Edelman Earned Brand

2015  Innovation and the Earned Brand

2016  The Consumer-Brand Relationship

2017  The Rise of the Belief-Driven Buyer

2018  Brands Take a Stand
2018 Edelman Earned Brand

A study of how brands can earn, strengthen and protect consumer-brand relationships

8 Markets
Brazil, China, France, Germany, India, Japan, the U.K. and the U.S.
All data is nationally representative based on age, region and gender

Online Survey
• Belief-driven buying and general attitudes toward brands
• Relationships with 48 brands
• Reactions to two communications from each of 16 brands

8,000 respondents (1,000 per market)
Fieldwork: July 10 – July 20, 2018

Mobile Survey
• Signal-contingent measurement of reactions to specific brand communications
• Respondents were asked to describe their experience with the next brand communication they noticed naturally

32,000 respondents (4,000 per market)
Fieldwork: June 29 – July 24, 2018

Margin of error
8-market average online survey data +/- 1.1% (N=8,000)
Market-specific online survey data +/- 3.1% (N=1,000)
8-market average mobile survey data +/- 0.6% (N=32,000)
Market-specific mobile survey data +/- 1.6% (N=4,000)
**2018 Trust Barometer**

**Business Expect to Lead**

**Information platforms not trusted**

Percent trust in social media

Change, 2017 to 2018

-2 25 24 30 27 30 52 62 63

<table>
<thead>
<tr>
<th>Country</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.K.</td>
<td>-2</td>
<td>24</td>
</tr>
<tr>
<td>France</td>
<td>-1</td>
<td>25</td>
</tr>
<tr>
<td>Germany</td>
<td>-4</td>
<td>27</td>
</tr>
<tr>
<td>Japan</td>
<td>+1</td>
<td>28</td>
</tr>
<tr>
<td>U.S.</td>
<td>-11</td>
<td>30</td>
</tr>
<tr>
<td>Brazil</td>
<td>+3</td>
<td>52</td>
</tr>
<tr>
<td>China</td>
<td>+4</td>
<td>62</td>
</tr>
<tr>
<td>India</td>
<td>-6</td>
<td>63</td>
</tr>
</tbody>
</table>

**Business more trusted than government**

Gap in trust, business vs. government

-10 1 7 10 15 39

<table>
<thead>
<tr>
<th>Country</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>39</td>
</tr>
<tr>
<td>U.S.</td>
<td>15</td>
</tr>
<tr>
<td>France</td>
<td>10</td>
</tr>
<tr>
<td>U.K.</td>
<td>7</td>
</tr>
<tr>
<td>Japan</td>
<td>5</td>
</tr>
<tr>
<td>India</td>
<td>4</td>
</tr>
<tr>
<td>Germany</td>
<td>1</td>
</tr>
<tr>
<td>China</td>
<td>-10</td>
</tr>
</tbody>
</table>

**Business expected to take initiative on change**

64% say that CEOs should take the lead on change rather than waiting for government to impose it

Source: 2018 Edelman Trust Barometer, COM_MCL. When looking for general news and information, how much would you trust each type of source for general news and information? Please use a nine-point scale where one means that you “do not trust it at all” and nine means that you “trust it a great deal.” 9-point scale; top 4 box, trust, question asked of half of the sample. TRU_INS. Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using 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.” 9-point scale; top 4 box, trust. CEO_AGR. Thinking about CEOs, how strongly do you agree or disagree with the following statements? 9-point scale; top 4 box, agree, question asked of half of the sample. General population, 8-market average.
2017: The Rise of the Belief-Driven Buyer

1 in 2 people are belief-driven buyers

They choose, switch, avoid or boycott a brand based on its stand on societal issues

Of belief-driven buyers,

67% bought a brand for the first time because of its position on a controversial issue

65% will not buy a brand because it stayed silent on an issue it had an obligation to address

Source: 2017 Edelman Earned Brand. Belief-driven buying segments. See Technical Appendix for a full explanation of how belief-driven buying was measured. Q17. Please indicate how much you agree or disagree with the following statements. 9-point scale; top 4 box, agree. 14-market average, among belief-driven buyers.
Some Brands Go All In

Benetton and Act Up Paris, 1993

Nike, 2018

Believe in something, even if it means sacrificing everything.
Should your brand take a stand?
A World of Belief-Driven Buying
Nearly 2 in 3 Now Belief-Driven Buyers

Do you choose, switch, avoid or boycott a brand based on its stand on societal issues? (Percent in each segment)

Source: 2018 Edelman Earned Brand. Belief-driven buying segments. 8-market average. See Technical Appendix for a full explanation of how belief-driven buying was measured.
Belief-Driven Buying
Now Mainstream Around the World

Percent who are belief-driven buyers, and year-to-year change

Majority in Every Market

Double-digit growth in 6 of 8 markets

Source: 2018 Edelman Earned Brand. Belief-driven buying segments. 8-market average. See Technical Appendix for a full explanation of how belief-driven buying was measured.
Belief-Driven Mindset
Now Spans Generations

Percent who are belief-driven buyers, and year-to-year change

Majority at All Ages

More older consumers now buying on belief

Source: 2018 Edelman Earned Brand. Belief-driven buying segments. 8-market average, by age. See Technical Appendix for a full explanation of how belief-driven buying was measured.
Belief-Driven Mindset Now Spans Income Levels

Percent who are belief-driven buyers, and year-to-year change

More lower- and middle-income consumers now buying on belief

Source: 2018 Edelman Earned Brand. Belief-driven buying segments. 8-market average, by income. See Technical Appendix for a full explanation of how belief-driven buying was measured.
Welcome to the new Brand Democracy

I believe brands can be a powerful force for change.
I expect them to represent me and solve societal problems.
My wallet is my vote.
People Believe in Brands as an Effective Force for Change

Percent who agree

46%  
Brands have better ideas for solving our country’s problems than government

53%  
Brands can do more to solve social ills than government

Source: 2018 Edelman Earned Brand. Q17. Please indicate how much you agree or disagree with the following statements. 9-point scale; top 4 box, agree. 8-market average.
People Believe Brands Will Answer Their Call

Percent who agree

54%

It is easier for people to get brands to address social problems than to get government to take action

Source: 2018 Edelman Earned Brand. Q17. Please indicate how much you agree or disagree with the following statements. 9-point scale; top 4 box, agree. 8-market average.
The Power of a Brand’s Stand
Your Stand Drives Purchase Intent
Percent who express purchase intent after viewing a product or brand communication

Product Features

44%

Brand’s Stand

43%

Net of:
- Purchase: 22%
- Consider in future: 23%
- Learn more online: 17%

Net of:
- Purchase: 22%
- Consider in future: 21%
- Learn more online: 19%

Source: 2018 Edelman Earned Brand. Q93. What, if anything, do you intend to do (or have you done) as a result of seeing this communication. 8-market average, among those who saw a product ad vs. a brand ad.
Your Stand Gets People Talking

Percent who express intent to advocate for the brand after viewing a product or brand communication

**Product Features**

![Image with 26%]

Net of:
- Talk to friends or family: 19%
- Post online, like or reply to the brand: 12%

**Brand’s Stand**

![Image with 32%]

Net of:
- Talk to friends or family: 24%
- Post online, like or reply to the brand: 15%

Source: 2018 Edelman Earned Brand. Q93. What, if anything, do you intend to do (or have you done) as a result of seeing this communication. 8-market average, among those who saw a product ad vs. a brand ad.
Your Stand Matters to Them
Even at the Point of Sale

Percent who agree

60%

Brands should make it easier for me to see what their values and positions on important issues are when I am about to make a purchase

India: 79
Brazil: 69
China: 68
France: 56
U.K.: 56
U.S.: 55
Japan: 52
Germany: 48

Source: 2018 Edelman Earned Brand. Q17. Please indicate how much you agree or disagree with the following statements. 9-point scale; top 4 box, agree. 8-market average.
You’re Not Really Reaching Them

Percent who agree

56%

Marketers spend too much time looking for ways to force me to pay attention to their messages and not enough time thinking of ways to make me want to pay attention

Source: 2018 Edelman Earned Brand. Q70. Please indicate how much you agree or disagree with the following statements. 9-point scale; top 4 box, agree. 8-market average.
How to Take a Stand
# The Brand Stand Spectrum

## PURPOSE
Clearly articulate why your brand exists and make a proactive effort to address that purpose

- Johnson & Johnson works to end Myopia in children

## CULTURE
Authentically connect your stand to a relevant moment in culture

- Nissan helps communities clean up their beaches

## ACTIVISM
Confront a controversial issue that has a direct impact on your stakeholders and/or your brand

- Levi Strauss CEO supports gun control measures

## Watch-Out

### PURPOSE
Is your organization living its purpose—every day?

### CULTURE
Are you connecting to culture—or just co-opting it?

### ACTIVISM
Will your stakeholders support your position—and act on it?
1. Tell a Compelling Story

*Interruption Does Not Break Through*

Percent who describe their attention as having been interrupted or engaged by the brand communication they noticed

<table>
<thead>
<tr>
<th>Interrupted their attention</th>
<th>Engaged their attention</th>
</tr>
</thead>
<tbody>
<tr>
<td>I could not easily ignore or avoid paying attention to it</td>
<td>I noticed it and decided it was worth paying attention to</td>
</tr>
<tr>
<td>16%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Source: 2018 Edelman Earned Brand: Mobile survey, Q3. When you first encountered the communication, how would you describe the way it got your attention? 8-market average, among the original invite sample. “Engaged Attention” is a net of “It attracted my attention. I noticed it and decided it was worth paying some attention to,” “Someone pointed it out to me,” “They suggested that I look at or pay attention to it,” and “It was a natural part of a conversation that I was having.”
2. Content Matters More

**Engaged Attention Possible Across Channels**

Percent who noticed each of the following types of brand communications, among those who describe their attention as engaged.

<table>
<thead>
<tr>
<th>Paid</th>
<th>Owned</th>
<th>Social</th>
<th>Mainstream Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>29%</td>
<td>25%</td>
<td>27%</td>
<td>18%</td>
</tr>
<tr>
<td>An advertisement</td>
<td>A direct communication from the brand like a tweet or email</td>
<td>A conversation</td>
<td>A news story</td>
</tr>
</tbody>
</table>

Peers and journalists account for 45% of brand touchpoints.

Source: 2018 Edelman Earned Brand: Mobile survey, Q1. What was the communication you just noticed? Q3. When you first encountered the communication, how would you describe the way it got your attention? 8-market average, among the original invite sample who describe their attention as engaged (Q3/1, Q3/3, or Q3/4).
3. Activate Your Community

Peer, Expert and Employee Voices Earn Advocacy for Your Brand

Relative increase in the likelihood that each type of spokesperson will drive advocacy (regression analysis); data shown as an index

Spokespeople in messages that were noticed and drove brand advocacy

- Customer or regular person: 166
- Expert: 131
- Company employee: 120
- Journalist: 105
- CEO or other executive: 96
- Celebrity: 90
- Model: 73
- Actor: 20

Source: 2018 Edelman Earned Brand: Mobile survey. This data is based on a logistic regression using Q14: Did the communication feature any of the following [spokespeople] to predict brand advocacy behavior Q13: What, if anything, do you intend to do (or have you done) as a result of seeing this communication: Talk positively about the brand with my friends or family OR Post a positive response, like or reply to the communication. The indices represent the increase in likelihood of advocacy attributable to the spokesperson indicated versus not having a spokesperson divided by the average increase in advocacy across all of the spokespersons tested. 8-market average.
Belief-driven buying is now a mainstream mindset across ages and incomes.

People believe that brands can lead societal change.

A brand’s stand drives purchase intent and advocacy.

Take Your Stand through Brand Democracy
TECHNICAL APPENDIX
# 2018 Edelman Earned Brand Sample

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>INTERNET PENETRATION</th>
<th>SAMPLE SIZE</th>
<th>LANGUAGES</th>
<th>QUOTA PARAMETERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAZIL</td>
<td>66%</td>
<td>1,000</td>
<td>Portuguese</td>
<td>Gender, age &amp; region</td>
</tr>
<tr>
<td>CHINA</td>
<td>52%</td>
<td>1,000</td>
<td>Simplified Chinese (Mandarin)</td>
<td>Gender, age &amp; region</td>
</tr>
<tr>
<td>FRANCE</td>
<td>86%</td>
<td>1,000</td>
<td>French</td>
<td>Gender, age &amp; region</td>
</tr>
<tr>
<td>GERMANY</td>
<td>88%</td>
<td>1,000</td>
<td>German</td>
<td>Gender, age &amp; region</td>
</tr>
<tr>
<td>INDIA</td>
<td>35%</td>
<td>1,000</td>
<td>English</td>
<td>Gender, age &amp; region</td>
</tr>
<tr>
<td>JAPAN</td>
<td>91%</td>
<td>1,000</td>
<td>Japanese</td>
<td>Gender, age &amp; region</td>
</tr>
<tr>
<td>U.K.</td>
<td>93%</td>
<td>1,000</td>
<td>English</td>
<td>Gender, age &amp; region &amp; ethnicity</td>
</tr>
<tr>
<td>U.S.</td>
<td>88%</td>
<td>1,000</td>
<td>English</td>
<td>Gender, age &amp; region &amp; ethnicity</td>
</tr>
</tbody>
</table>

8-market average online survey data  +/- 1.1% (N=8,000)
Market-specific online survey data  +/- 3.1% (N=1,000)
How Were Belief-Driven Buyers Identified?

We developed a series of six nine-point questions to measure the extent to which beliefs affect people’s buying behaviors:

1. Even if a company makes the product that I like most, I will not buy it if I disagree with the company’s stand on important social issues.
2. I have bought a brand for the first time for the sole reason that I appreciated its position on a controversial societal or political issue.
3. I have stopped buying one brand and started buying another because I liked the politics of one more than the other.
4. I have strong opinions about many societal and political issues. The brands I choose to buy and not buy are one important way I express those opinions.
5. If a brand offers the best price on a product, I will buy it even if I disagree with the company’s stand on controversial social or political issues [reversed scored].
6. I have stopped buying a brand solely because it remained silent on a controversial societal or political issue that I believed it had an obligation to publicly address.

We then classified respondents into three segments based on their responses to the above items:

**LEADERS**
- Have strongly-held, passionate beliefs.
- The brands they buy are one important way they express those beliefs.

**JOINERS**
- Depending on the issue and the brand, they will change their buying behavior based on the brand’s stand.

**SPECTATORS**
- Rarely buy on belief or punish brands that take a stand.
The Edelman Brand Relationship Index

A strong consumer-brand relationship is a form of brand equity that is of increasing importance in today’s unpredictable and exacting marketplace. It is directly tied to the reliable tendency of a brand’s customer base to be the first to buy its new product innovations, advocate for it among their peers, defend it against critics and remain loyal to it even when there are potentially good reasons to switch. These behaviors protect a brand from marketplace disruptions and give it permission to introduce new disruptions of its own.

The Edelman Brand Relationship Index is uniquely designed to quantify how interwoven a brand is into a person’s life. The more points of attachment there are between a brand and a customer, the more vital, resilient and valuable that relationship is for both parties.

The Edelman Brand Relationship Index measures the strength of the consumer-brand relationship along a continuum

<table>
<thead>
<tr>
<th>INDIFFERENT</th>
<th>INTERESTED</th>
<th>INVOLVED</th>
<th>INVESTED</th>
<th>COMMITTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-6</td>
<td>7-26</td>
<td>24-43</td>
<td>44-69</td>
<td>70-100</td>
</tr>
</tbody>
</table>

“*I may buy and use your product or service, but I don’t really put much thought into it*”

“I know a little about your product. I am making an educated choice”

“Given a choice, I would pick your brand; I appreciate what you stand for”

“We share common values and see the world in a similar way”

“We do things together and for each other; we share a past and a future”

The Seven Dimensions of the Consumer-Brand Relationship

The Brand Relationship Index is a composite measure of the depth and quality of the bond a consumer has with a brand across seven distinct dimensions that constitute the fundamental building blocks of consumer-brand relationships.

1. EMBODIES UNIQUE CHARACTER
2. MAKES ITS MARK
3. TELLS A MEMORABLE STORY
4. LISTENS OPENLY, RESPOND SELECTIVELY
5. INSPIRES SHARING, INVITES PARTNERSHIP
6. BUILDS TRUST AT EVERY TOUCHPOINT
7. ACTS WITH PURPOSE
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