

2010 Edelman Trust Barometer

January 22, 2010

Edelman Trust Barometer at a glance

Tenth annual study

4,875 people in 22 countries on five continents

Ages 25 to 64

College-educated

In top 25% of household income per age group in each country

Report significant media consumption and engagement in business news and public policy

The Edelman Trust Barometer in retrospect



Trust up but it's fragile and different than before

Trust now an essential line of business

- Global rise driven by a few countries; long road to full recovery
- Skepticism about long-term business practices
- Trust, transparency as important to reputation as quality products
- Stakeholder, not a shareholder, world

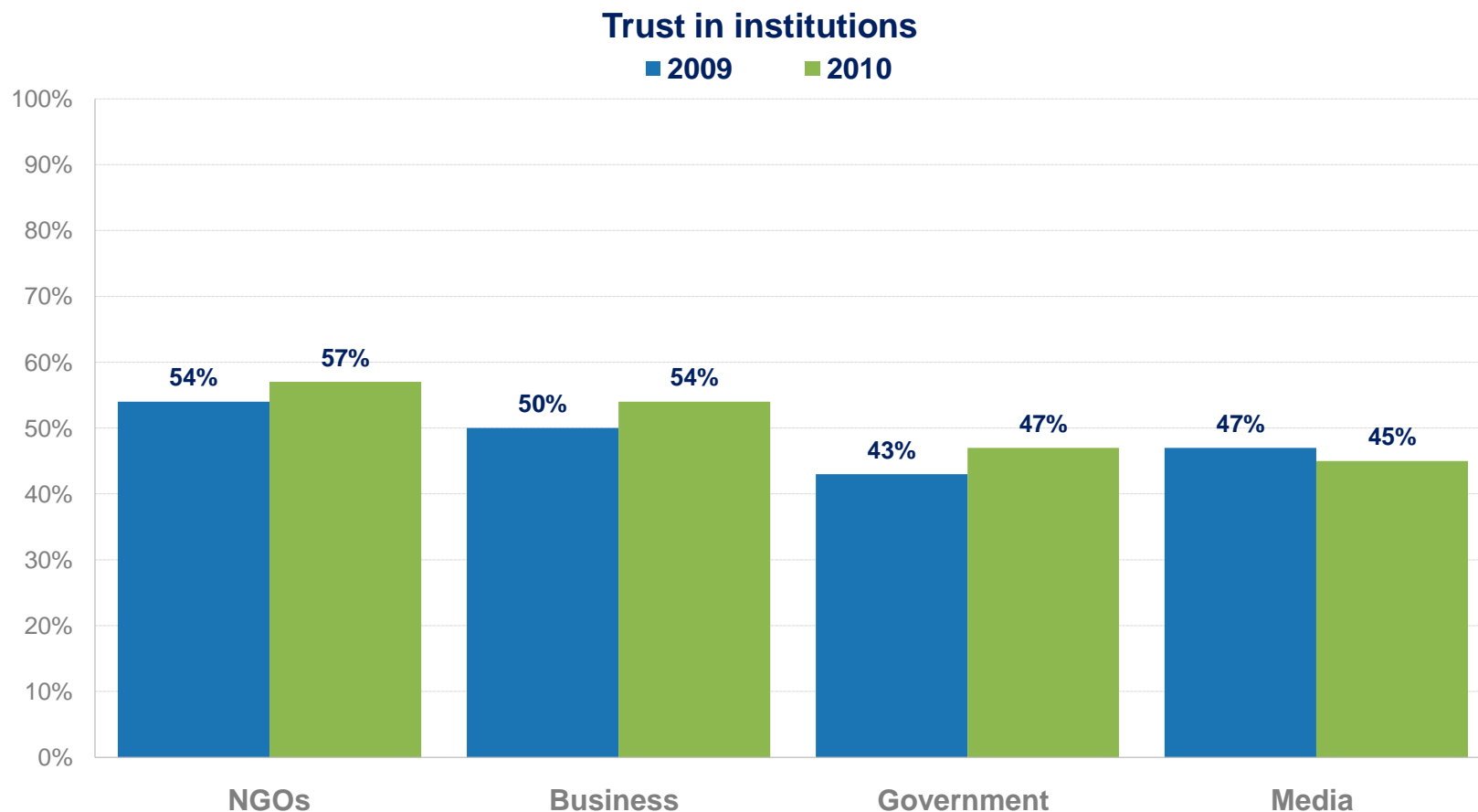
Trust is up



“Although unemployment remains intolerably high, signs of recovery abound, and confidence is returning...”

Newsweek, “History Is Still Over,
How capitalism survived the crisis.”
December 2009

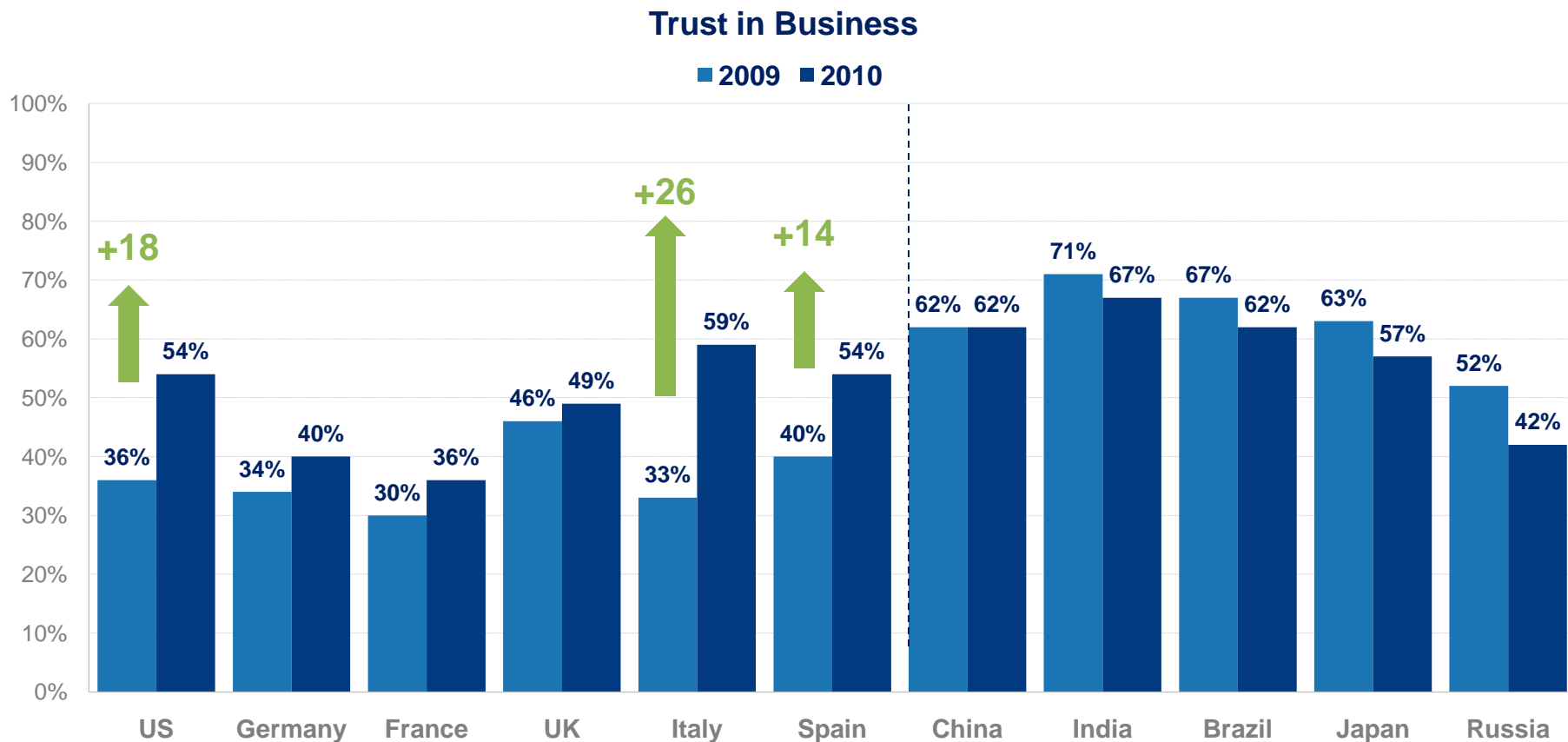
Globally, modest trust gains in business, government, NGOs



A7-A10. [Tracking] I am going to read you a list of institutions. For each one, please tell me how much you TRUST that institution to do what is right. On 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, how much do you trust [INSERT] to do what is right? (Top 4 Box) Informed Publics ages 25-64 in 20 countries

But big gains in a few Western countries drive rise

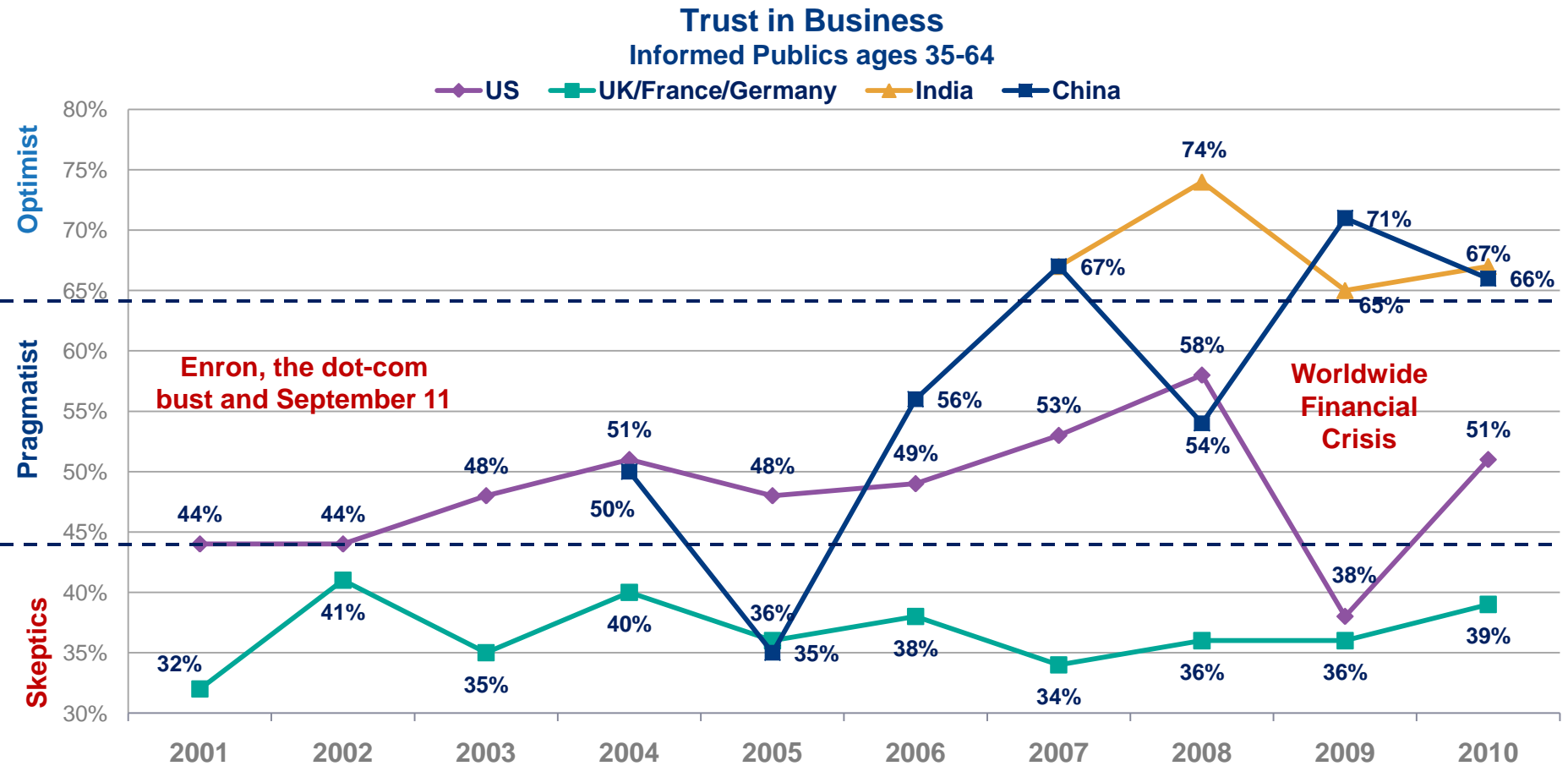
Business largely stable in BRIC



A9. [Business in general TRACKING] I am going to read you a list of institutions. For each one, please tell me how much you TRUST that institution to do what is right. On 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, how much do you trust [INSERT] to do what is right? (Top 4 Box) Informed Publics ages 25-64

In U.S., trust rebounding; in China, remains strong

In large European economies, trust stays low

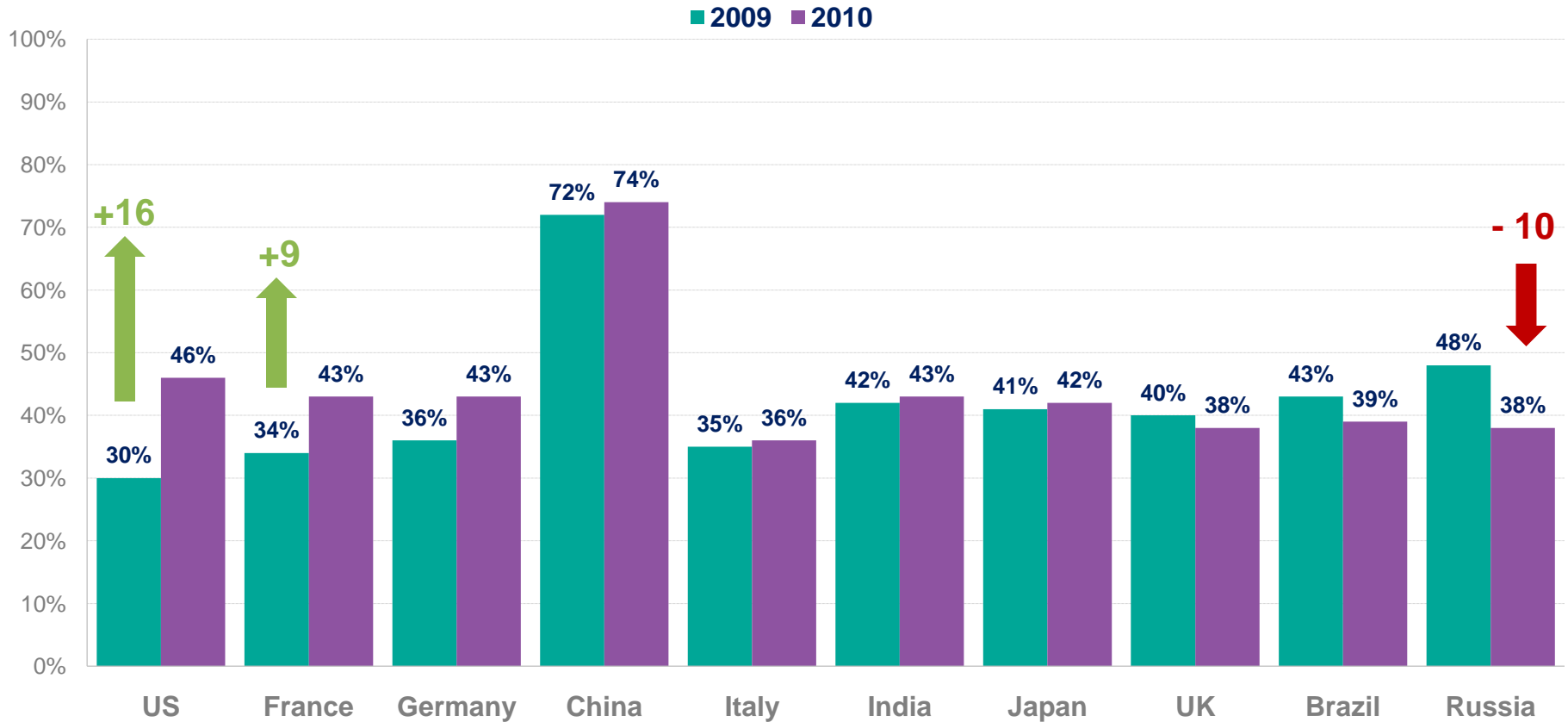


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Trust in government is largely stable

U.S. and Russia move in opposite directions

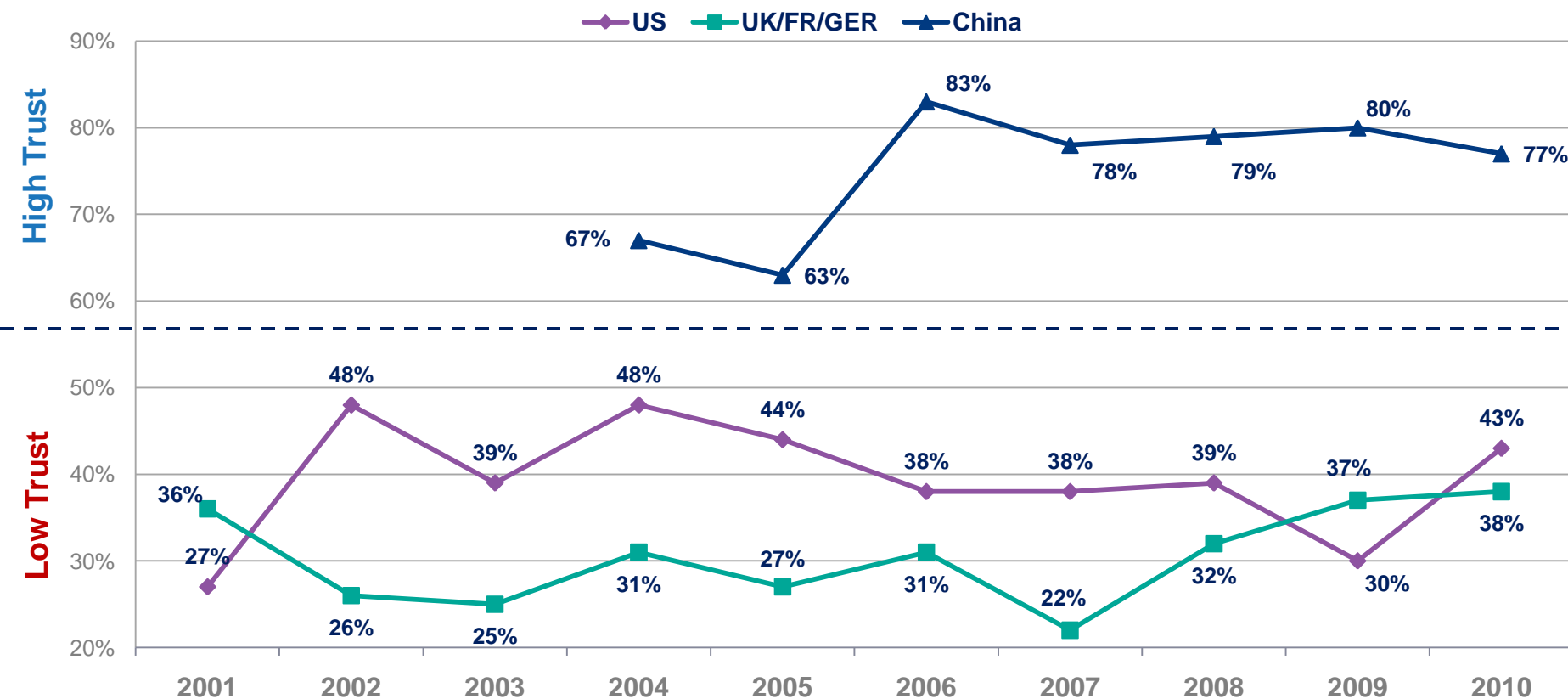
Trust in Government – Top 10 countries by GDP



A7. [Government in general TRACKING] I am going to read you a list of institutions. For each one, please tell me how much you TRUST that institution to do what is right. On 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, how much do you trust [INSERT] to do what is right? (Top 4 Box) Informed Publics ages 25-64

In China, trust in government remains high

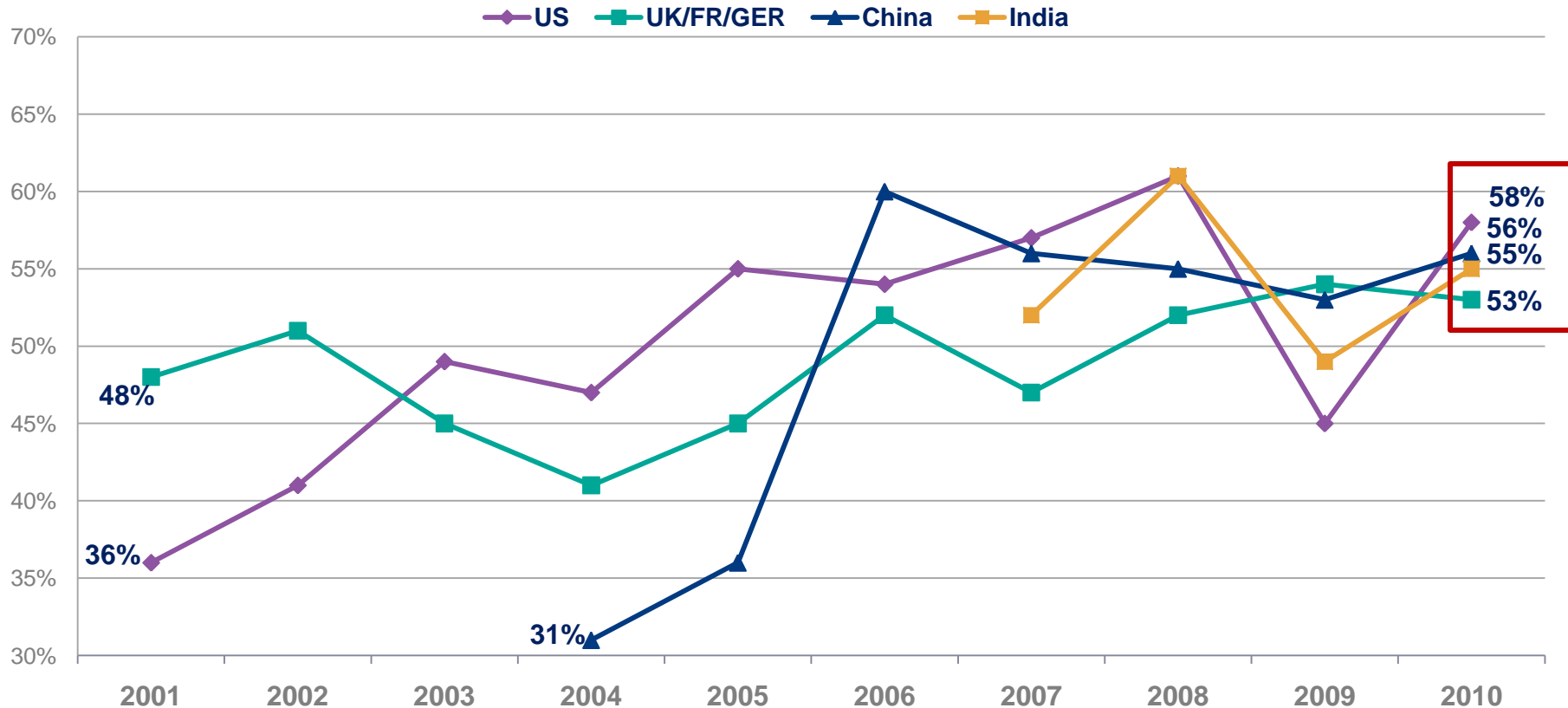
Trust in Government
Informed Publics ages 35-64



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Across regions, influence of NGOs rises over time

Trust in NGOs Informed Publics ages 35-64



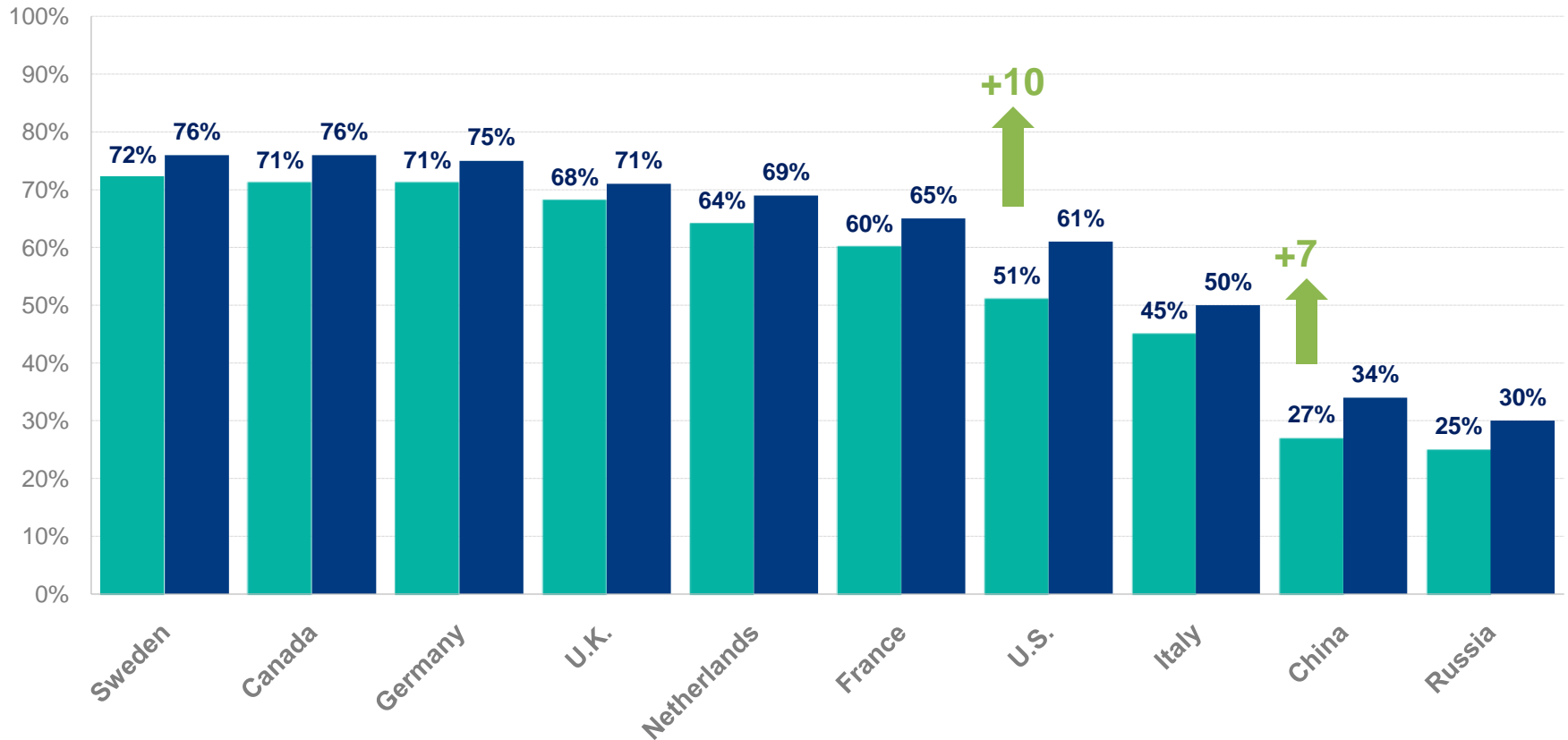
A10. [Non-government organizations TRACKING] I am going to read you a list of institutions. For each one, please tell me how much you TRUST that institution to do what is right. On a 9-point scale where one means that you "DO NOT TRUST THEM AT ALL" and nine means that you "TRUST THEM A GREAT DEAL, how much do you trust [INSERT] to do what is right? (Top 4 Box) Informed Publics ages 35-64 in US, UK/FR/GER, and China

U.S. surges as trusted site for global headquarters

Sweden, Germany, Canada remain most trusted

Most Trusted National Identity for Companies

■ 2009 ■ 2010

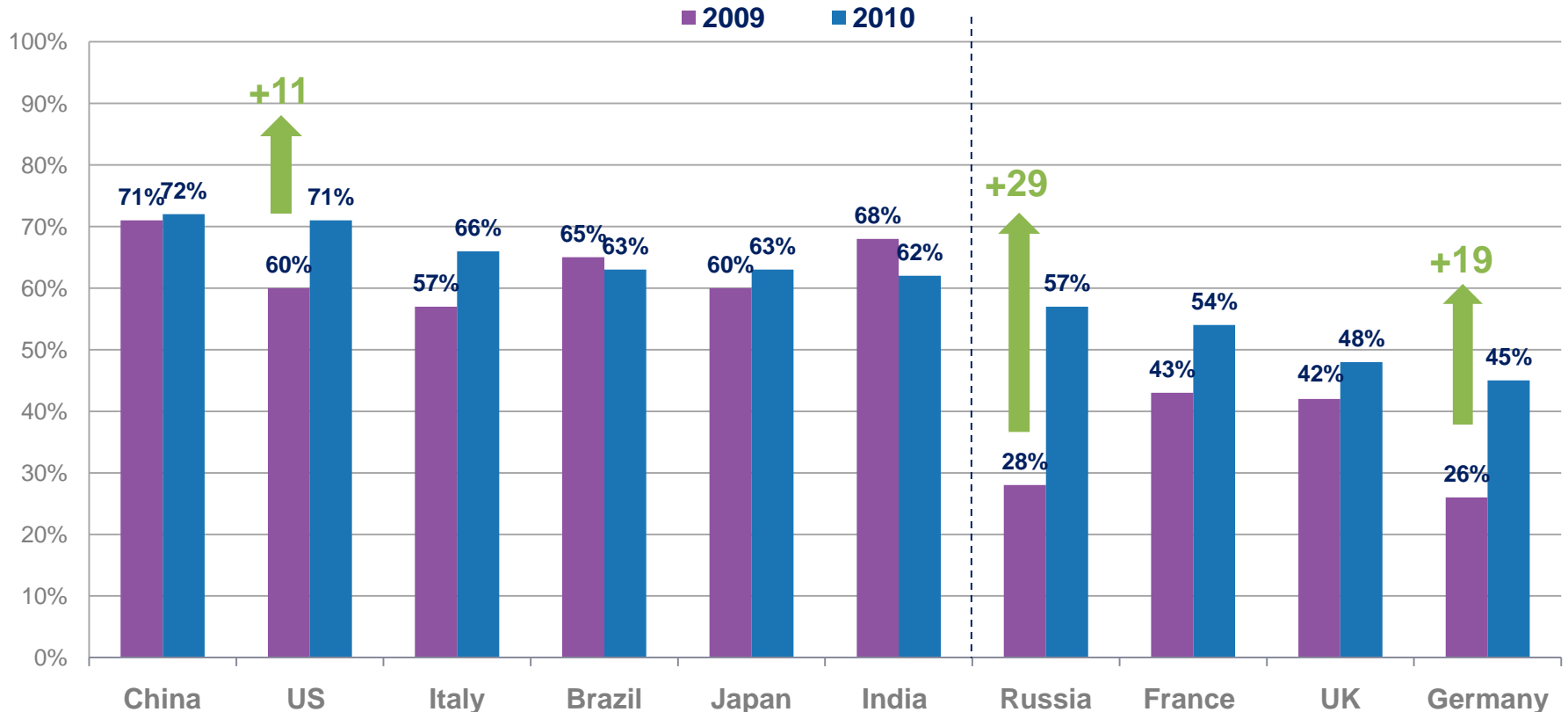


A13-25. [TRACKING] Now I would like to focus on global companies headquartered in specific countries. Please tell me how much you TRUST global companies headquartered in the following countries to do what is right. Use the same 9-point scale where one means that you "DO NOT TRUST THEM AT ALL" and nine means that you "TRUST THEM A GREAT DEAL". (Top 4 box) Informed Publics ages 25-64 in 20 countries

U.S. headquartered companies trusted most in China and U.S.

Large trust increases in U.S., Russia, Germany

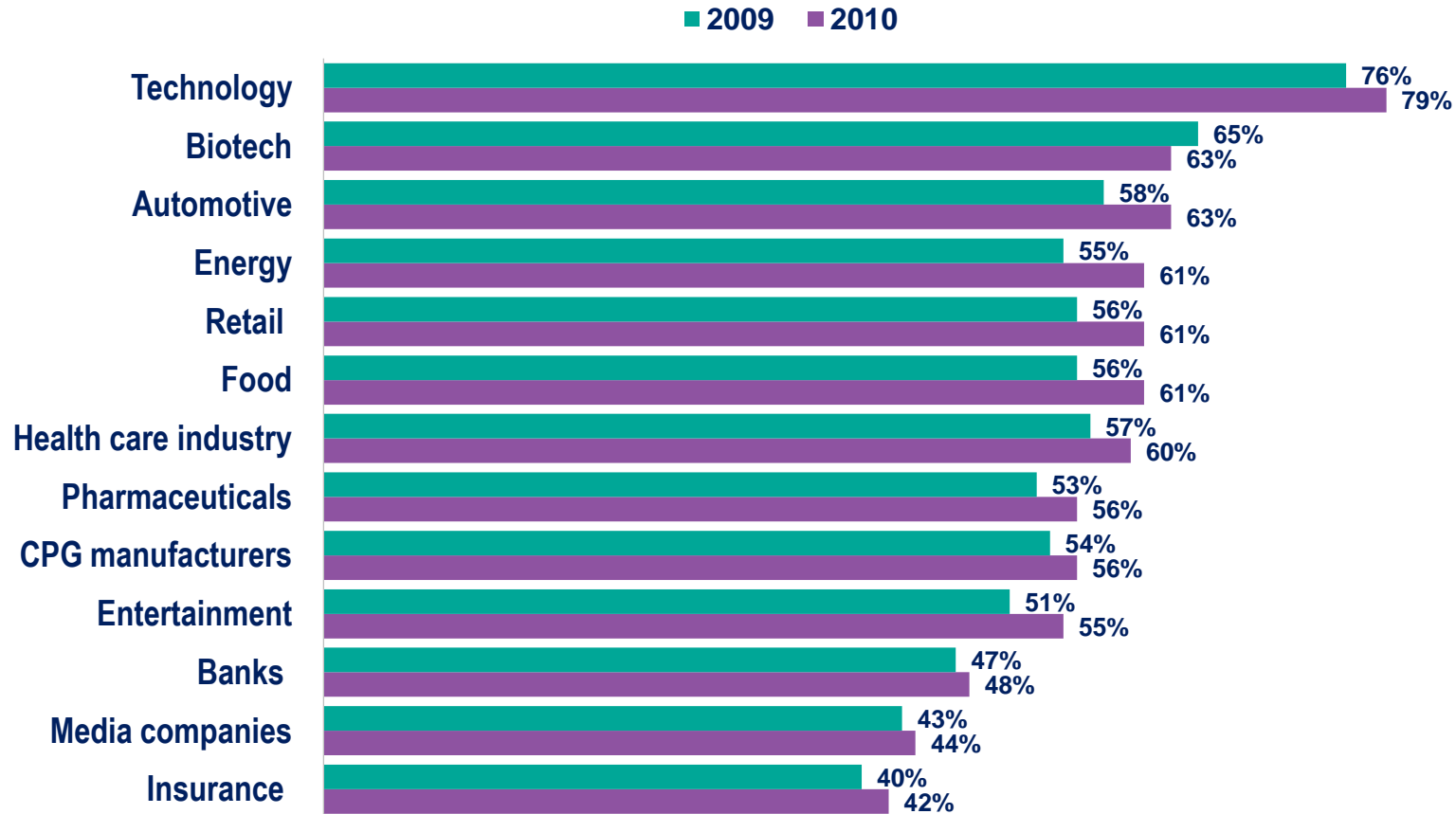
Trust in U.S. Headquartered Companies



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Globally, technology remains most trusted industry

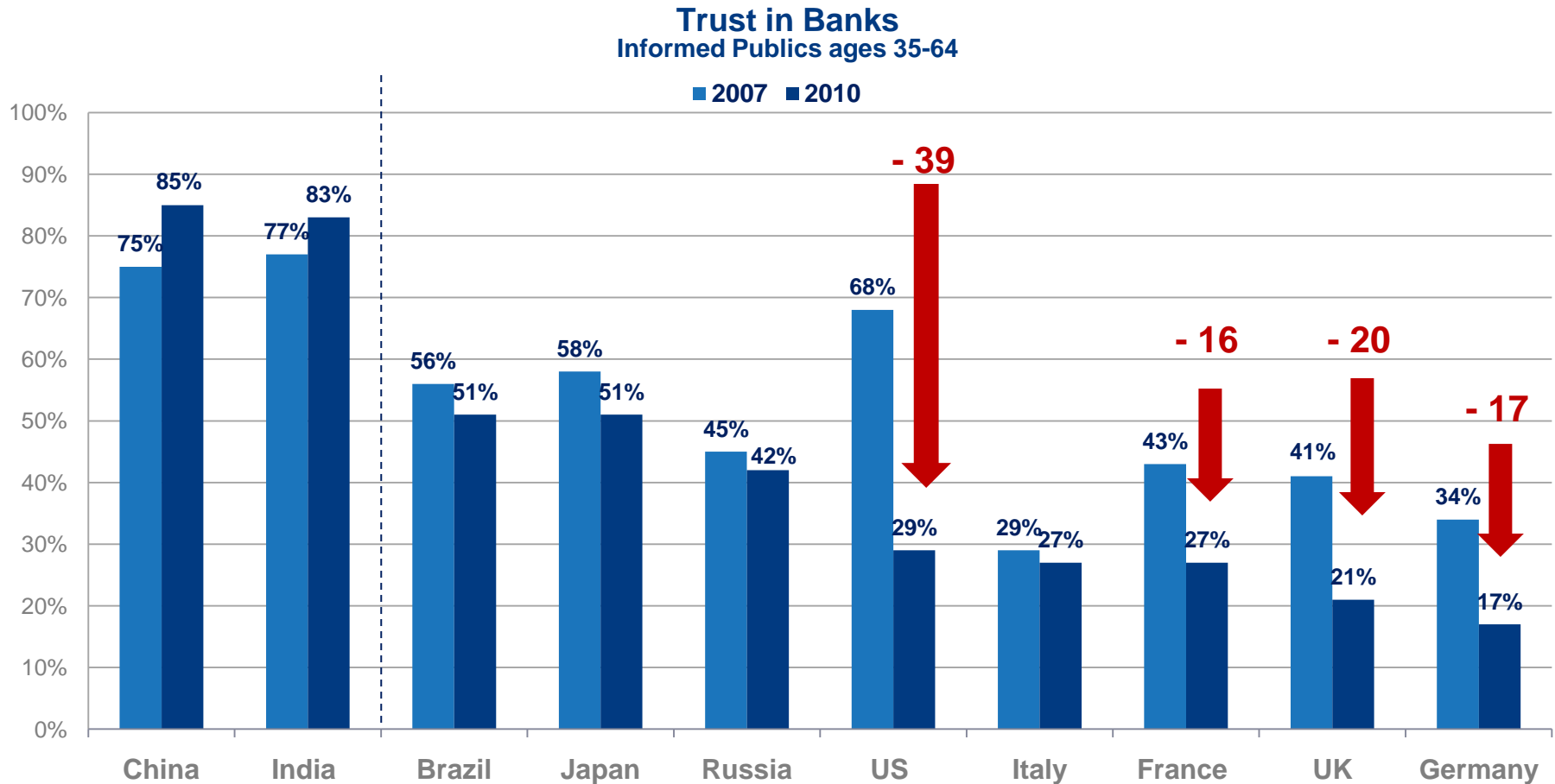
Media, insurance least trusted



A26-38. [TRACKING] Now I would like to focus on your trust in different industry sectors. Please tell me how much you TRUST businesses in each of the following industries to do what is right. Again, please use a nine-point scale where one means that you “DO NOT TRUST THEM AT ALL” and nine means that you “TRUST THEM A GREAT DEAL.” (Top 4 Box) Informed publics ages 25-64 in 20 countries

Since 2007, trust in banks declines dramatically in most Western countries

In U.S., trust in banks drops from third to near-last in three years



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Trust is fragile

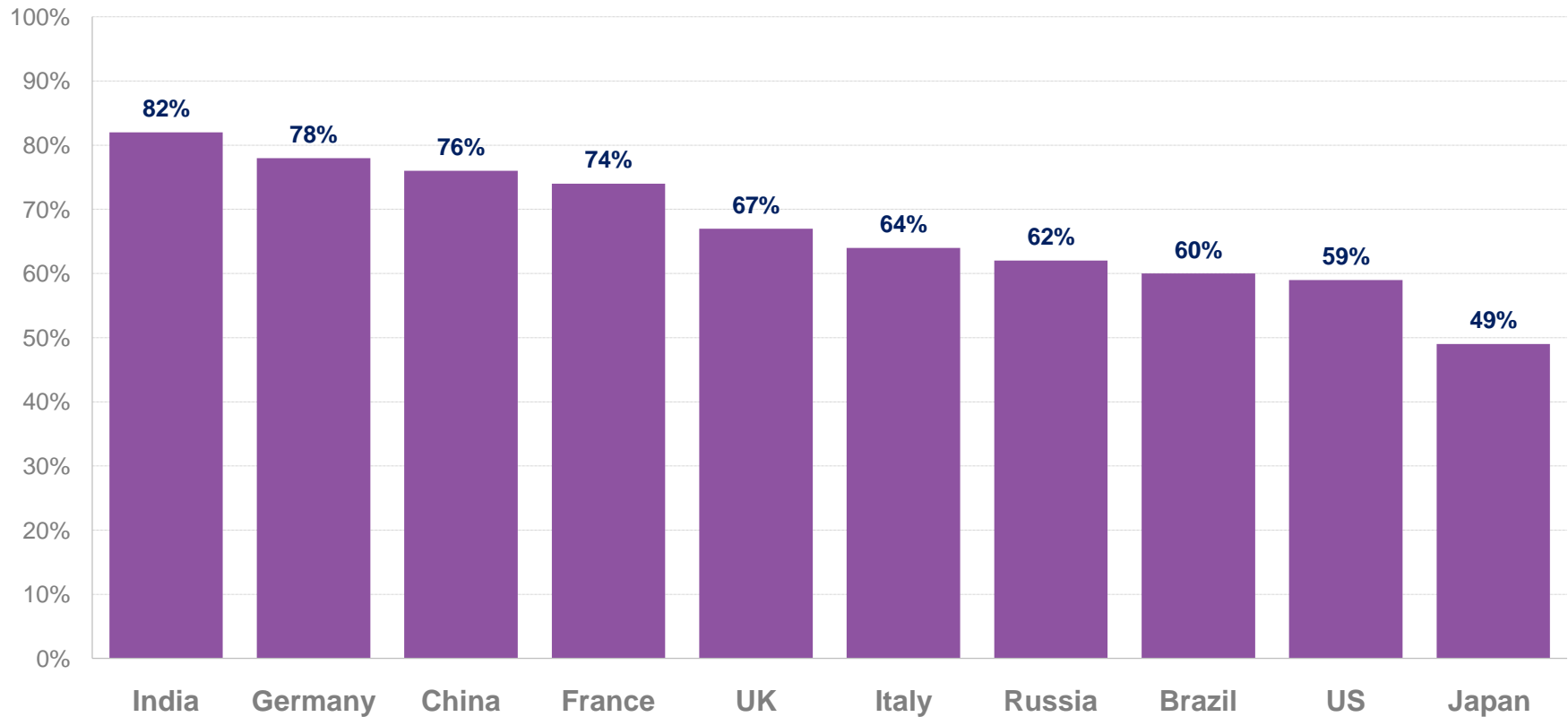
“Already, we’ve seen speculation that our industry will soon be back to business as usual. Let me say clearly: there are lessons from this crisis that we cannot afford to ignore.”

**Josef Ackermann,
Chief Executive Officer, Deutsche Bank**



Most expect business and financial companies to return to old habits

Expect return to “business as usual” after the recession
Top 10 Countries by GDP

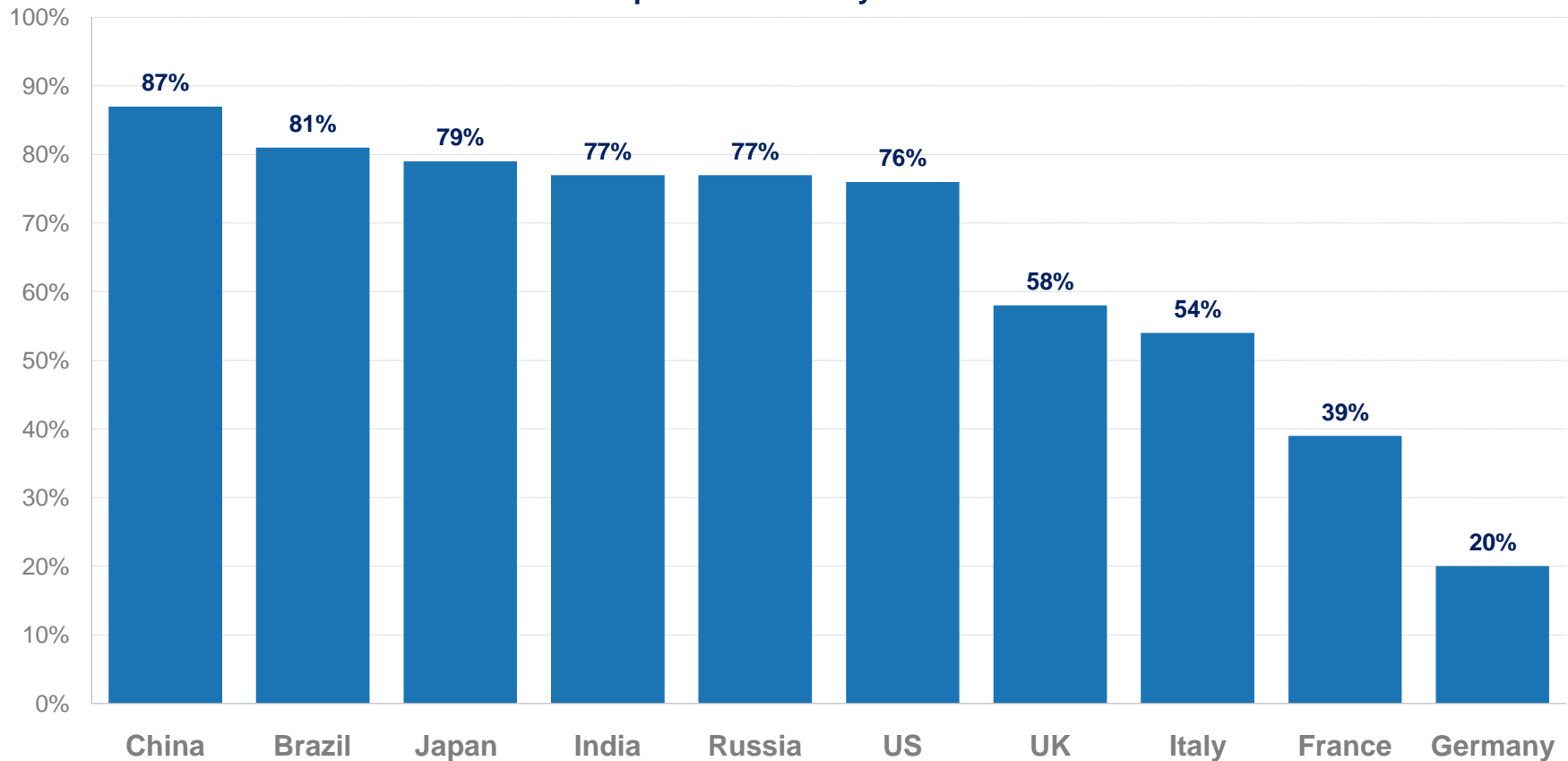


C81. After the recession is over, do you expect for business and financial companies to return to “business as usual”?
Informed Publics ages 25-64 – Top 10 countries by GDP

Most expect government to influence financial institutions in the future

Believe government will have influence over banks and financial institutions

Top 10 Countries by GDP

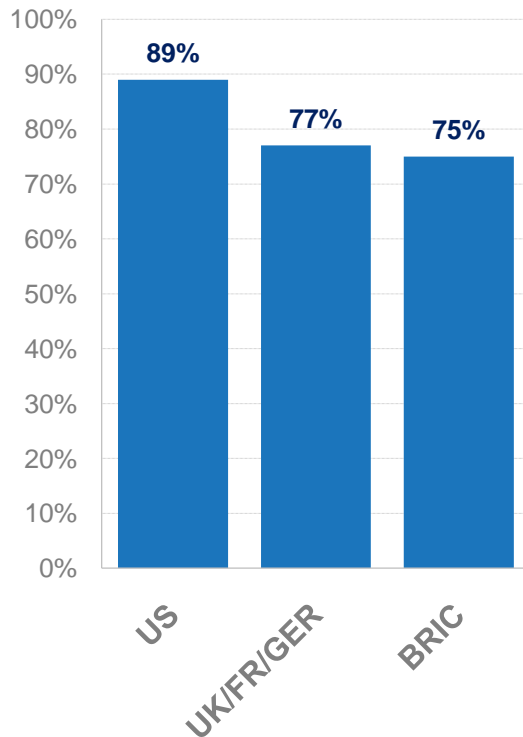


C82. How much influence, if any, do you believe government will have over banks and financial institutions in the future? (Read Scale, Select one)
Informed Publics ages 25-64 – Top 10 countries by GDP

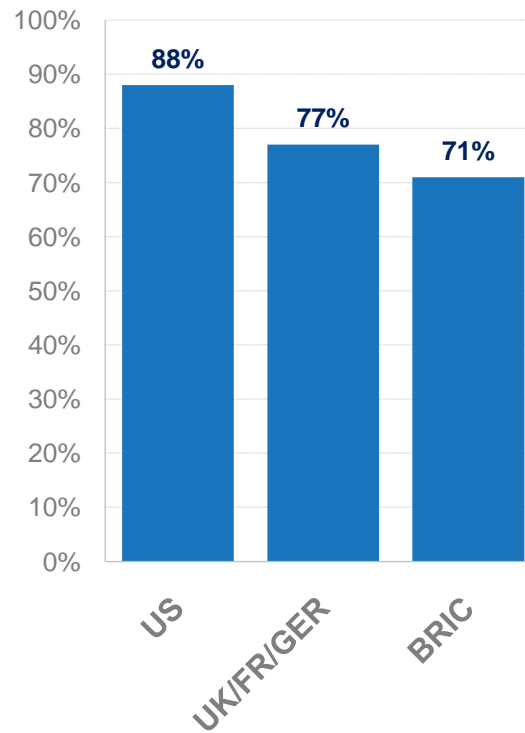
Short-term actions in economic crisis restore trust in business

Now what?

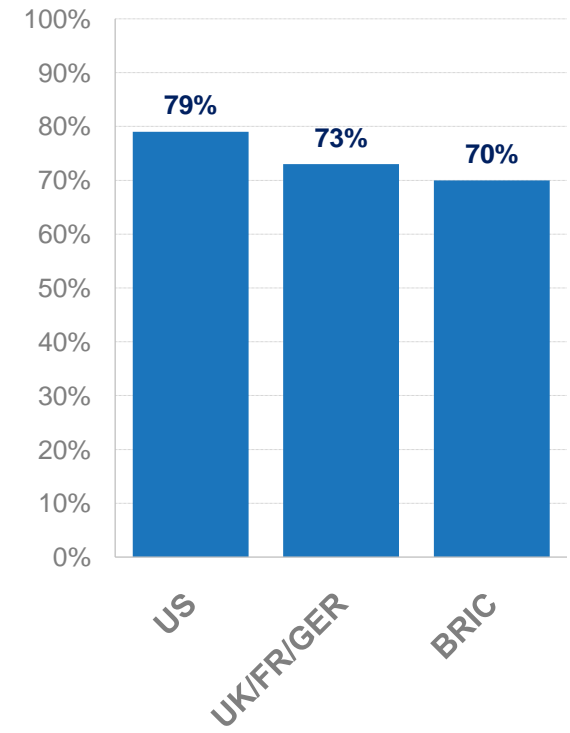
Fire non-performing management teams



Repay bailout or loan money to the government



Reduce gap between senior executive and average worker pay



B73-75. How effective would the following actions be in restoring trust in a company? Please use a 9-point scale where one means "NOT AT ALL EFFECTIVE" and nine means "EXTREMELY EFFECTIVE". The first one is [INSERT FIRST]. How effective is this action to restoring trust in a company on a 9-point scale where one means "not at all effective" and nine means "extremely effective"? (Top 4 box) Informed Publics ages 25-64

Trust is different



“...one of the most important ways to rebuild the system stronger than before is to rebuild trust stronger than before—and you do not have to wait for a new law to do that.”

**President Barack Obama,
speech to financial community, Federal Hall,
New York. September 2009**

Corporate reputation now based on trust and transparency as much as quality

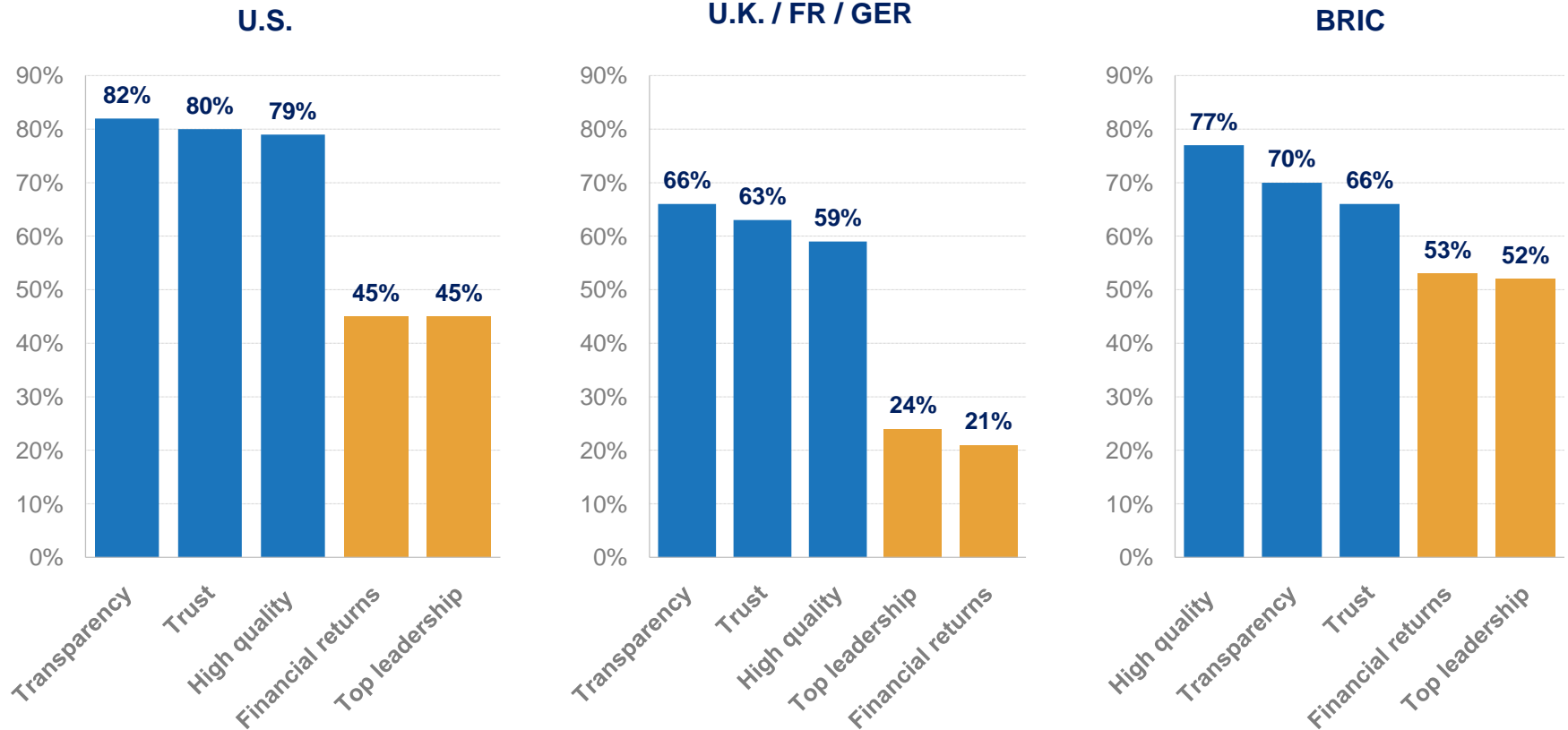


B63.-72. How important are each of the following factors to the overall reputation of the company? Please use a nine-point scale where one means that factor is “not at all important” and nine means it is “extremely important” to overall reputation. (Top 2 Box, Very/ Extremely Important) Informed Publics ages 25-64 in 22 countries

Trust and transparency among top; leadership, financial returns at bottom

European economies rate these factors lowest

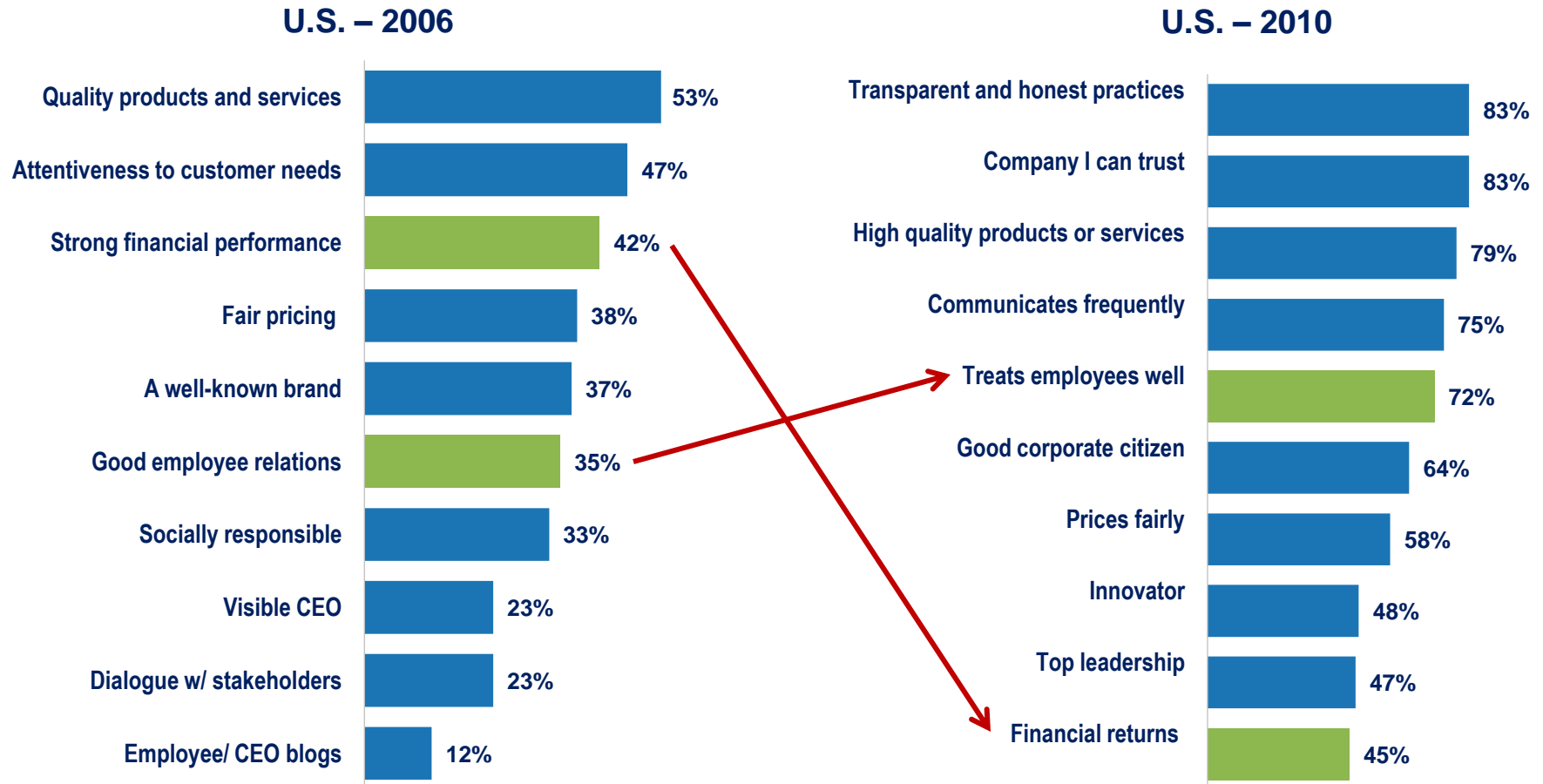
Company Reputation Factors



B63.-72. How important are each of the following factors to the overall reputation of the company? Please use a nine-point scale where one means that factor is "not at all important" and nine means it is "extremely important" to overall reputation. (Top 2 Box, Very/ Extremely Important) Informed Publics ages 25-64

In U.S., financial returns moves to last place in company reputation factors

Employee relations moves up

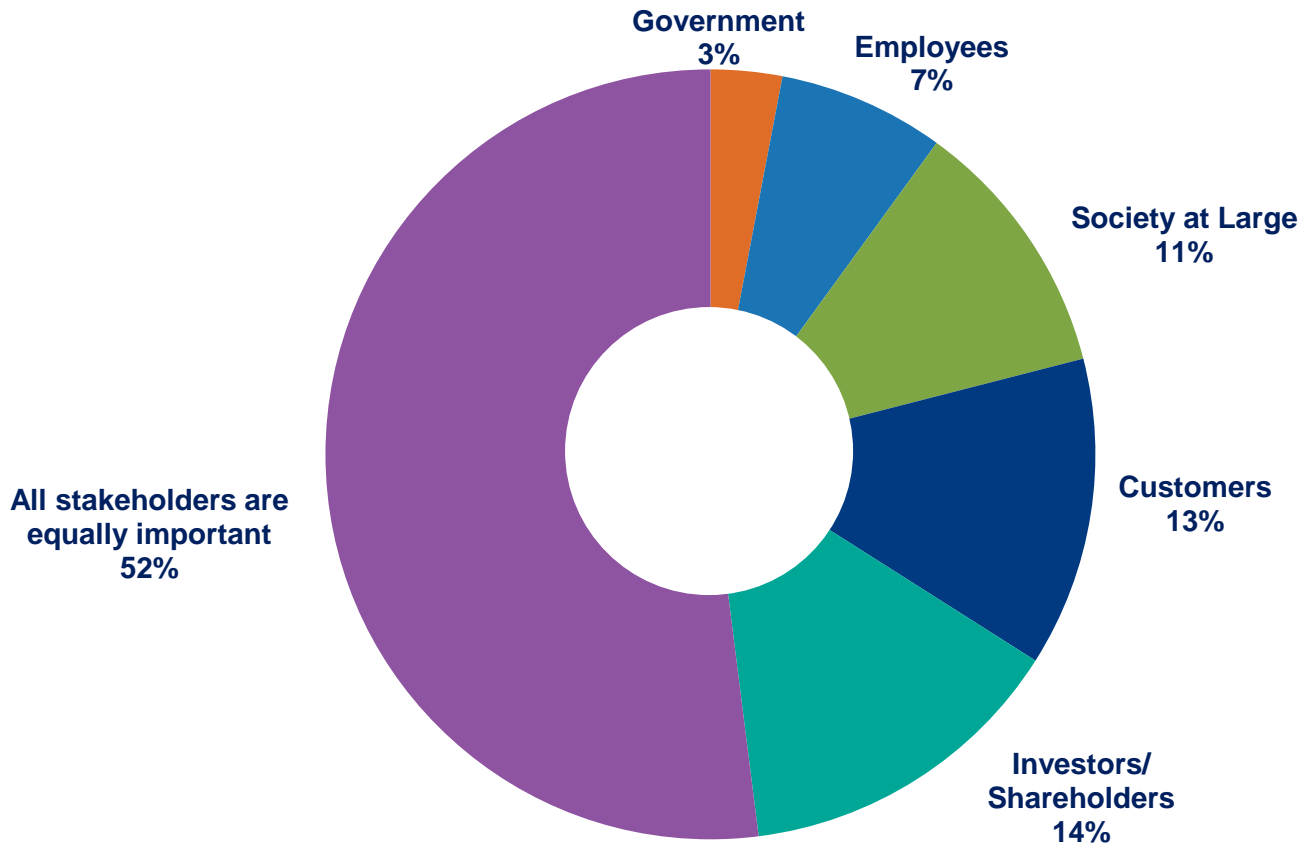


2006 – When you think of companies that you trust, how much, if at all has each of the following attributes contributed to your trust? Please use a 9-point scale where one means it “has not contributed at all” and 9 means it “has contributed a great deal.” (Top 2 box) Informed Publics ages 35-64 in the U.S.

B63.-72. How important are each of the following factors to the overall reputation of the company? Please use a nine-point scale where one means that factor is “not at all important” and nine means it is “extremely important” to overall reputation. (Top 2 Box) Informed Publics ages 35-64 in the US

A stakeholder, not a shareholder, world

Which stakeholder should be most important to a CEO's business decisions?

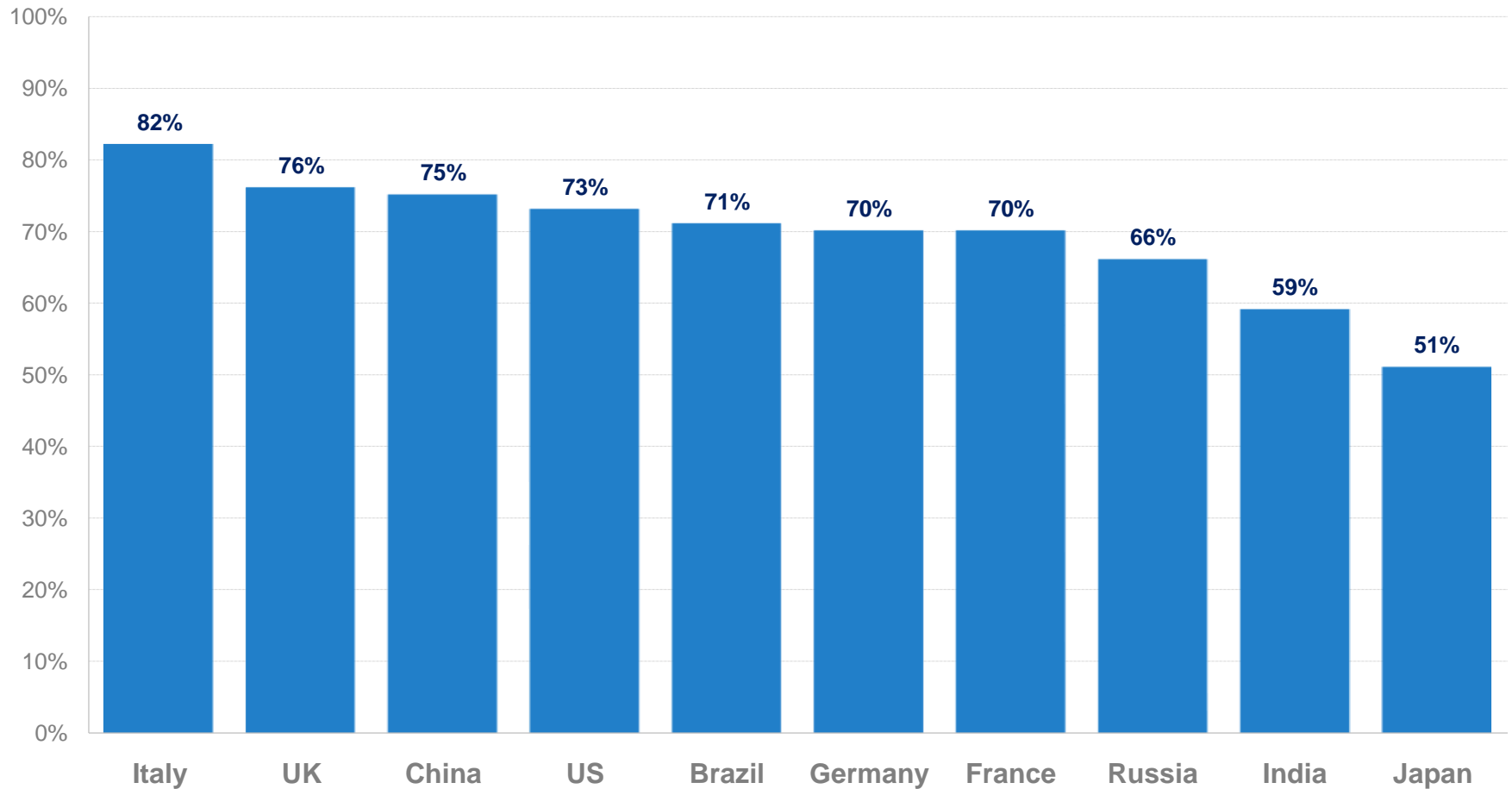


D83. When a CEO makes business decisions for his or her company, which stakeholder SHOULD BE most important to a CEO's business decisions? Informed Publics ages 25-64 in 22 countries

Corporate-NGO partnerships build trust

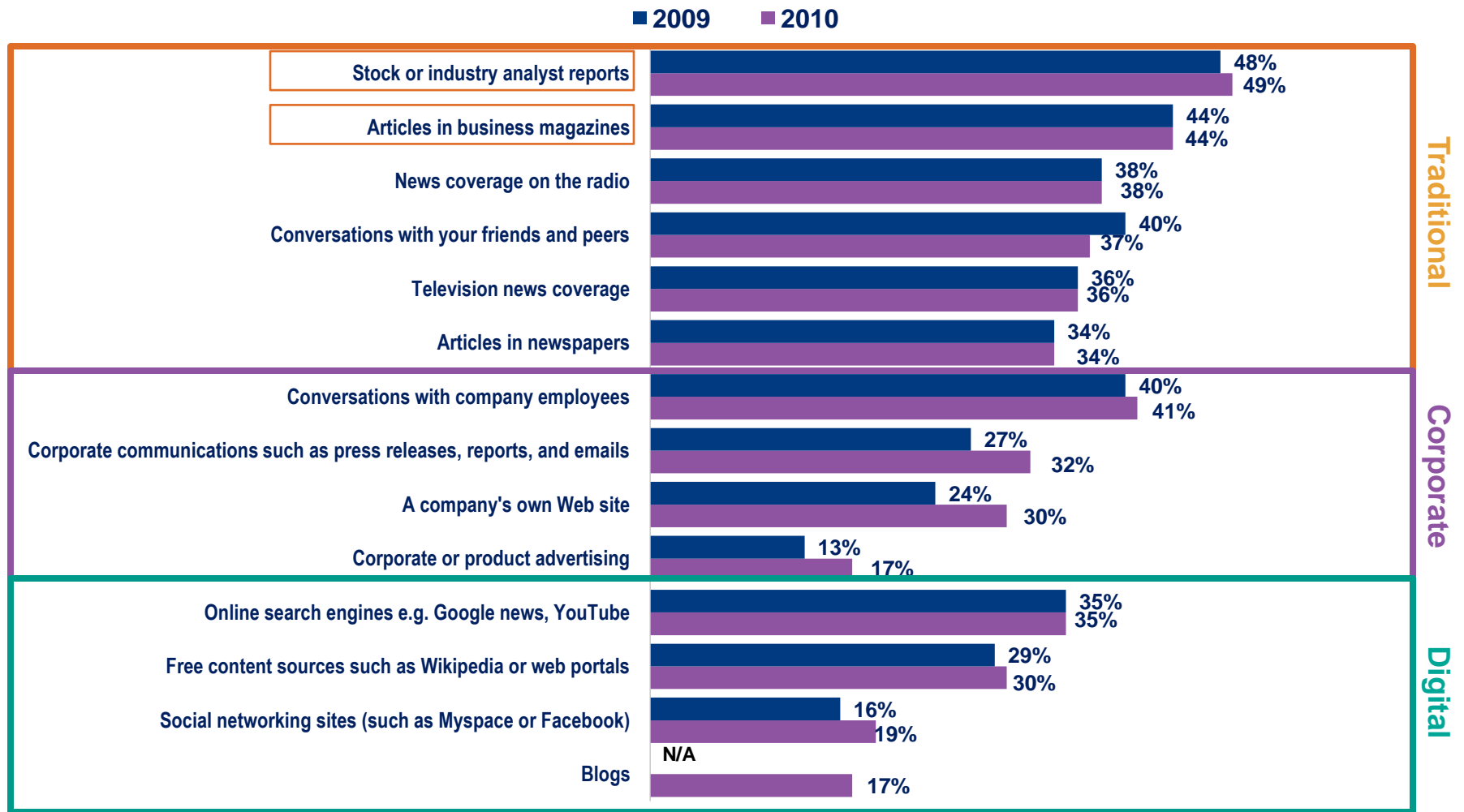
More likely to trust a company that partners with a NGO to battle global issues

Top 10 Countries by GDP



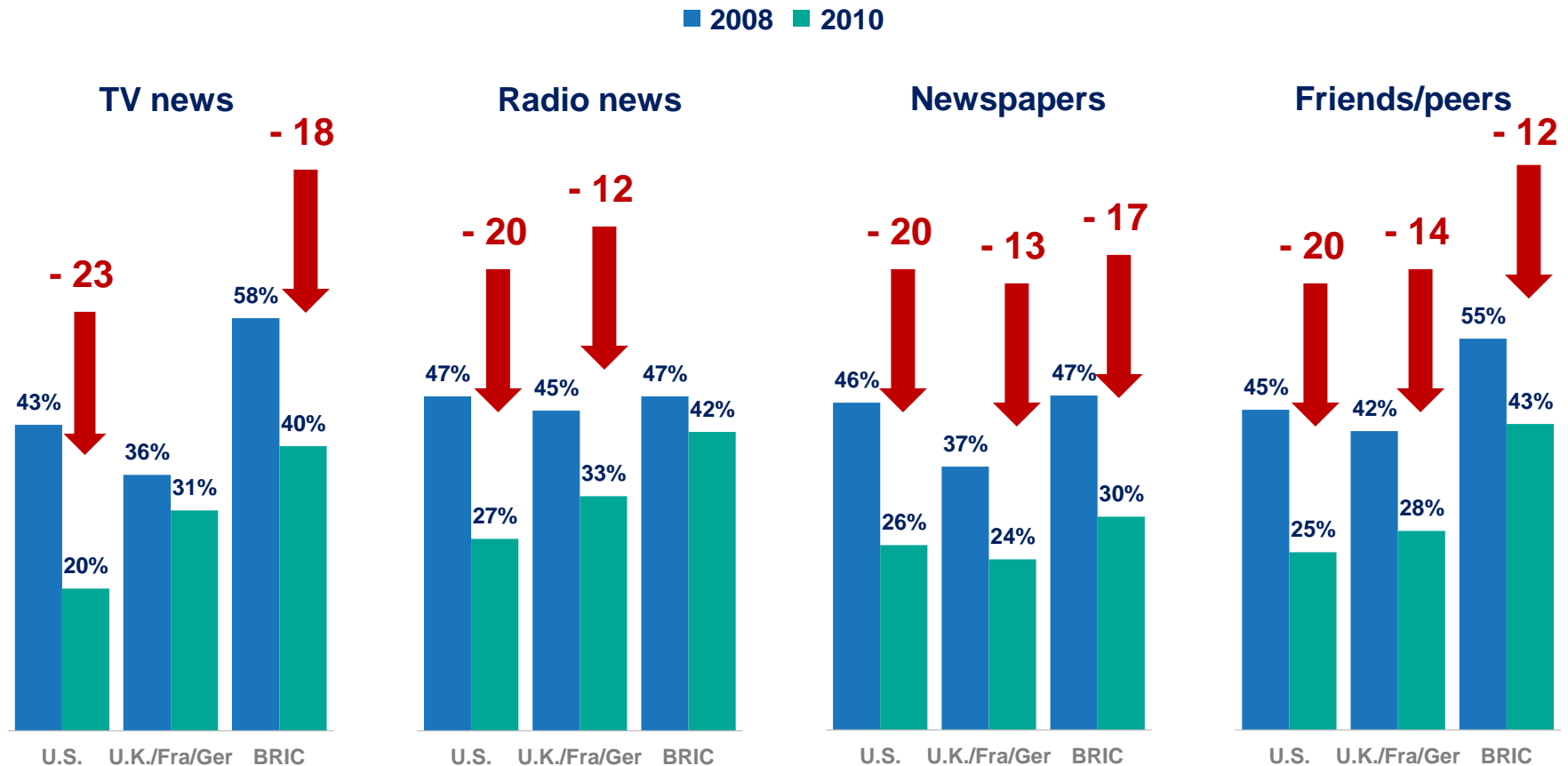
C80. Would you be more or less likely to trust a company that partners with NGOs to battle global issues such as climate change, alleviating poverty or curing diseases, than you would be to trust a company that works alone? (Net More Likely: Much More + A Little More) Informed Publics ages 25-64 – Top ten countries by GDP

Informed publics continue to seek substantial expertise



E84-97. [TRACKING] Now I'm going to read you a list of places where you might get information about a company. Please tell me how credible you believe each one of them is as a source of information about the company—is it extremely credible, very credible, somewhat credible, or not credible at all? (Top 2 box, very + extremely credible) Informed Publics ages 25-64 in 20 countries

Traditional news sources and conversations with friends, peers drop in credibility

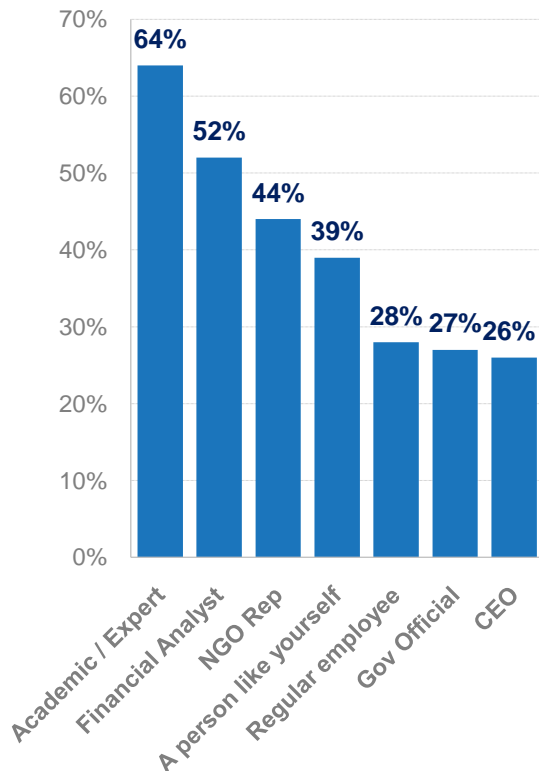


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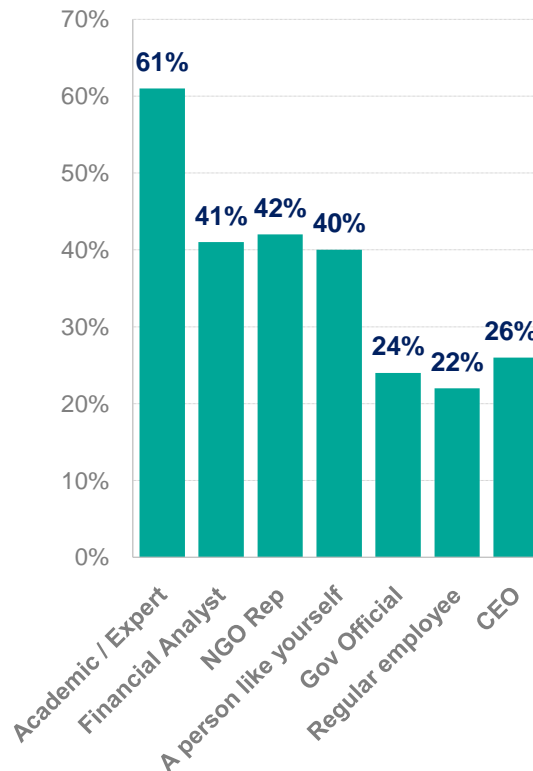
Academics/experts still most credible spokespeople

CEO credibility relatively high in BRIC

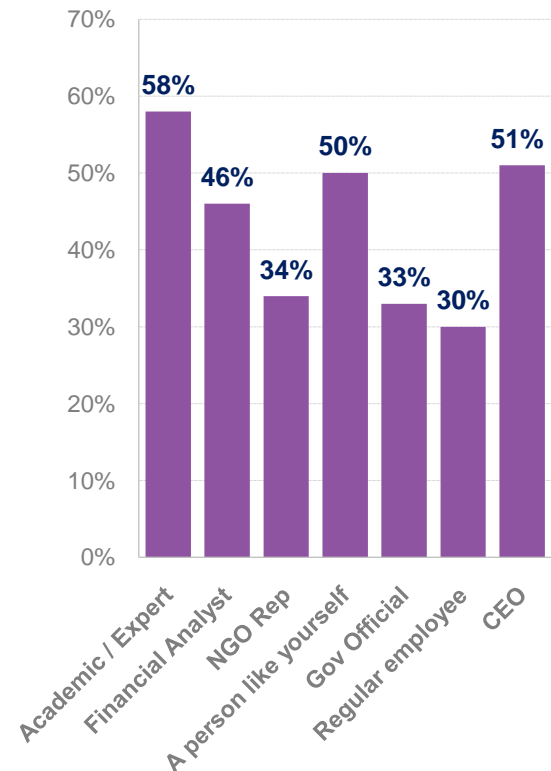
US



UK / FR / GER



BRIC

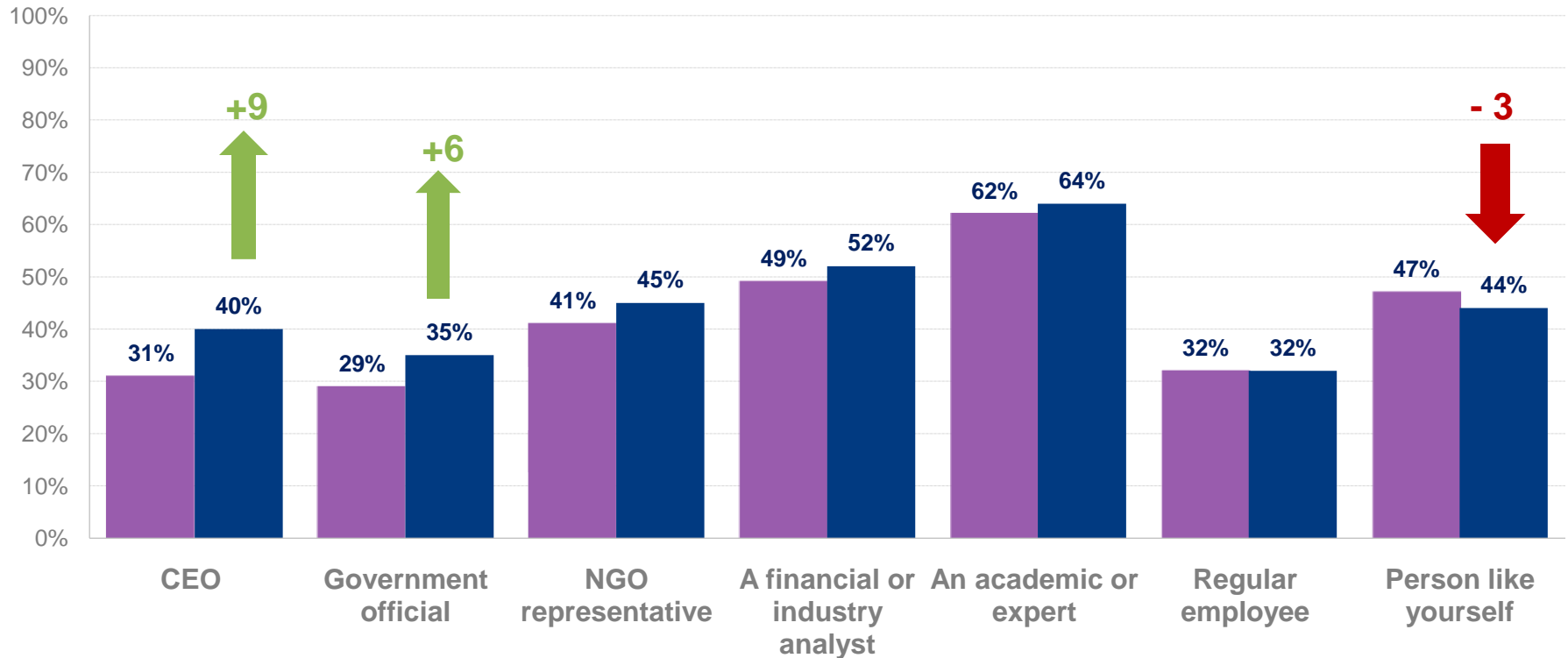


F99-F105. Now I'm going to read you a list of people. In general, when forming an opinion of a company, if you heard information about a company from that person, how credible would the information be—extremely credible, very credible, somewhat credible, or not credible at all? (Top 2 box)
Informed Publics ages 35-64

“Person like me” slips while CEOs, government officials climb

Credible Spokespeople

■ 2009 ■ 2010

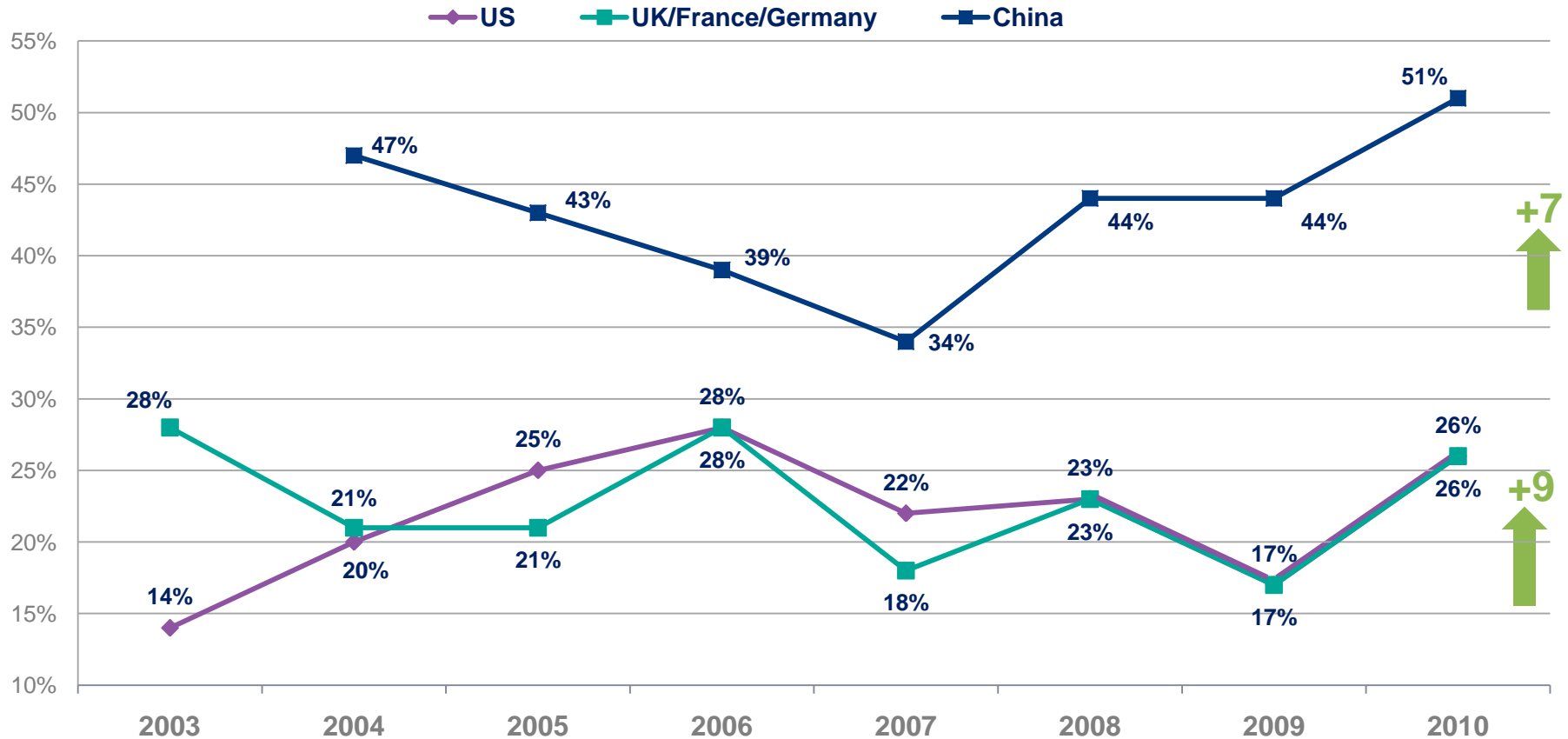


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In key markets, CEOs recover trust in a year

Trend up or hold ground over time

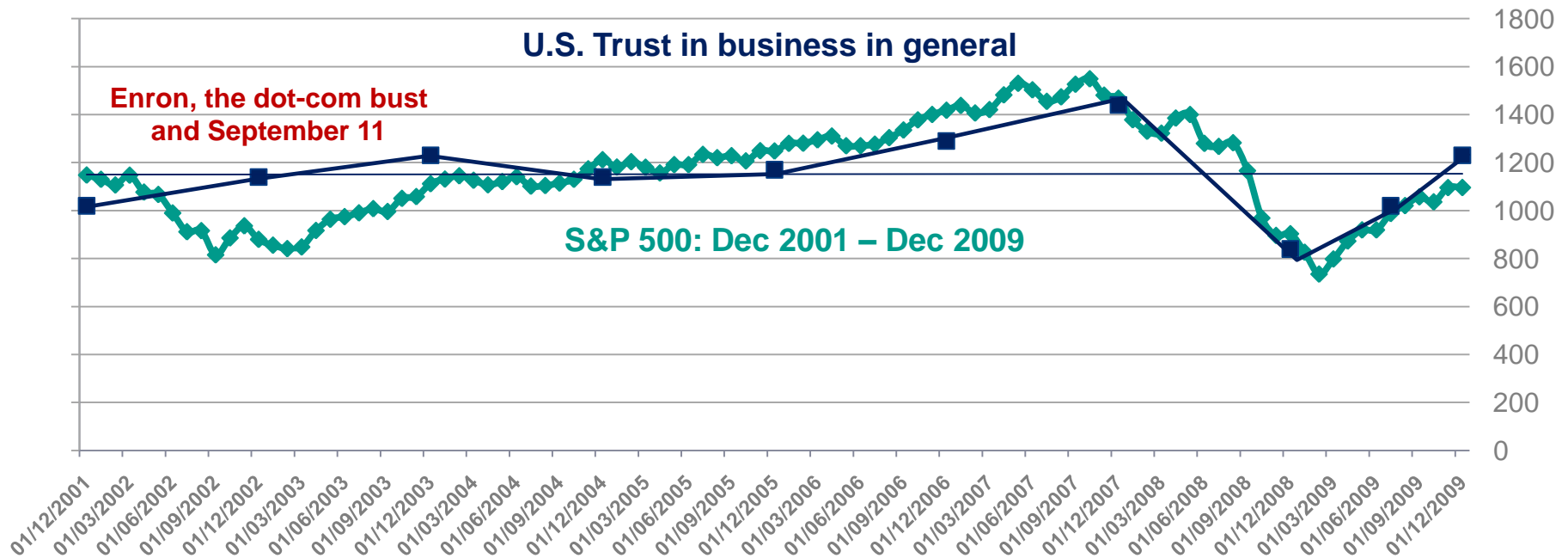
Credible Spokespersons – CEO Informed Publics ages 35-64



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In U.S., business performance and trust continue hand in hand

S&P 500 Average vs. U.S. Trust in Business



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Conclusions

- Increase in trust in business belies fragility
- Trust now essential line of business to be developed and delivered
- Corporate reputation based on performance, role in society, transparency
- Stakeholder, not shareholder, world

We are entering the age of Public Engagement

Public Engagement:

Advancing shared interests in a world of interdependence

Building trust in era of Public Engagement requires a mosaic approach

1. Listen with new intelligence
2. Participate in conversation
3. Create and co-create content
4. Socialize media relations
5. Champion open advocacy
6. Build active partnerships
7. Embrace complexity



