CONNECTED CRISIS

2021 Study
USA

Edelman

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ABOUT THE STUDY

Edelman DXI conducted primary research among business executives, in order to understand their views on the shifting landscape when it comes to crisis management.

Purpose of the research

Understanding executives' level of preparedness to crises, and the tools and platforms they use in response to crisis

Audience

100 x crisis management / business continuity executives per market – all individuals have a decision-making role for their organisation when it comes to crisis management. We ensure a mix of industries within the sample.

Markets

The study was conducted across 9 markets. The results presented here are specific to the USA.

Canada, China, France, Germany, Saudi Arabia, Singapore, South Africa, UK, USA

Fieldwork

- The fieldwork for this 15-minute online survey was conducted between 7th July 2021 and 16th July 2021.

- A mix of company sizes have been surveyed – based on number of employees, as well as annual turnover – and industries on a global level.

- Statistical significance has been tested on 95% confidence level.

A WORLD OF CRISIS

01

PANDEMIC EFFECTS RIPPLE ACROSS BUSINESSES

SOCIAL MOVEMENTS LEAD TO A RECKONING FOR BUSINESS

CLIMATE CHANGE DRIVING BUSINESS EVOLUTION

CYBER ATTACKS EVOLVING AND INCREASING

WE ARE IN A WORLD OF CRISIS.

Crises can no longer be seen as **moments in time.**

92%

of executives have faced at least one large crisis with business impact over the past three years

88% global average

Executives have faced, on average, **5 different types of crises over the past 3 years**, from cybersecurity and cybercrime issues through to digital attacks and product failures.

Edelman Connected Crisis 2021 Study. Q1. How many crises would you say your company has faced over the past 3 years? Base size: All respondents – 101 in the USA. // Q2. Which of the following types of crises has your company faced in the past 3 years? Base size: All respondents – 101 in the USA.

NEW CRISIS DYNAMICS ARE DISRUPTING BUSINESSES

The pervasive impact of digital channels has changed the way issues are formed, spread and sustained.

ACTIVISM IS EVERYWHERE

Over 8 in 10 (84%) executives say that recent social, diversity and inclusion activism is making crisis more difficult to manage
74% global average

SYSTEMIC ISSUES RIPPLE THROUGH ECOSYSTEMS

Nearly 7 in 10 (69%) executives say that crisis situations increasingly put their whole business at risk
68% global average

WEAPONIZATION OF CRISIS

8 in 10 executives (81%) say misinformation and disinformation issues pose an increasing threat to companies
75% global average

RISE OF THE "MEGA CRISIS"

Over 8 in 10 (82%) executives say the digital-first landscape (i.e. use of social media and digital channels) is making issues and crises more difficult to manage
75% global average

91%

OF EXECUTIVES BELIEVE THAT, IN A WORLD WHERE EVERYTHING IS CONNECTED, IT HAS NEVER BEEN MORE IMPORTANT TO BUILD CORPORATE AND BRAND RESILIENCE

SIGNIFICANTLY HIGHER THAN THE GLOBAL AVERAGE OF 80%

Edelman Connected Crisis 2021 Study. Q19. To what extent do you agree or disagree with the following statements? 'In a world where everything is connected, it has never been more important to build corporate and brand resilience'. Base size: All respondents – 101 in the USA.

CRISES ARE MULTIFACETED, AND DIVERSE

% who have said their company has faced the following issues in the past 3 years
Figures in light blue are significantly higher / lower than the global average (95% confidence).

■ USA figures
▫ Global figures

Financial, legal & regulatory issues faced by over 4 in 10 executives in the USA

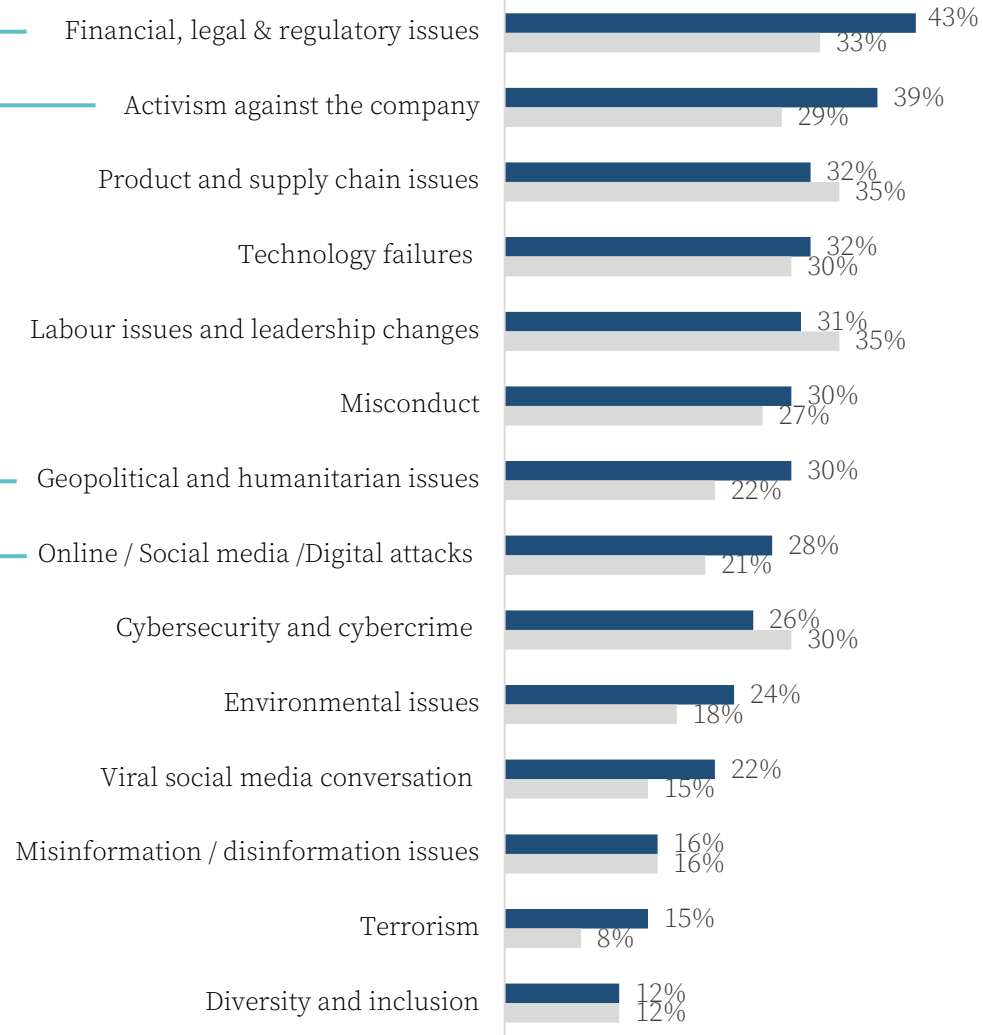**Nearly 4 in 10 executives report having faced activism issues against their company**

Geopolitical and humanitarian issues have been a key issue in the USA

Over 1 in 4 executives has faced online, social media and digital attacks in the past few years

Issue	USA	Global
Financial, legal & regulatory issues	43%	33%
Activism against the company	39%	29%
Product and supply chain issues	32%	35%
Technology failures	32%	30%
Labour issues and leadership changes	31%	35%
Misconduct	30%	27%
Geopolitical and humanitarian issues	30%	22%
Online / Social media /Digital attacks	28%	21%
Cybersecurity and cybercrime	26%	30%
Environmental issues	24%	18%
Viral social media conversation	22%	15%
Misinformation / disinformation issues	16%	16%
Terrorism	15%	8%
Diversity and inclusion	12%	12%

Edelman Connected Crisis 2021 Study. Q2. Which of the following types of crises has your company faced in the past 3 years? Base size: All respondents – 101 in the USA.
Figures in blue are significantly higher or lower than the average and figures in purple are significantly lower than the average (95% confidence interval).
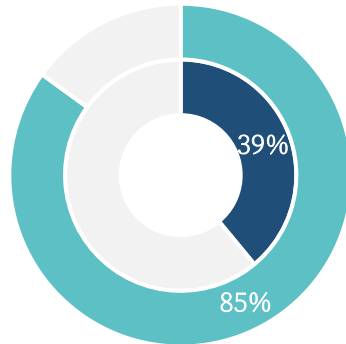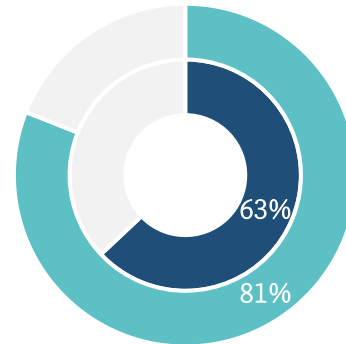
LIKELIHOOD OF FACING A CRISIS IS INCREASING

% who have said their company has faced this issue in the past, and is likely to face each of the following issues in the next 3 years
● **has faced this issue in the past 3 years**
● **is likely to face this issue in the next 3 years**
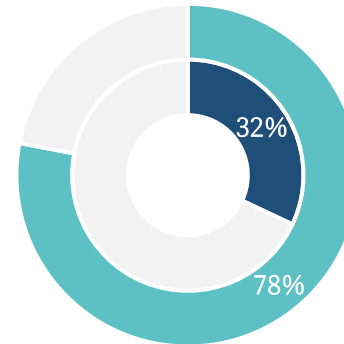
Activism against the company (including employee, shareholder and customer)

Digital issues (including cybercrime and cybersecurity, viral social media conversation, online / social media or digital attacks)

Product & supply chain issues (including product failure, quality or integrity issues or supply chain issues and disruption)

Diversity and inclusion related issues

Environmental issues (including natural disasters)

39% / 85%

63% / 81%

32% / 78%

12% / 58%

24% / 58%

Activism and digital issues are the most anticipated issues. *Activism, in particular, is anticipated in the USA, with 85% of executives expecting to face activism-related issues over the next three years, significantly higher than the global average of 74%.*

Edelman Connected Crisis 2021 Study. Q2. Which of the following types of crises has your company faced in the past 3 years? Base size: All respondents – 101 in the USA. // Q4. How likely do you think it is for your company to face each of the following issues in the next 3 years? Top 3. Base size: All respondents – 101 in the USA.

FREQUENT AND DISRUPTIVE IS THE NEW NORM.

% who say their company is likely to face the following issue over the next 3 years…

Figures in light blue are significantly higher than the global average (95% confidence).

7 in 10 executives consider that their company is likely to face external online/social media/digital attacks.

76%
Shareholder activism against the company
62% global average

72%
Employee activism against the company
62% global average

71%
Online / social media / digital attacks
54% global average

69%
Misinformation / disinformation issues
57% global average

64%
Viral social media issues
59% global average

64%
Consumer activism against the company
63% global average

59%
Technology failures
52% global average

58%
Cybersecurity and cybercrime
62% global average

58%
Diversity and inclusion issues
51% global average

COMPANIES ARE NOT PREPARED.

Only 1 in 2 executives say their company is well prepared to handle crises on a timely basis.
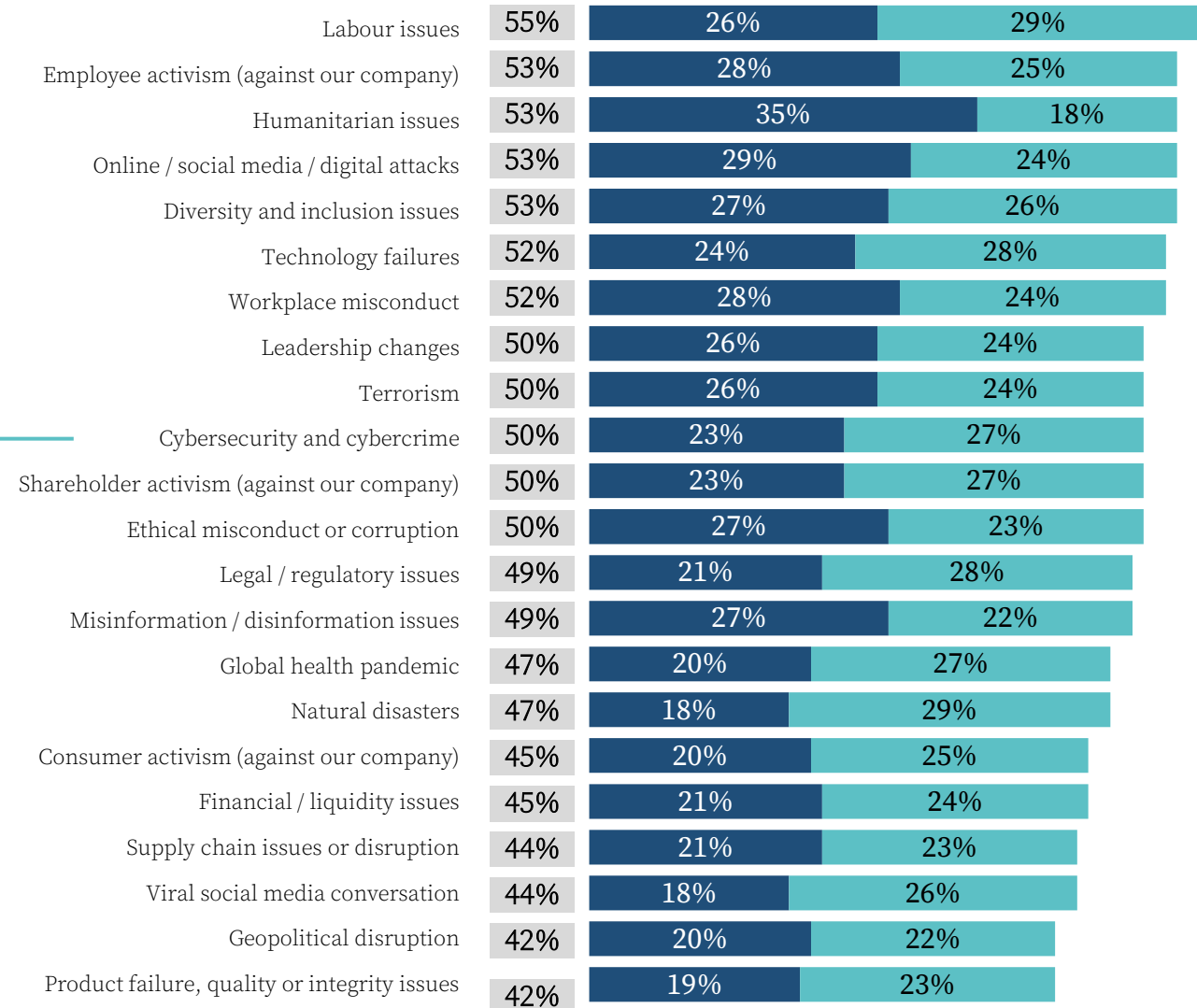
Only 1 in 2 executives are well prepared to handle cybersecurity and cybercrime.

% who have said their company is well prepared / very well prepared to manage each of the following crises

- Well prepared + very well prepared
- Very well prepared
- Well prepared

Crisis	Total	Very well prepared	Well prepared
Labour issues	55%	26%	29%
Employee activism (against our company)	53%	28%	25%
Humanitarian issues	53%	35%	18%
Online / social media / digital attacks	53%	29%	24%
Diversity and inclusion issues	53%	27%	26%
Technology failures	52%	24%	28%
Workplace misconduct	52%	28%	24%
Leadership changes	50%	26%	24%
Terrorism	50%	26%	24%
Cybersecurity and cybercrime	50%	23%	27%
Shareholder activism (against our company)	50%	23%	27%
Ethical misconduct or corruption	50%	27%	23%
Legal / regulatory issues	49%	21%	28%
Misinformation / disinformation issues	49%	27%	22%
Global health pandemic	47%	20%	27%
Natural disasters	47%	18%	29%
Consumer activism (against our company)	45%	20%	25%
Financial / liquidity issues	45%	21%	24%
Supply chain issues or disruption	44%	21%	23%
Viral social media conversation	44%	18%	26%
Geopolitical disruption	42%	20%	22%
Product failure, quality or integrity issues	42%	19%	23%

Edelman Connected Crisis 2021 Study. Q8. To what extent do you agree or disagree with the following statements about your company's preparedness to crisis? Top 2. Base size: All respondents – 101 in the USA. // Q4. How likely do you think it is for your company to face each of the following issues in the next 3 years. Top 3. Base size: All respondents – 101 in the USA. // Q7. And now, thinking about the potential issues that could affect your company, how well prepared do you feel your company is to handle them should they arise. Top 2. Base size: All respondents – 101 in the USA.

PREPARING FOR ACTIVISM

ACTIVISM IS
ON THE RISE

ACROSS CONSUMERS, EMPLOYEES AND SHAREHOLDERS ALIKE

% who say their company is likely to face the following issue over the next 3 years...

76%

Shareholder

activism against the company

62% global average

72%

Employee

activism against the company

62% global average

64%

Consumer

activism against the company

63% global average

Edelman Connected Crisis 2021 Study. Q4. How likely do you think it is for your company to face each of the following issues in the next 3 years? Top 3. Base size: All respondents – 101 in the USA.
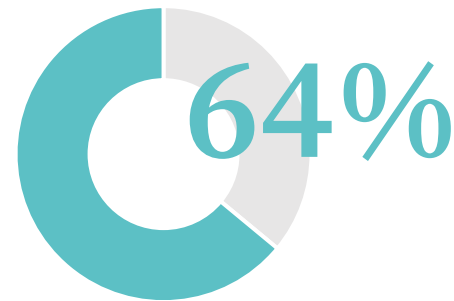
EXECUTIVES RECOGNIZE THE IMPACT ACTIVISM CAN HAVE

Activism impacts both reputation and operations.

86%

"I am concerned employee / consumer activism can have a ripple effect across my company"

Significantly higher than the global average of 69%

64%

agree activism may have a high impact on business reputation and operations

53% global average

But only

1 in 2

executives say they are well prepared to handle activism-led crises

Edelman Connected Crisis 2021 Study. Q22. Thinking about consumer activism now, to what extent do you agree or disagree with the following statements? By consumer activism, we mean the actions taken by customers and consumers to speak out for or against brands on controversial issues that impact society. Top 3. Base size: All respondents – 101 in the USA. // Q5. How much impact on your business reputation do you think the following issues might have on your company over the next 3 years should they arise? High impact: Top 3. Base size: All respondents – 101 in the USA. // Q6. How much impact on your business operations do you think the following issues might have on your company over the next 3 years if there were to arise? High impact: Top 3. Base size: All respondents – 101 in the USA.

EXPECTATIONS OF BUSINESS TO ADDRESS SOCIETAL ISSUES

This pressure arises both internally and externally, presenting an additional challenge in response to crisis.

84%

"My company is facing external pressure to be more vocal about key societal issues"

68% global average

81%

"My company is facing internal pressure to be more vocal about key societal issues"

68% global average

Edelman Connected Crisis 2021 Study. Q20. Thinking about employee activism, to what extent do you agree or disagree with the following statements? By employee activism, we mean the actions taken by workers to speak out for or against their employers on controversial issues that impact society. Top 3. Base size: All respondents – 101 in the USA. // Q22. Thinking about consumer activism now, to what extent do you agree or disagree with the following statements? By consumer activism, we mean the actions taken by customers and consumers to speak out for or against brands on controversial issues that impact society. Top 3. Base size: All respondents – 101 in the USA.

INTERNAL PRESSURE IS ON THE RISE

Employees are prepared to support or criticize their employer.

85%

"My company has seen a rise in employee activism over the past 3 years"
68% global average

78%

"Employee activism poses a growing threat to the reputation of my company"
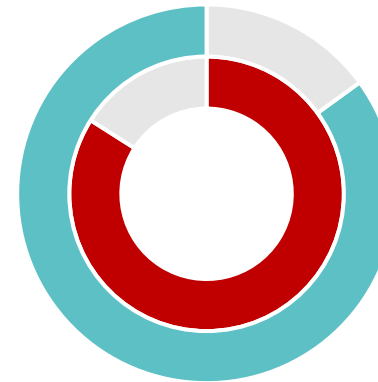*67% global average*

Percent who say employees in their company have spoken in favour, or against, their efforts

85%

Advocates
"Employees within my company have spoken up to take a stance on societal issues, supporting our company's approach"
71% global average

84%

Detractors
"Employees within my company have spoken up to take a stance on societal issues, criticizing our company's approach"
68% global average

Edelman Connected Crisis 2021 Study. Q20. Thinking about employee activism, to what extent do you agree or disagree with the following statements? By employee activism, we mean the actions taken by workers to speak out for or against their employers on controversial issues that impact society. Top 3. Base size: All respondents – 101 in the USA.
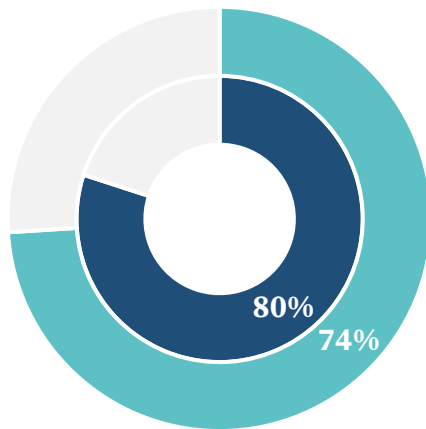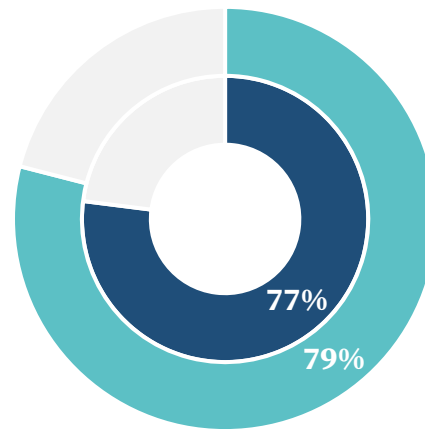
RESPONSE TO STAKEHOLDER EXPECTATIONS FEELS STRONG; BUT THERE REMAINS OPPORTUNITY TO IMPROVE

Over 3 in 10 executives do not feel their company is well equipped to respond to consumer, customer or employee expectations.
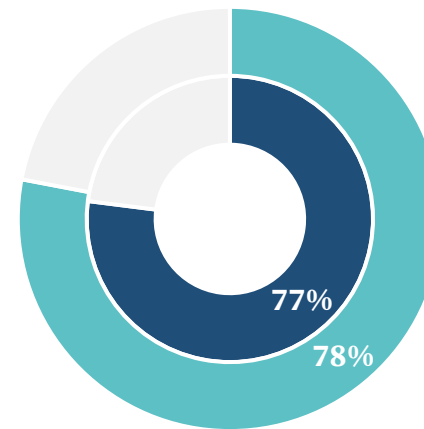

Social initiatives
(e.g., diversity and inclusion)

80%
74%

Environmental initiatives
(e.g., climate change)

77%
79%

Purpose initiatives
(i.e., doing good for society)

77%
78%

■ My company is well equipped to respond to respond to consumer and customer expectations on…

■ My company is well equipped to respond to respond to employee expectations on…

ADAPTING TO THE DIGITAL LANDSCAPE

THE DIGITAL-FIRST LANDSCAPE POSES KEY CHALLENGES IN MANAGING CRISES

SPEED & CROSS-CHANNEL APPROACHES HAVE CHANGED THE WAY WE CAN RESPOND TO CRISES.

82%

"The digital-first landscape (i.e., use of social media and digital channels) is making issues and crises more difficult to manage"

75% global average

92%

of executives say that the speed of social media activity has changed the way they can manage crises

Significantly higher than the global average of 79%

84%

of executives say that the speed of social media activity worries them in their response to crisis
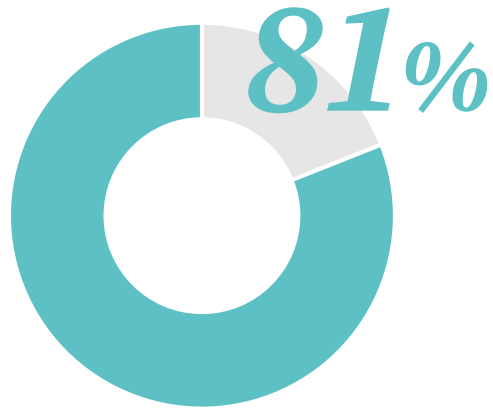
74% global average

3 in 4

executives agree that their company is well prepared for the need to respond quickly across communications channels in its crisis preparedness plans (search, media buying, media relations, employee channels, etc.)
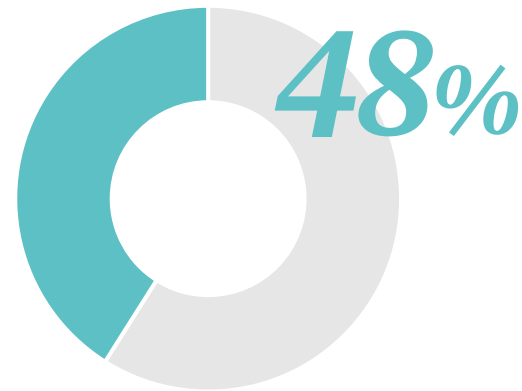
Edelman Connected Crisis 2021 Study Q19. To what extent do you agree or disagree with the following statements? Top 3. Base size: All respondents – 101 in the USA. // Q9. Now, please think of the lifecycle of a crisis, from pre-crisis prevention and preparation, through to crisis response and post-crisis recovery, to what extent do you agree or disagree with the following statements about your pre-crisis preparedness? Top 2. Base size: All respondents – 101 in the USA.

EXECUTIVES EXPECT TO FACE DIGITALLY-ROOTED ISSUES

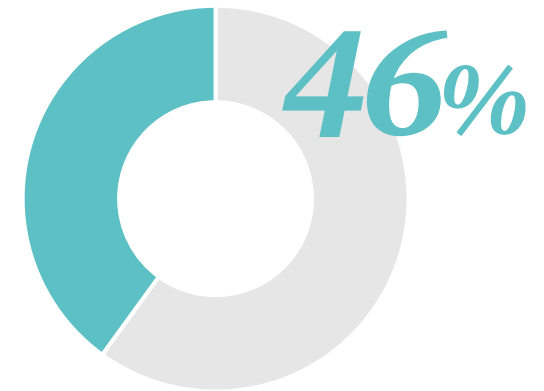**But les than 1 in 2 executives considers that their company can anticipate and handle them.**

81%

Said their company is likely to face digital issues in the next 3 years

75% global average

48%

"Thinking about digital crisis management, my company's ability to anticipate and identify risks today is very good"

31% global average

46%

"Thinking about digital crisis management, my company's ability to handle crises when they arise today is very good"

29% global average

WHILE THE MAJORITY REALIZE THE NEED TO INTEGRATE DIGITAL RESPONSE TACTICS, FEW ARE EQUIPPED TO DO SO

84%

of executives say that communicating through press releases and scripted responses is no longer enough in responding to crisis
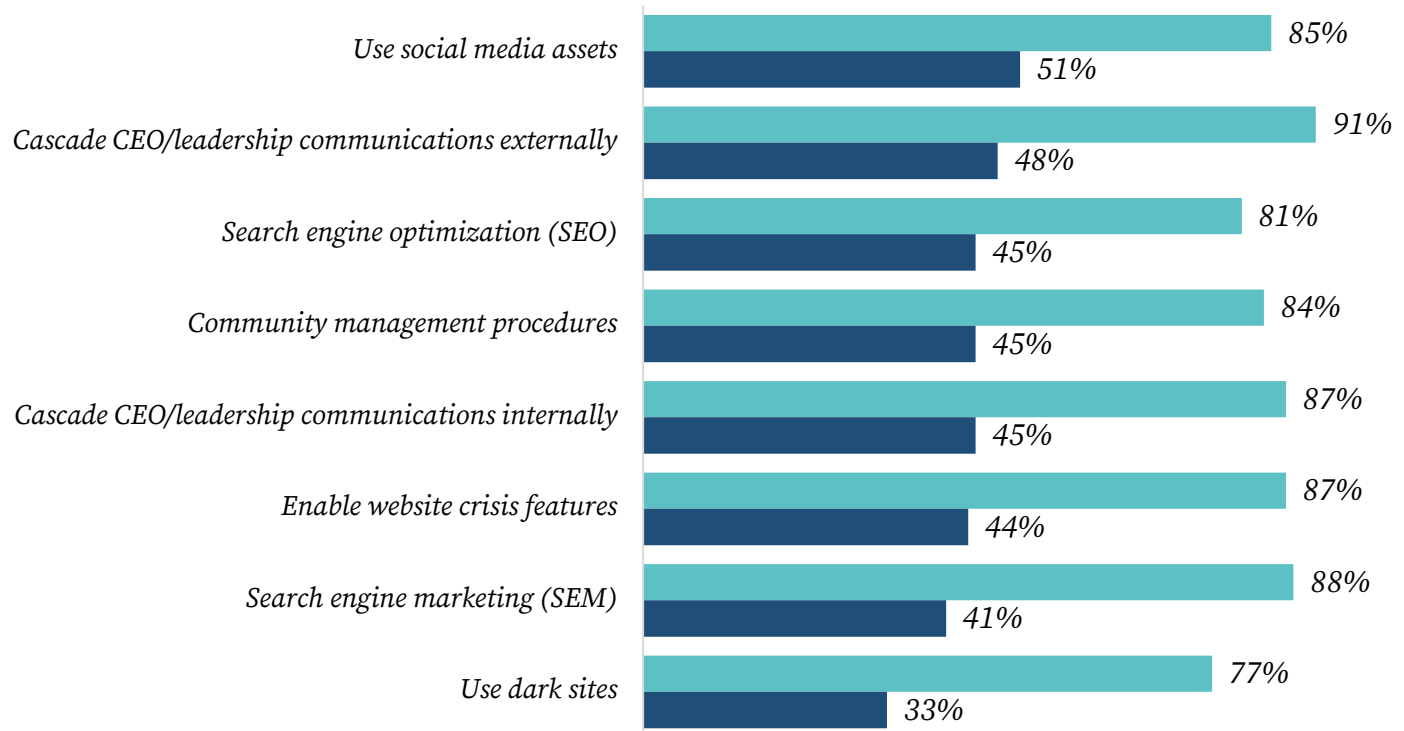
77% global average

But only

4 in 10

are always prepared to use other channels in their response

Assets used in response to a crisis
- Recognizes this as a useful channel or asset
- Always prepared to use these channels or assets when facing a crisis

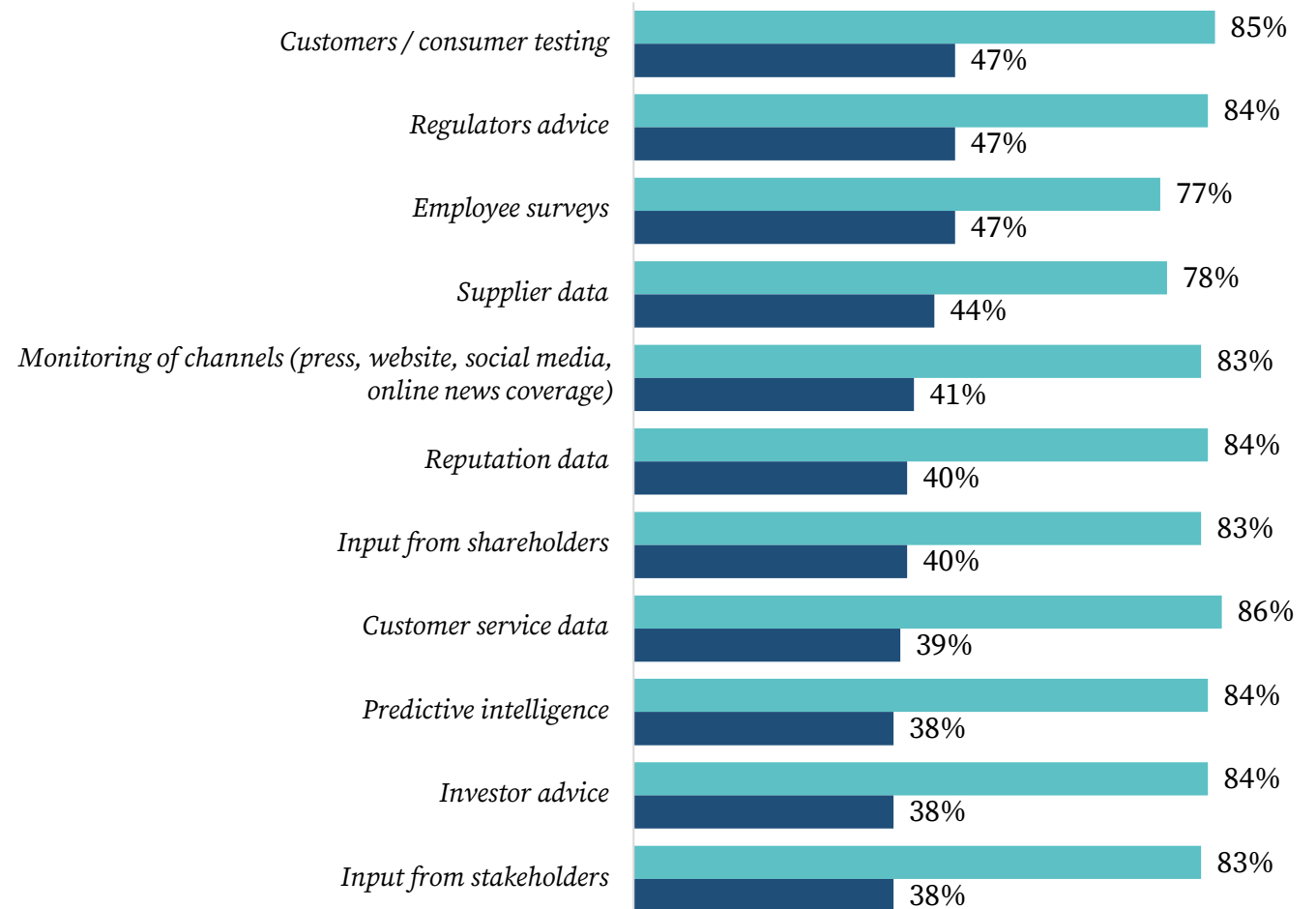| Asset	Recognizes as useful	Always prepared
Use social media assets	85%	51%
Cascade CEO/leadership communications externally	91%	48%
Search engine optimization (SEO)	81%	45%
Community management procedures	84%	45%
Cascade CEO/leadership communications internally	87%	45%
Enable website crisis features	87%	44%
Search engine marketing (SEM)	88%	41%
Use dark sites	77%	33%

INSTINCT STILL DRIVES DECISION-MAKING

All sources of data are under-utilized in the US, despite executives recognising their value.

Only

1 in 2

executives are consistently prepared to use data sources other than monitoring.

Data sources used in response to a crisis
- ● Recognizes this as a useful source
- ● Always uses this data when facing a crisis

Data source	Useful	Always uses
Customers / consumer testing	85%	47%
Regulators advice	84%	47%
Employee surveys	77%	47%
Supplier data	78%	44%
Monitoring of channels (press, website, social media, online news coverage)	83%	41%
Reputation data	84%	40%
Input from shareholders	83%	40%
Customer service data	86%	39%
Predictive intelligence	84%	38%
Investor advice	84%	38%
Input from stakeholders	83%	38%

Edelman Connected Crisis 2021 Study. Q12. Now, please think of your current crisis management procedures. To what extent would you say your company uses the following data or inputs in crisis response plans. 'My company always uses this data in our crisis response plan'. Base size: All respondents – 101 in the USA. // Q13. And how useful are or would be each of the following in helping your company's crisis management? NET Useful: Extremely useful & very useful.// Base size: All respondents – 101 in the USA.

INTEGRATION IS ESSENTIAL

7 in 10

say different organizational functions across the company are involved in designing crisis preparation plans (i.e., marketing, HR, employee communications, legal)
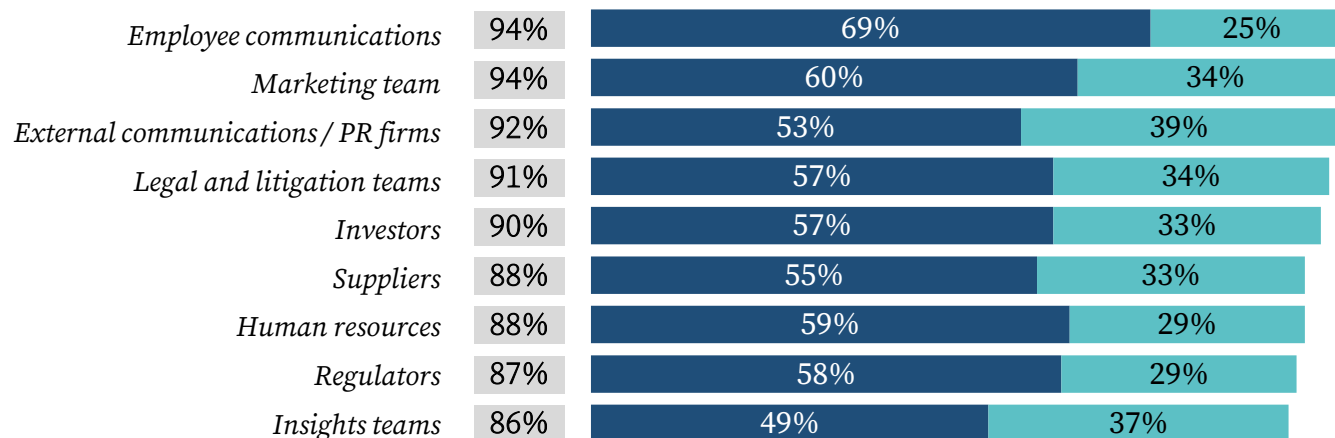
At best,

4 in 10

executives say they are very effective in involving different organisational functions in the response to the crisis

And there remains opportunity to more effectively integrate across teams.

% who have said their company is effective in involving different organizational functions or teams in responding to the crisis

- ☐ Somewhat effective + Very effective
- ■ Somewhat effective
- ■ Very effective

Team	Total	Somewhat effective	Very effective
Employee communications	94%	69%	25%
Marketing team	94%	60%	34%
External communications / PR firms	92%	53%	39%
Legal and litigation teams	91%	57%	34%
Investors	90%	57%	33%
Suppliers	88%	55%	33%
Human resources	88%	59%	29%
Regulators	87%	58%	29%
Insights teams	86%	49%	37%

KEY TAKEAWAYS

KEY FINDINGS

1

The new crisis landscape

New crisis types and dynamics, fueled by cultural and technological shifts driven by digital platforms, are increasingly disrupting businesses.

2

A gap in preparedness

There are significant gaps between the importance placed by executives on many evolving aspects of crises, and the preparedness of companies to adapt.

3

Activism on the rise

Activism is on the rise, across consumers, shareholders and employees, and many executives do not feel equipped to respond.

4

Worried about digital and data

Executives expect to increasingly face challenges rooted in digital, but few believe that their company can navigate them.

THE PATH FORWARD

A new approach to crisis management is needed.

1
Re-assess risk for today's landscape

Organizations need to reassess their risk landscape if they are to prepare for new threats driven by the emergence and growth of new crisis types and dynamics.

2
Enable action on social issues

Leaders must apply a consistent decision-making framework to determine when and how to take a stand on societal issues.

3
Place Employees at the center

Executives must consider employees as a primary audience given the systemic impact of crises and as employee activism rises.

4
Re-examine digital and data integration

Companies must ensure digital and data are consistently used across crisis planning and management, and shift from a media-first to a stakeholder-first mindset.

EDELMAN IS UNIQUELY PREPARED TO HELP YOU NAVIGATE THE CONNECTED CRISIS LANDSCAPE.

CONTACT US

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APPENDIX

THE TRADITIONAL WAY OF MANAGING CRISES IS OBSOLETE.

Traditional crisis communications can't compete with today's crisis landscape or keep pace with the dynamics of a digital world.

A new approach is needed. One that is data-fueled, rooted in trust, connected to culture and integrated across business functions.

CONNECTED CRISIS.

CONNECTED CRISIS:
CRISIS MANAGEMENT FOR A DIGITAL-FIRST WORLD

Edelman's Connected Crisis approach is purpose-built to operate in today's crisis landscape.

ROOTED IN TRUST

When companies fail to adapt to today's crisis landscape, the effects of lost trust can be deep, long-lasting and holistic across the company's operations.

Edelman

Edelman has studied the dynamics of Trust for over 21 years. We work with clients to build, protect and repair Trust – it is the very core of Edelman.

CONNECTED TO CULTURE

Activism is on the rise, both internally and externally. Social and societal movements cannot be ignored, with executives feeling the pressure of increased expectations.

Edelman

We bring deep real-time connection to culture, understanding of its impact on the crisis landscape and the ability to drive and navigate news cycles at the speed of culture.

DATA-DRIVEN

Executives recognize the importance of data in crisis response, but it is still significantly under-utilized.

Edelman

Our data-driven approach, AI-powered tools and behavioral science expertise let us understand your issues, your audiences, their agendas and how to reach them in ways never before possible.

DIGITALLY-INTEGRATED

Three quarters of executives say that the digital-first landscape is making issues and crises more difficult to manage.

Edelman

Our 25-year history in the digital space gives us a rich understanding of how stakeholders consume and engage in digital and social media, and how to apply digital strategy to mitigate the impact of a crisis.