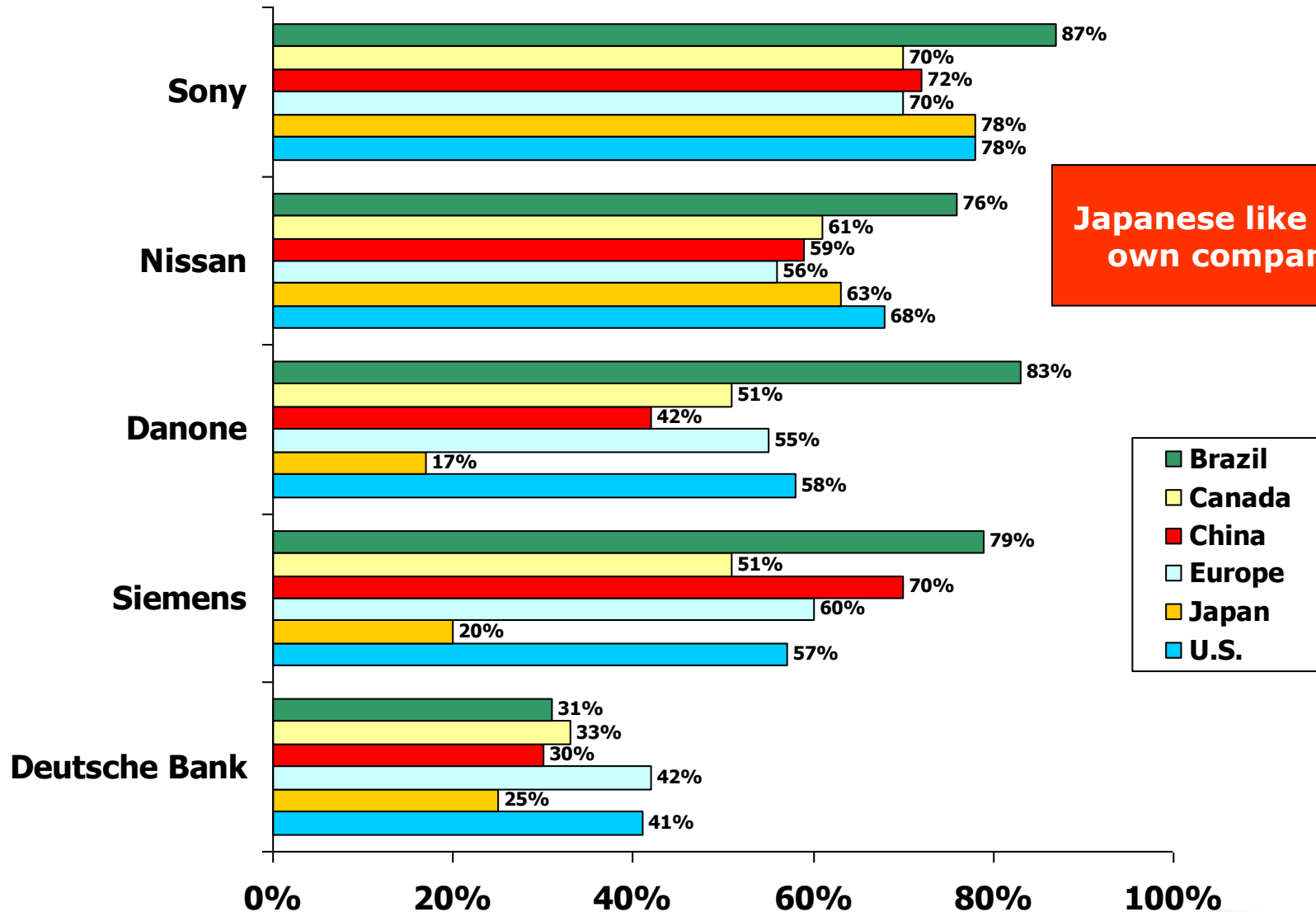
Tell me how much you TRUST each company or organization to do what is right... ?



U.S. Companies Can Rally in Europe



No Cross-Border Deficit for Non-U.S. based Companies



Technology's Halo Effect

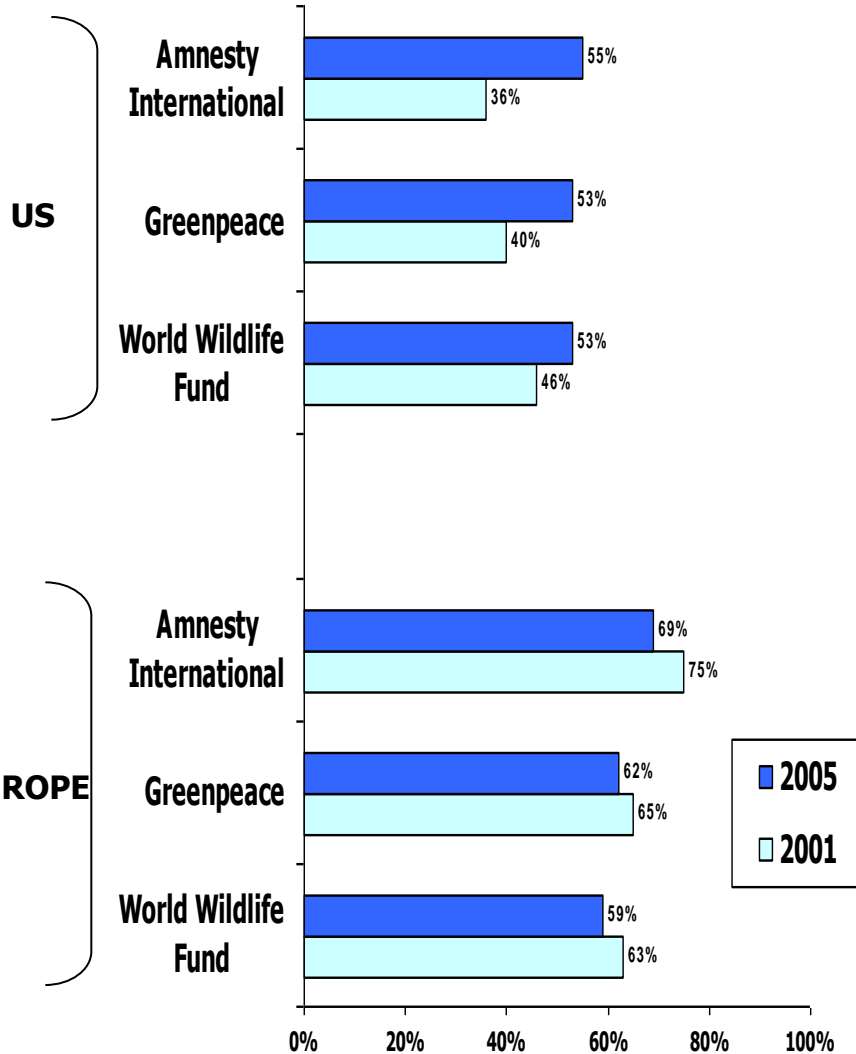
Trust in companies within the technology sector is high

Technology & Electronics

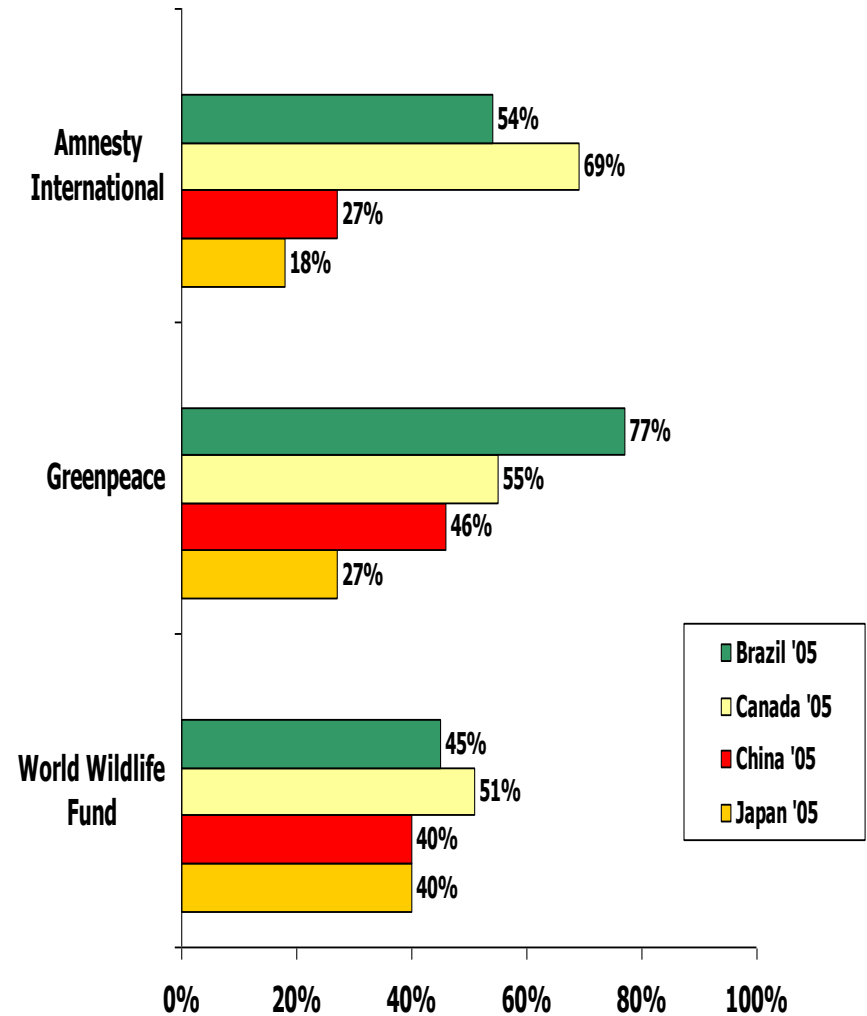
	U.S.	Europe	Canada	Japan	China	Brazil
	%	%	%	%	%	%
Sony	78	70	70	78	72	87
Microsoft	70	61	59	61	72	82
Samsung	65	58	57	27	72	82
IBM	75	62	71	59	76	83

State of Trust in NGOs

NGOs are super brands in the U.S. and EU



• Super brands in Brazil and Canada • Low in China and Japan



Trust in Companies by Country of Origin 2005

Tell me how much you TRUST global companies headquartered in the following countries to do what is right... ?

U.S.
Least Trusted in Europe & Canada
but most trusted in China

Japan
Least Trusted in China

	U.S.	Europe	Canada	Japan	China	Brazil
	%	%	%	%	%	%
U.S.	79	46	49	58	64	65
U.K.	80	65	71	60	59	73
France	40	64	60	55	53	72
Germany	67	77	69	66	61	76
Japan	72	68	69	79	41	83
Canada	81	73	78	48	48	69

France
Least Trusted in the U.S.

Germany
Most Universally Trusted



Less Likely to Purchase Products because of “Current Government/Administration”

Biggest issue for U.S. is in U.K and France

	U.S.	Canada	UK	France	Germany	Japan	China	Brazil
	%	%	%	%	%	%	%	%
The Bush administration/ U.S.	24	41	56	61	49	25	31	42
The Chirac administration/ France	47	23	45	24	36	19	32	27
The Schroeder government/ Germany	25	19	33	19	37	13	27	24
The Blair government/ UK	15	19	35	34	39	18	28	31
The Koizumi government/ Japan	18	17	31	24	41	22	48	25
The Martin government/ Canada	17	15	21	18	36	15	31	28

U.S. & UK
Less likely to purchase French products

China
Less likely to purchase Japanese products



Less Likely to Purchase Products Based on “Cultural Identity”

U.S.
Less likely to purchase from France

UK, France & Germany
Less likely to purchase from U.S.

	U.S.	Canada	UK	France	Germany	Japan	China	Brazil
	%	%	%	%	%	%	%	%
U.S.	9	22	37	30	31	13	16	19
France	39	17	35	5	21	11	19	11
Germany	17	11	23	7	12	11	18	10
UK	9	13	12	13	28	7	18	10
Japan	12	15	17	10	27	6	31	7
Canada	12	9	18	5	20	11	19	9
Brazil	24	30	38	37	43	42	36	11

Solving Global Issues: Obesity & Drug Prices

How responsible is each institution for solving... ?

Obesity: More responsibility associated with the “individual” than business, government or NGOs

Drug prices: Even with European and Canadian nationalized health care systems, respondents still places responsibility in the hands of business

	U.S.	Canada	UK	France	Germany	Japan	China	Brazil
	%	%	%	%	%	%	%	%
Obesity								
Business	44	61	55	53	66	37	33	67
Government	37	59	55	53	55	30	25	76
NGOs	38	45	37	27	51	14	24	47
Drug prices								
Business	82	71	72	78	73	66	52	83
Government	73	84	73	78	71	75	61	89
NGOs	45	50	46	29	54	19	28	58

Solving Global Issues: Outsourcing of Jobs to Foreign Countries & Environmental Pollution

How responsible is each institution for solving... ?

Outsourcing of Jobs to Foreign Countries: With the exception of China, respondents want business to take the lead in resolving outsourcing issues.

Environmental Pollution: NGOs are equally responsible for solving environmental pollution... suggesting a cooperative strategy with business and government

	U.S.	Canada	UK	France	Germany	Japan	China	Brazil
	%	%	%	%	%	%	%	%
Outsourcing of jobs to foreign countries								
Business	77	77	83	75	77	68	39	79
Government	67	81	63	67	76	71	56	77
NGOs	41	49	37	25	50	29	30	61
Environmental pollution								
Business	93	92	90	83	87	88	59	91
Government	88	93	90	86	91	88	69	87
NGOs	72	80	67	48	83	40	42	80



Section II

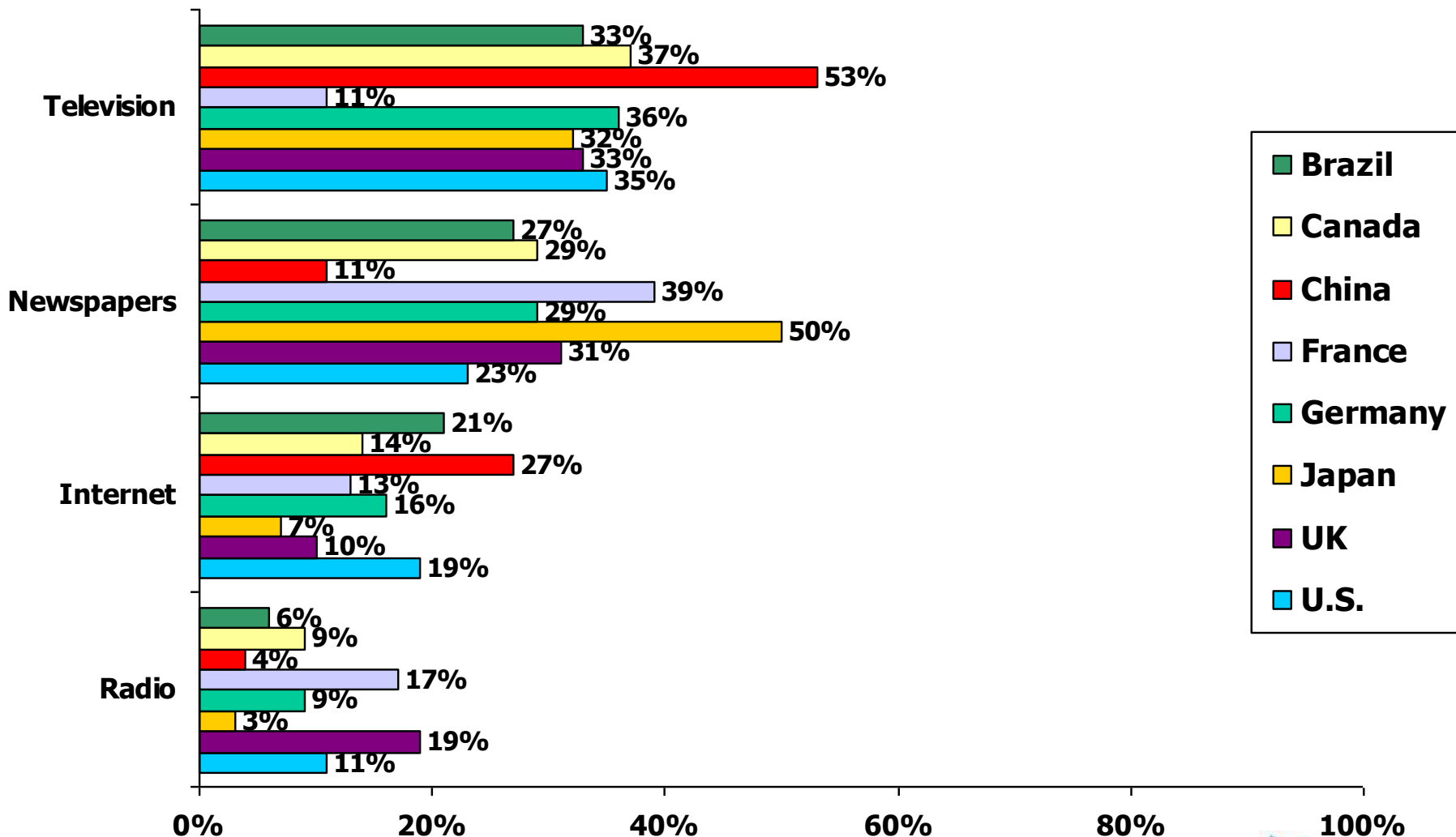
The Road Map To Earning Trust

Michael Deaver
Vice Chairman, International

First Media Turned To

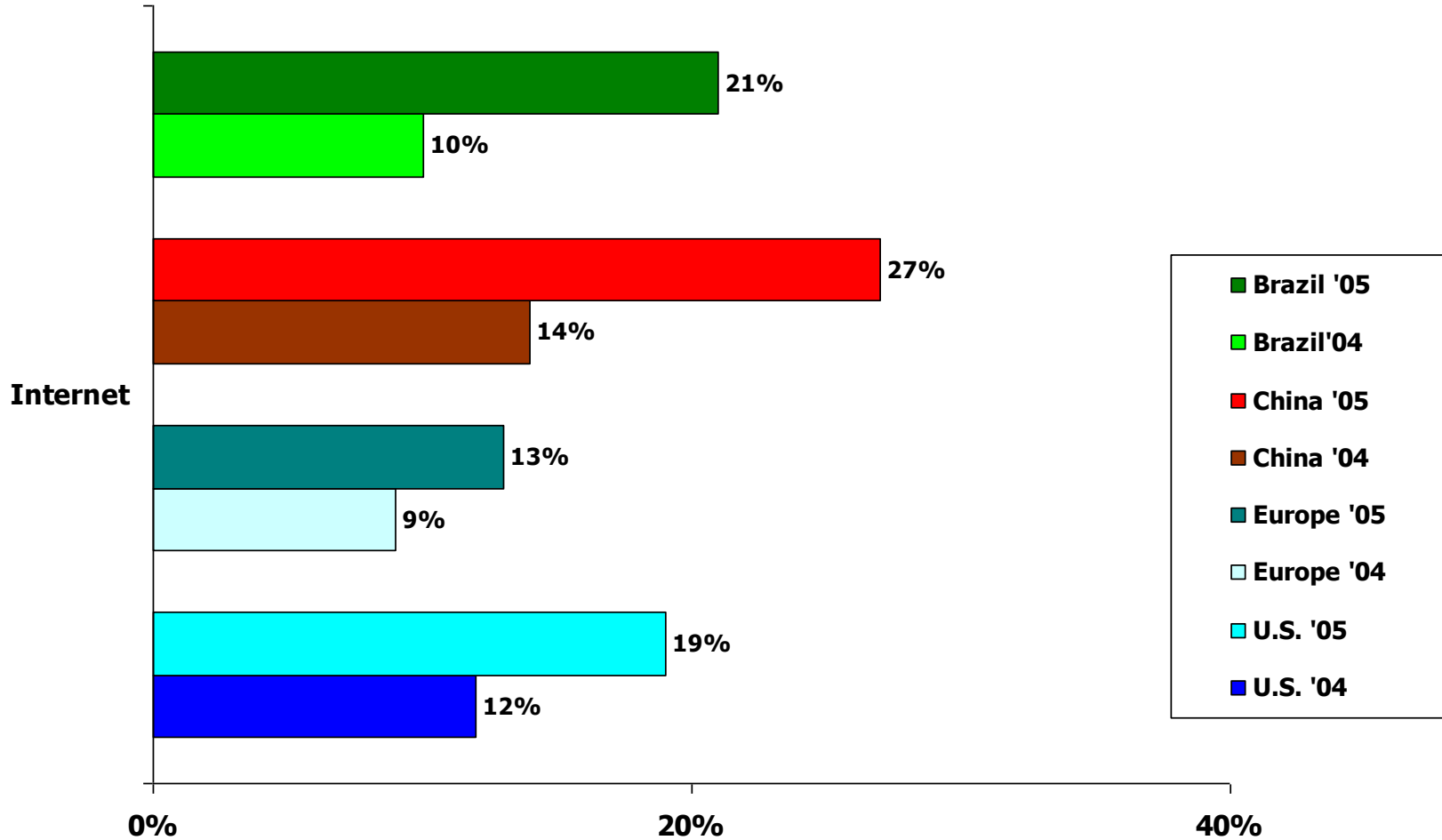
What type of media do you turn to first for trustworthy information/news?

TV is number one, followed by newspapers in most markets



First Media Turned To: INTERNET '04 vs. '05

The Internet's popularity as a source to turn to first has increased significantly

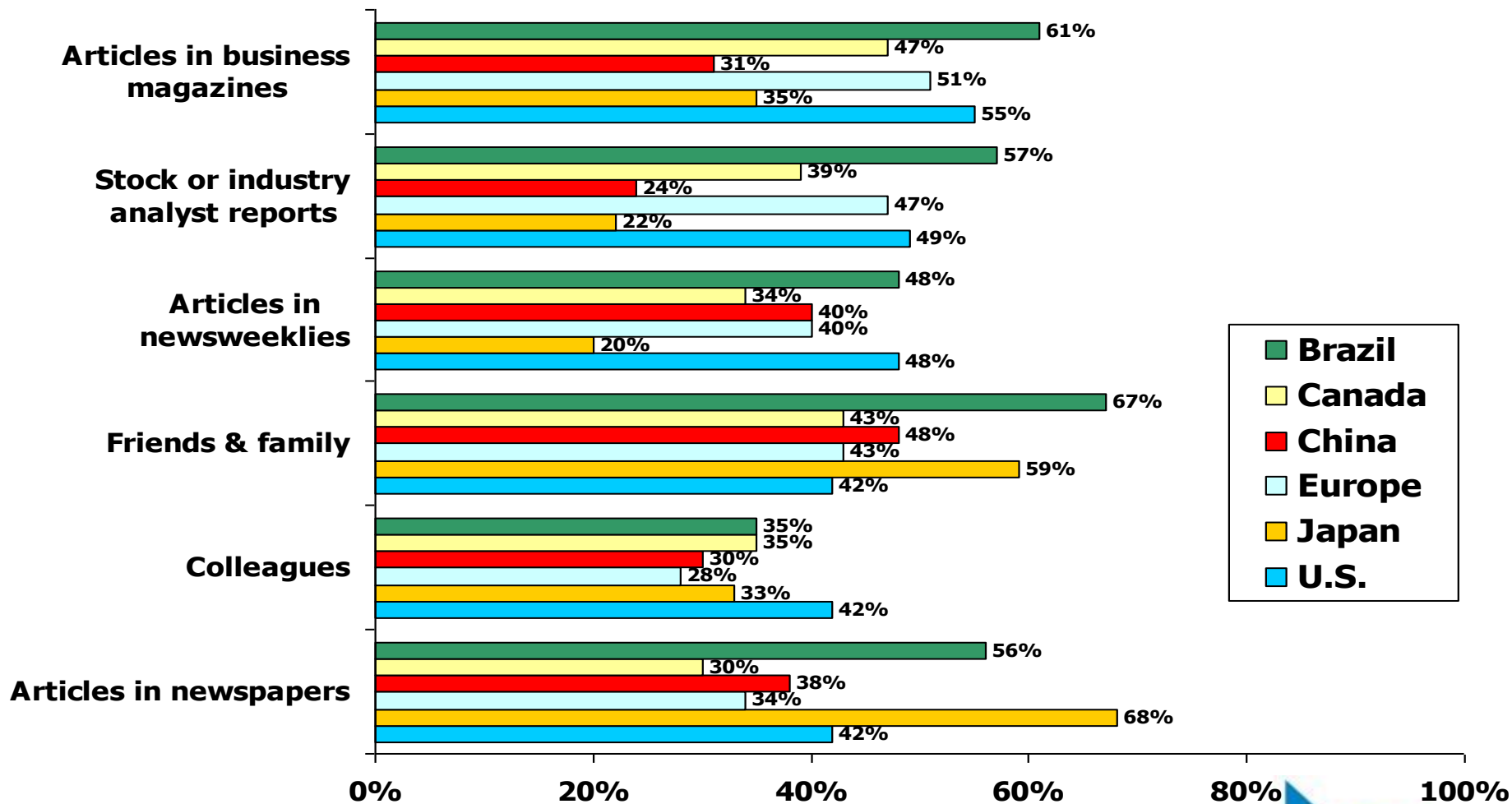


“Most Credible” Information Sources: U.S.

How credible do you feel each of the following sources are for information about a company?

•Print outlets more credible than broadcast

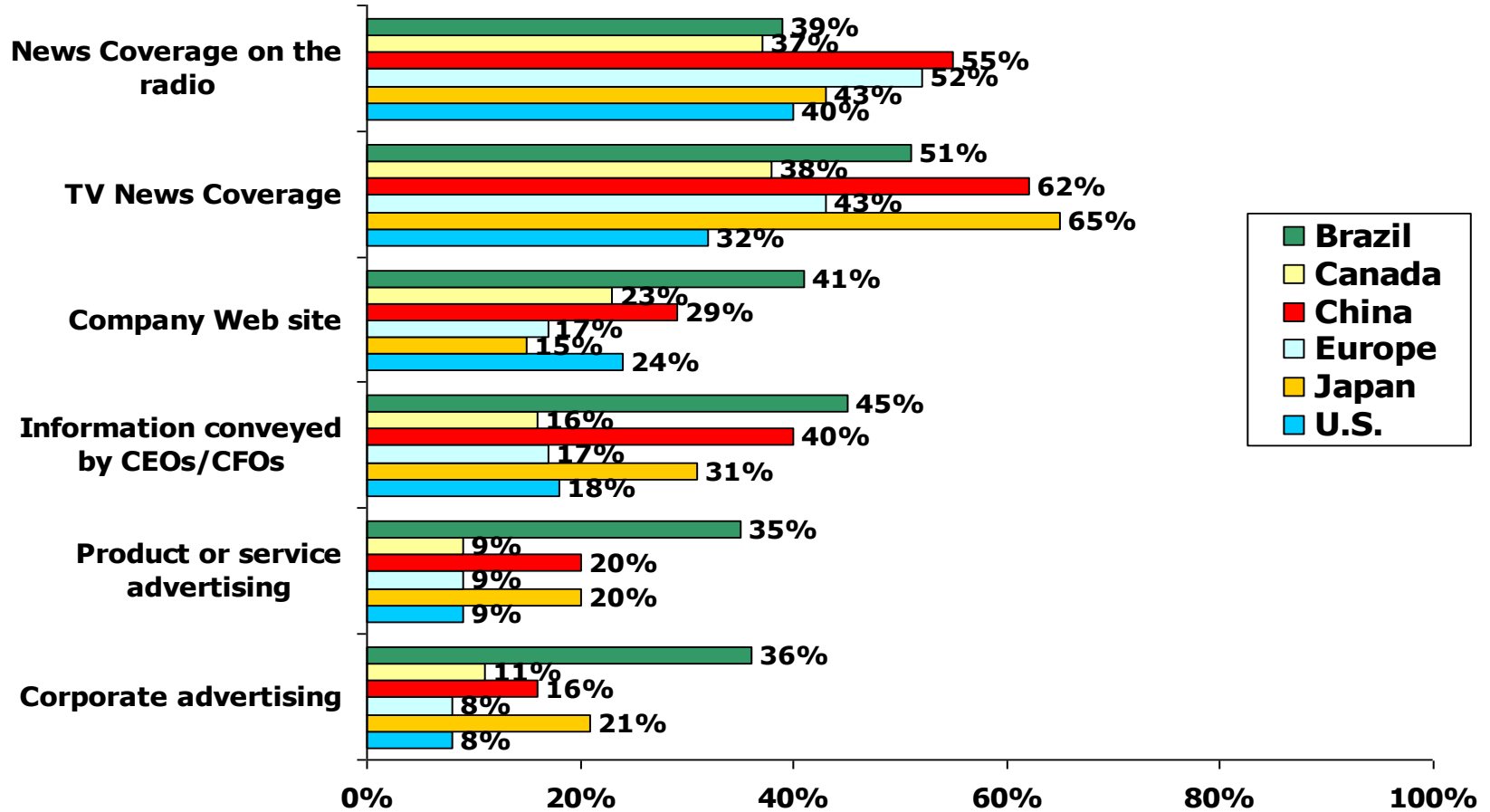
•In the U.S. “friends & family” and “colleagues” are now more credible than TV news and radio



“Least Credible” Information Sources: U.S.

How credible do you feel each of the following sources are for information about a company?

CEO trust discount evident



Most Credible Daily Media Sources

What are three specific sources you find to be the most credible?

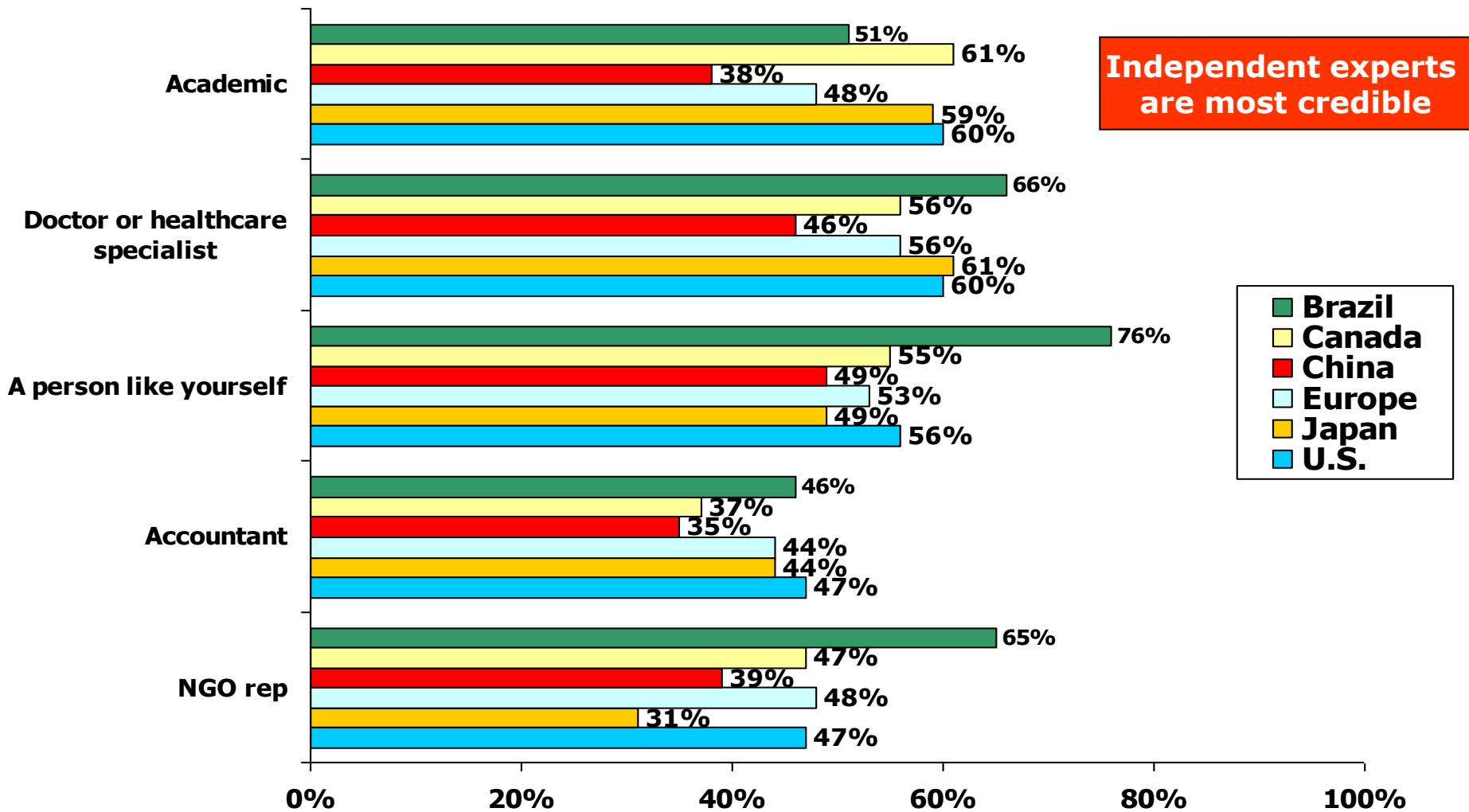
Media is still country- and language-specific, with local newspapers and television stations dominating

Top Sources:

U.S.	Canada	UK	France	Germany	Japan	China	Brazil
CNN	CBC	BBC	Le Monde	NTV	NHK	CCTV	Globo
FOX	Globe & Mail	Times	Radio France Int'l	Der Spiegel	Asahi Shimbun	TVB	Revista Veja
MSNBC	CNN	BBC Radio	Internet in general	ARD	Nikkei.net	Internet in general	Jornal Nacional
New York Times	BBC	Daily Telegraph	TV in general	FAZ	Daily Yomiuri	Sina.com	Globo TV

“Most Credible” Spokespersons

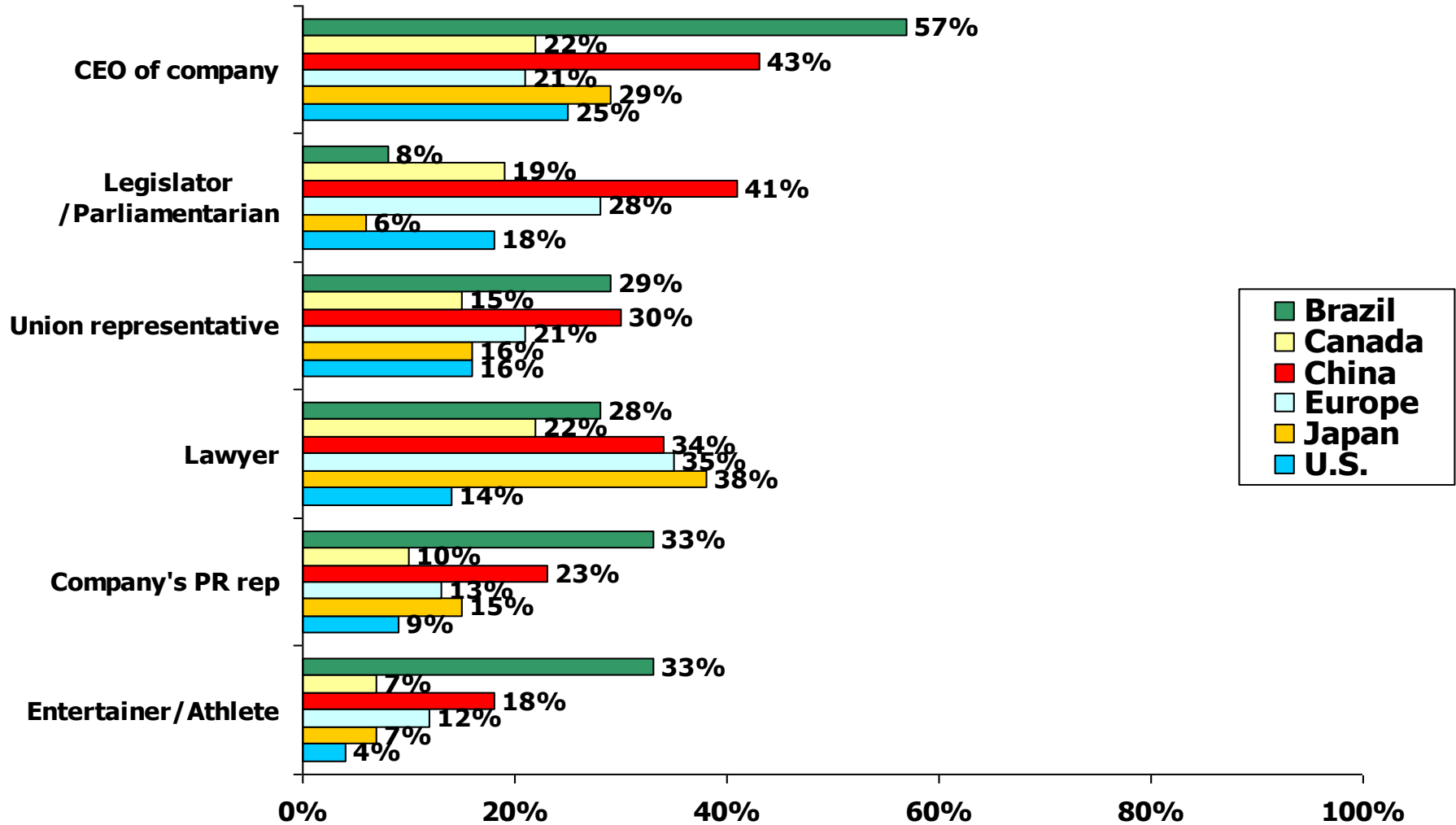
When forming an opinion of a company, how credible is the following source of information?



“Least Credible” Spokespersons

When forming an opinion of a company how credible would the information be from?

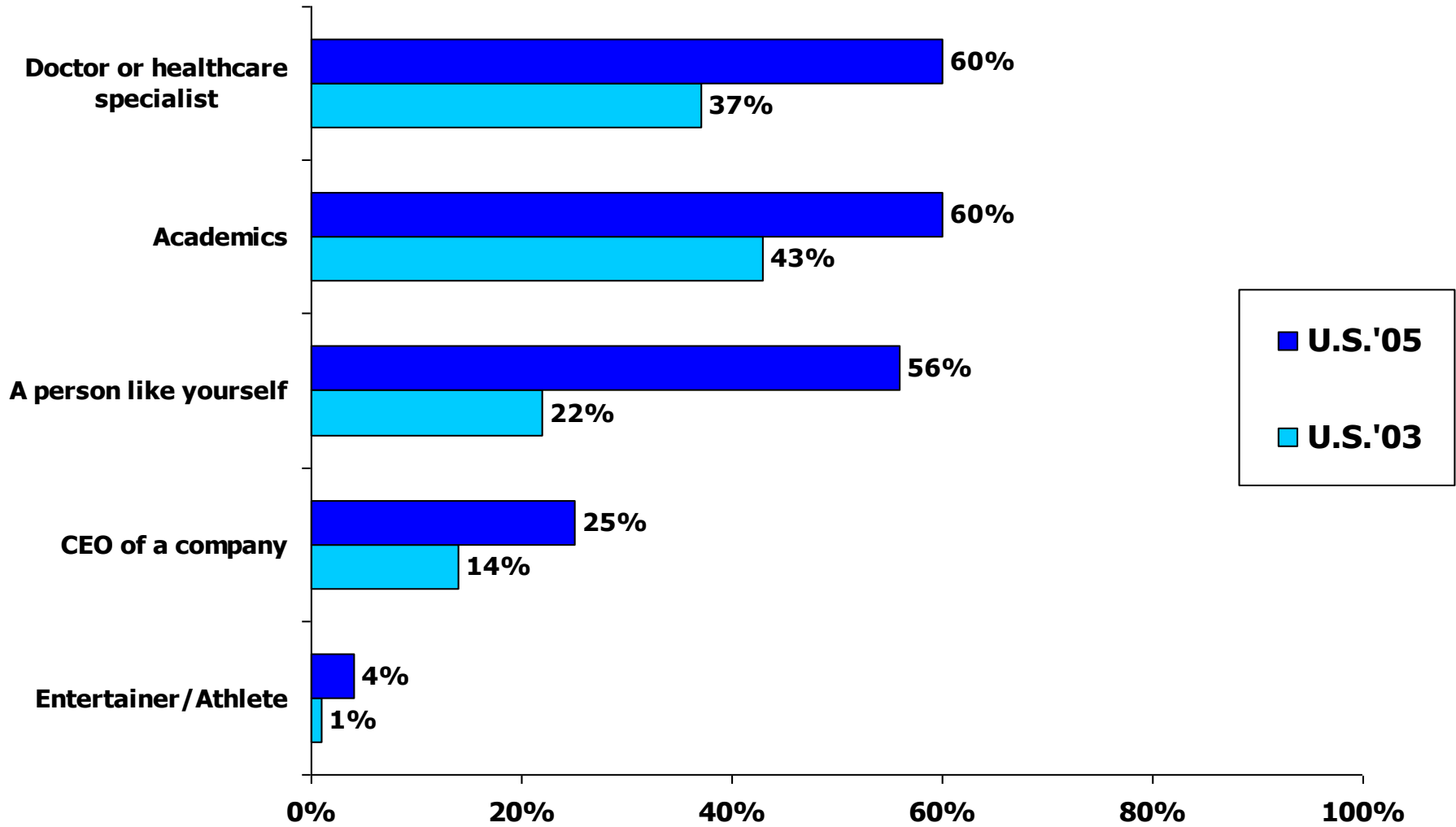
CEOs very credible in developing world



Credibility of Spokespeople: U.S. Tracking

When forming an opinion of a company how credible would the information be from?

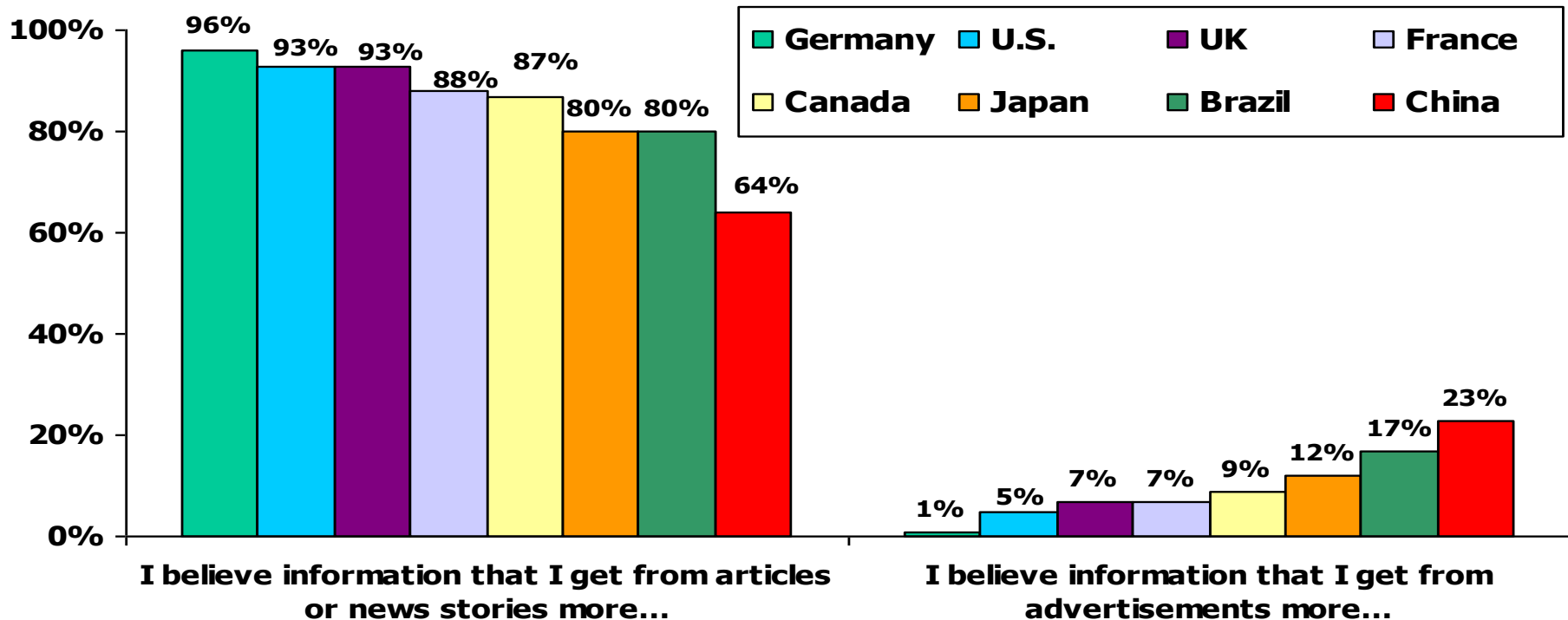
Rise of "A person like yourself"



Paid Media vs. Earned Media

Which statement do you agree with more?

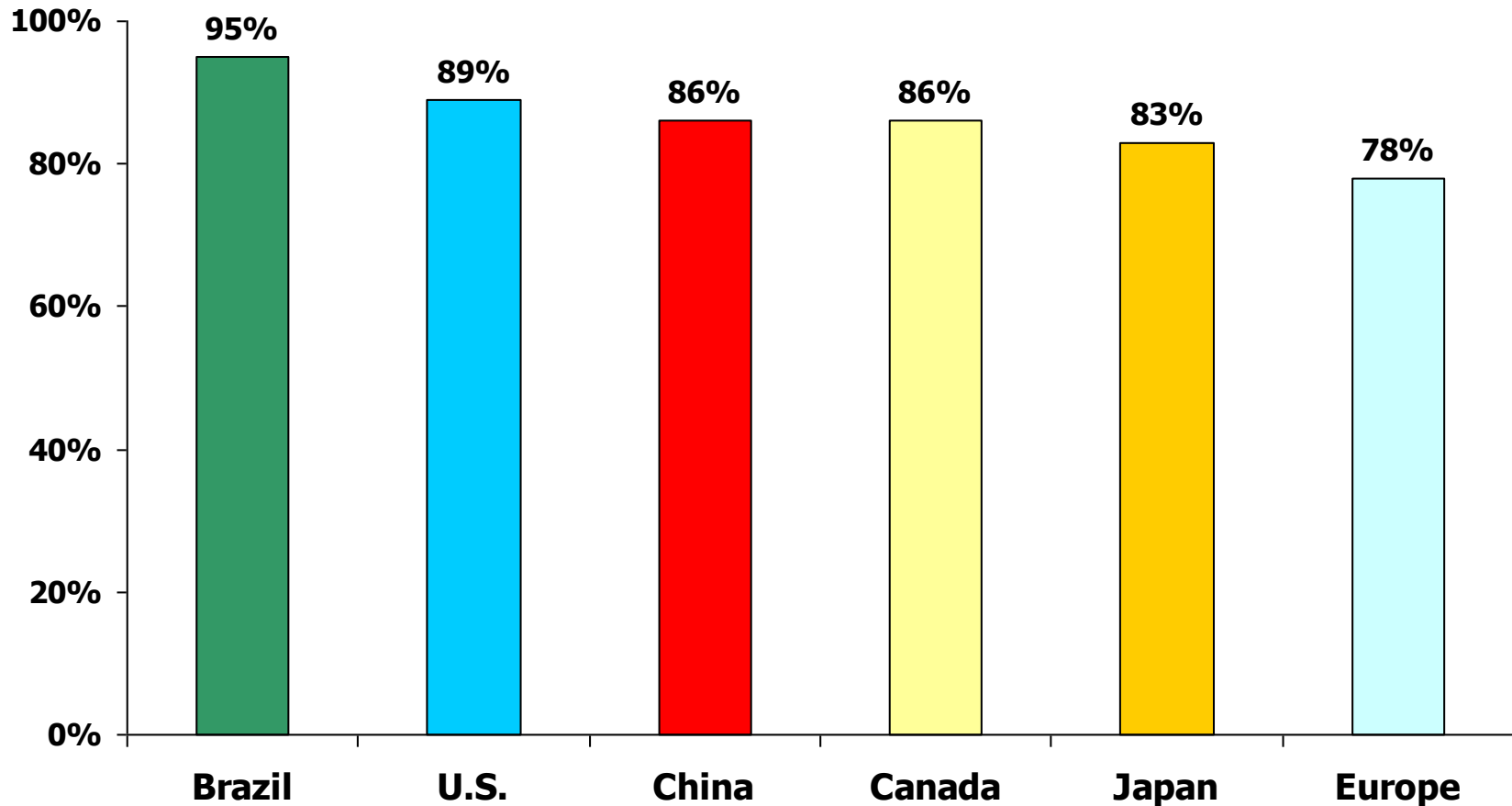
93% of opinion leaders in the U.S. and 92% in Europe stated that they believe information from articles or news stories more than advertisements



Rank order by "I believe information that I get from articles..."

Credibility of Multiple Sources of Information

Most people agreed that they are more likely to believe something if they see, read or hear about it from many different sources, rather than a single source.



Corporate Behaviors Driving Trust

Which two behaviors are most likely to increase your level of trust?

- Solutions are local
- In the U.S. and Brazil, “corporate philanthropy” ranks # 1 but last in Europe and second to last in China.
- In Europe and Canada, “listening to stakeholders” ranks #1
- In China, “visible senior management” heads the list
- In Japan, “positive media coverage” ranks # 1

Corporate Attributes Driving Trust

Which two attributes are most likely to increase your level of trust?

- Good quality products and services, ethical management and attentiveness to customers are strong drivers of trust
- “Delivering top quality products and services” topped the list in most markets except Germany (good labor and employee relations) and Brazil (attentiveness to customers)
- To rebuild trust after a crisis provide “full disclosure,” which is ranked #1 in all markets, except China and Brazil where “fixing the problem” is #1

How to Fix Trust Gap in Europe and Canada

- Partnership with NGOs
- Use of local spokespeople – academics and local management
- Activate local employees about strategy so they became “catalysts”
- Speak with local media

Overall Approach to Communications

- Leadership
- Credible Media Mix
- CEO Visibility
- “Inside out”
- Peer-to-peer
- Paradox of transparency
- Communicate continuously