



# 2009 Methodology

Tenth edition since 2001

4,475 people in 20 countries on 5 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

United States: N=500 aged 25-64 (N=400 aged 35-64, N=100 aged 25-34)

# A decade of insights from the Edelman Trust Barometer

**2001**

Rising Influence of NGOs

**2002**

Fall of the celebrity CEO

**2003**

Earned media more credible than advertising

**2004**

U.S. companies in Europe suffer trust discount

**2005**

Trust shifts from “authorities” to peers

**2006**

“A person like me” is most credible spokesperson

**2007**

Business more trusted than government and media

**2008**

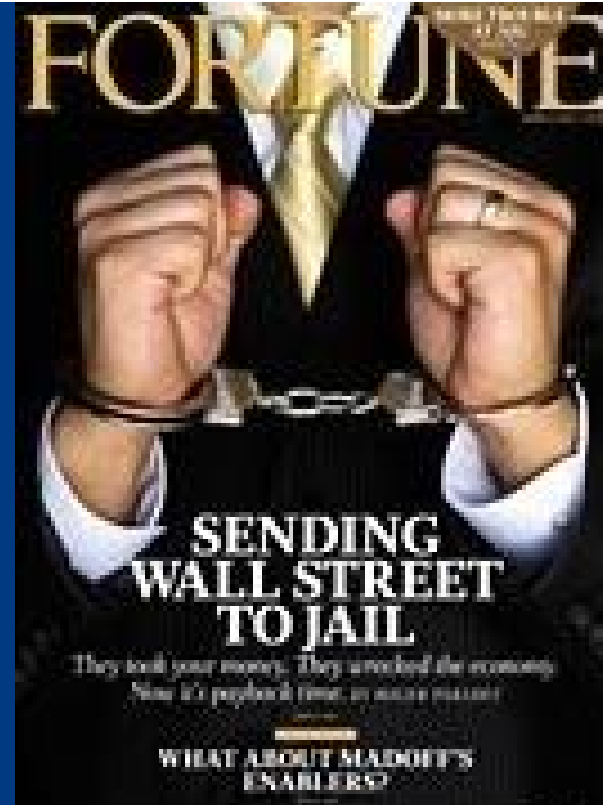
Young influencers have more trust in business

# What a difference a year-and-a-half makes...

May 14, 2007



January 19, 2009



# The State of Trust Globally

“Every financial system depends on trust....We are in a full-blown crisis because investors and financial managers—the people who run banks, investment banks, hedge funds, insurance companies—have lost that trust.”

– Robert J. Samuelson, *Newsweek*

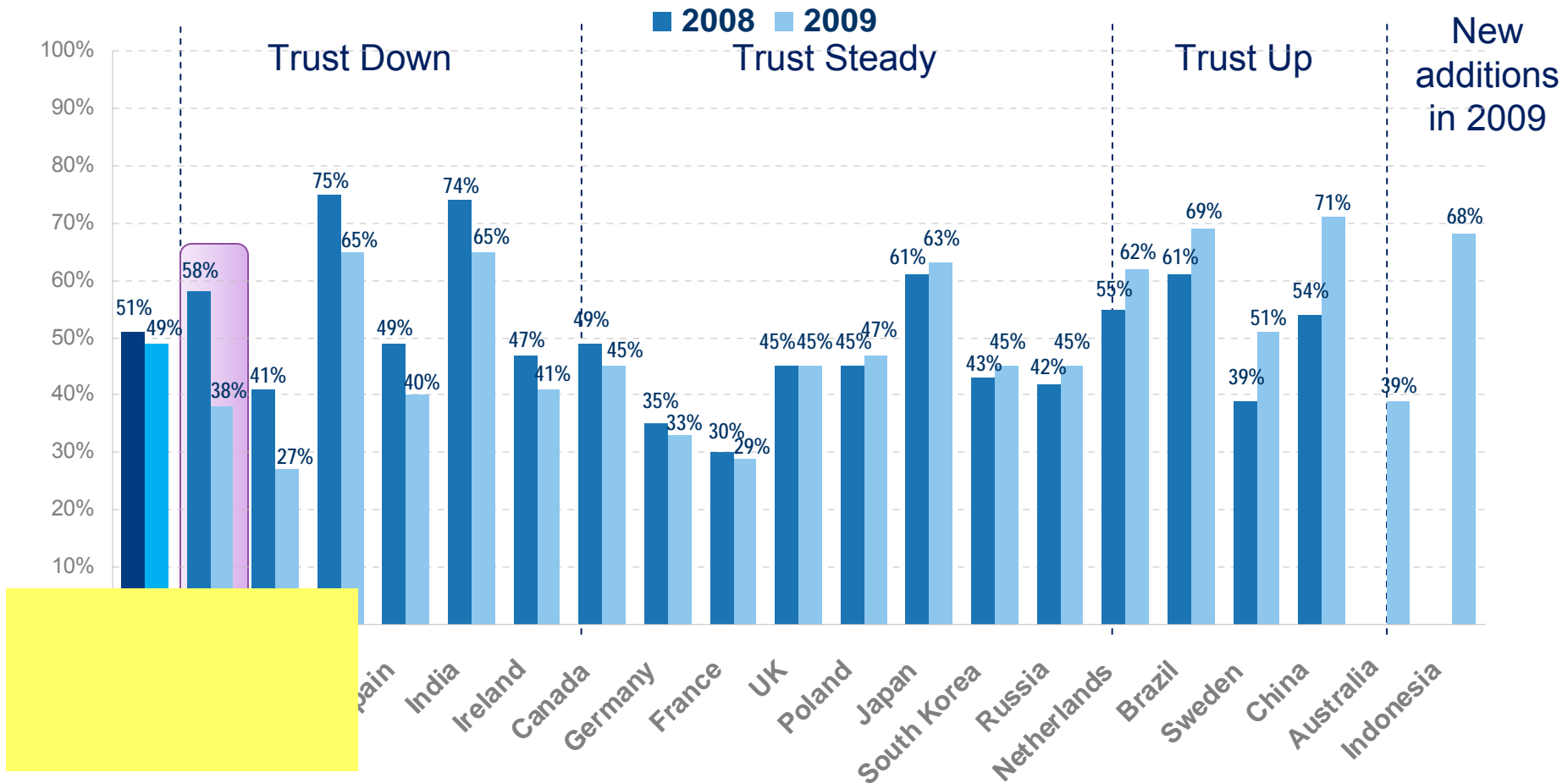


Richard S. Fuld Jr., former CEO, Lehman Brothers



# Trust in business is country-specific; highest drop in trust was in U.S.

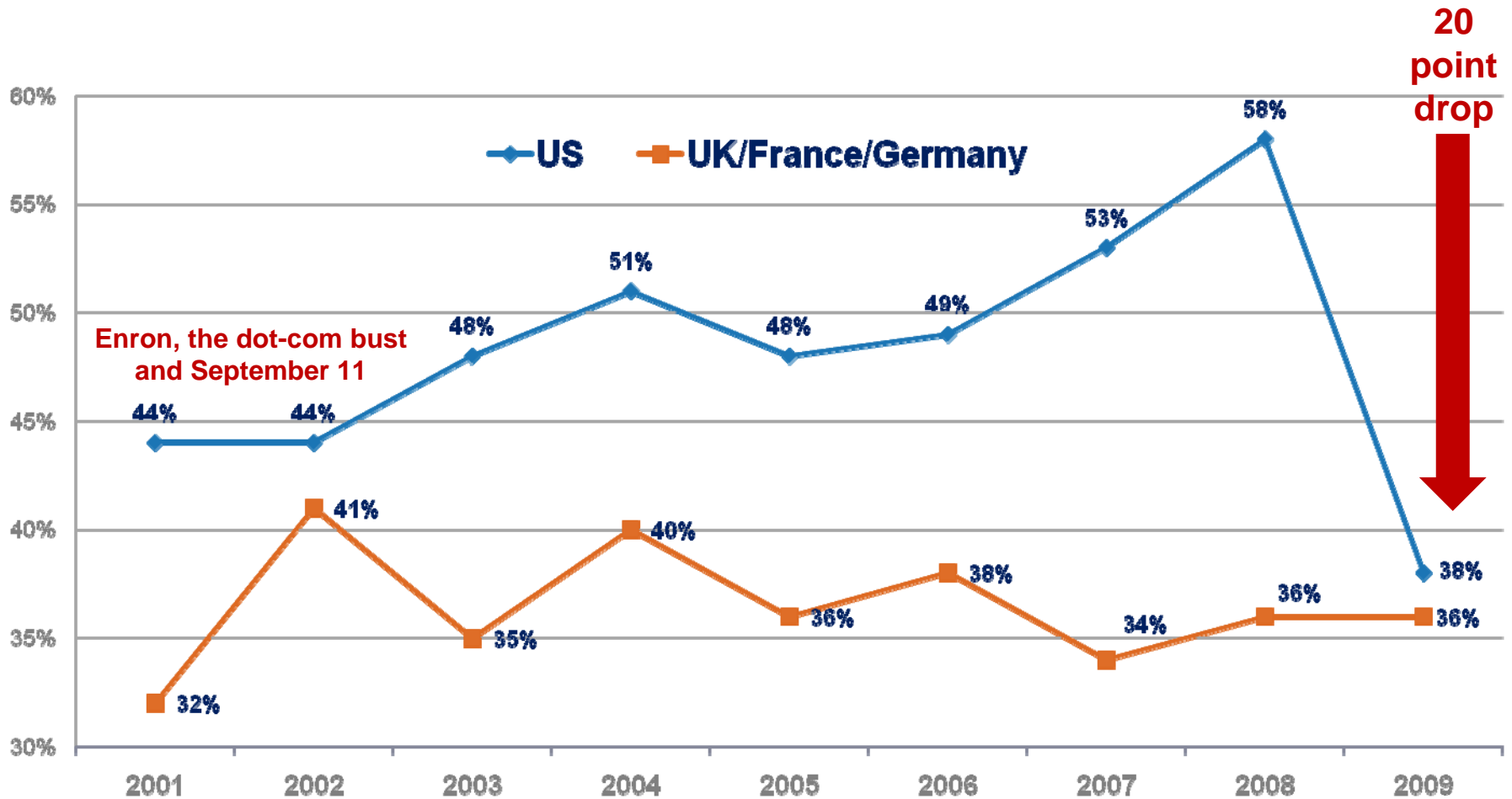
% who trust business to do what is right



A10. [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. 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 35-64 (global 18 countries, excluding Australia, Indonesia)

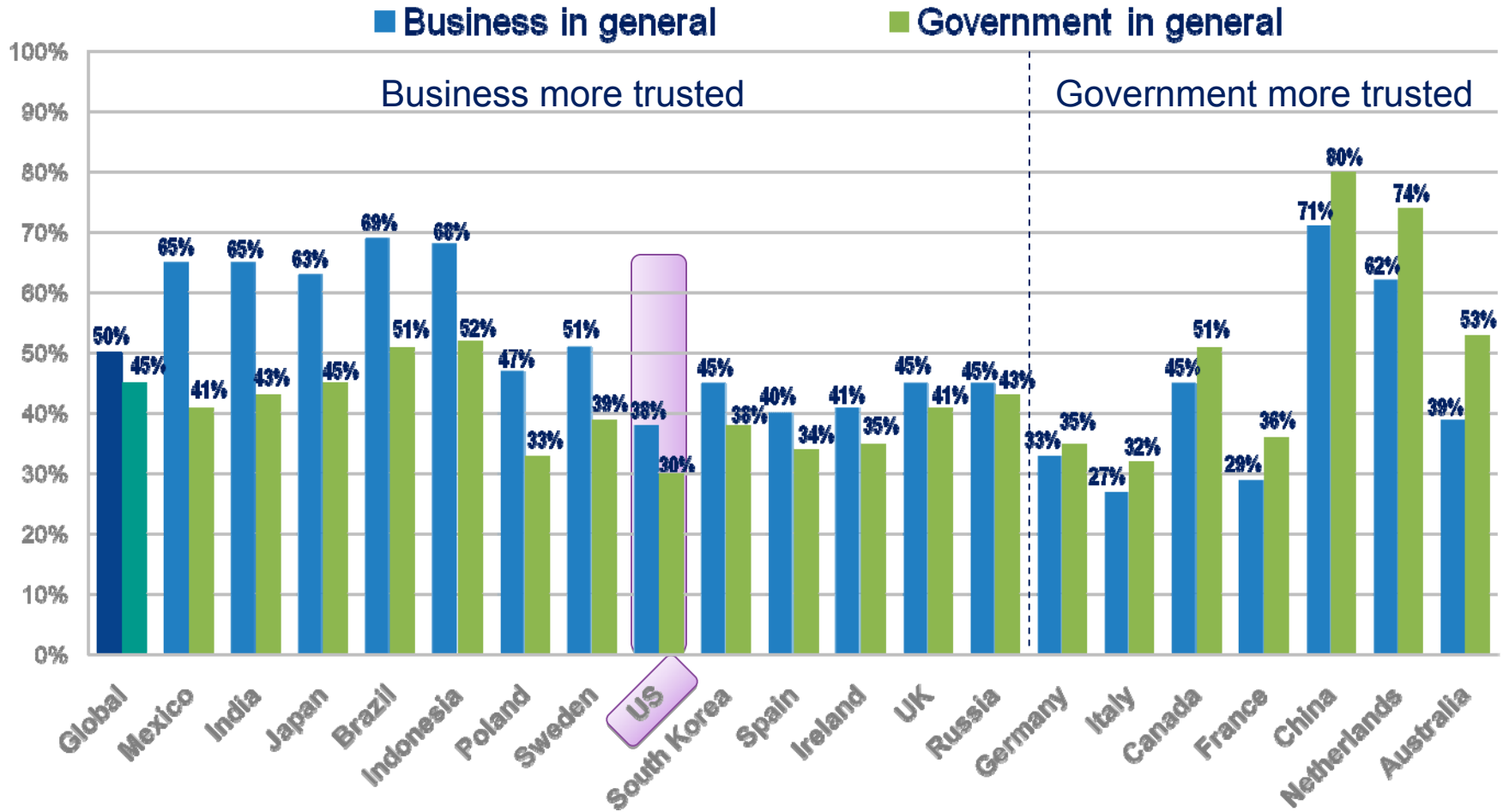
# U.S.: The New Europe?

## Trust in business at lowest level, including post-Enron



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# Business still more trusted than government in 13 of 20 countries

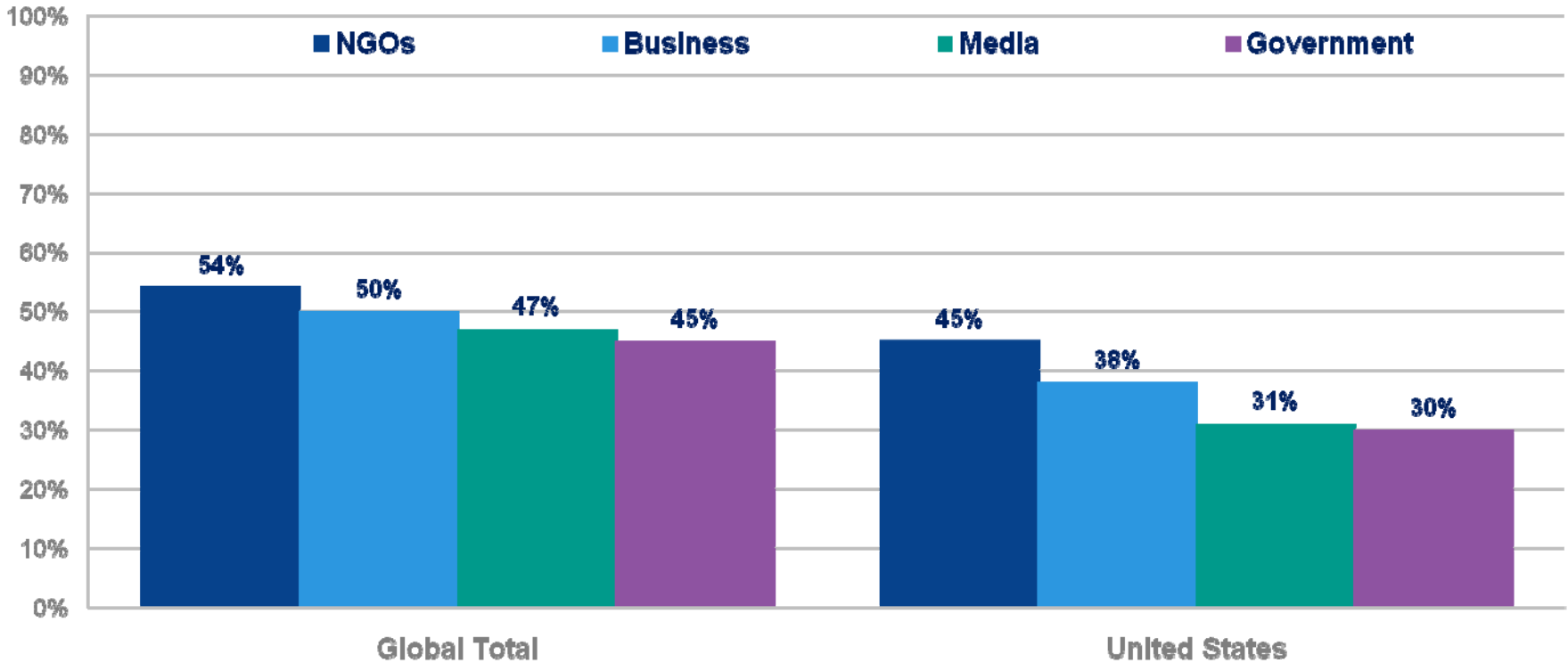


A 8,10. [Government in general, business in general TRACKING] I am going to read you a list of institutions. For each one, please tell me how much you TRUST that institution to do what is right. Please use a nine-point scale where one means that you "DO NOT TRUST THEM AT ALL" and nine means that you "TRUST THEM A GREAT DEAL." (Top 4 Box) Informed publics 35-64 (global 20 countries, including Australia, Indonesia)

# NGOs most trusted institution

## United States has less trust in all institutions compared to the Global Total

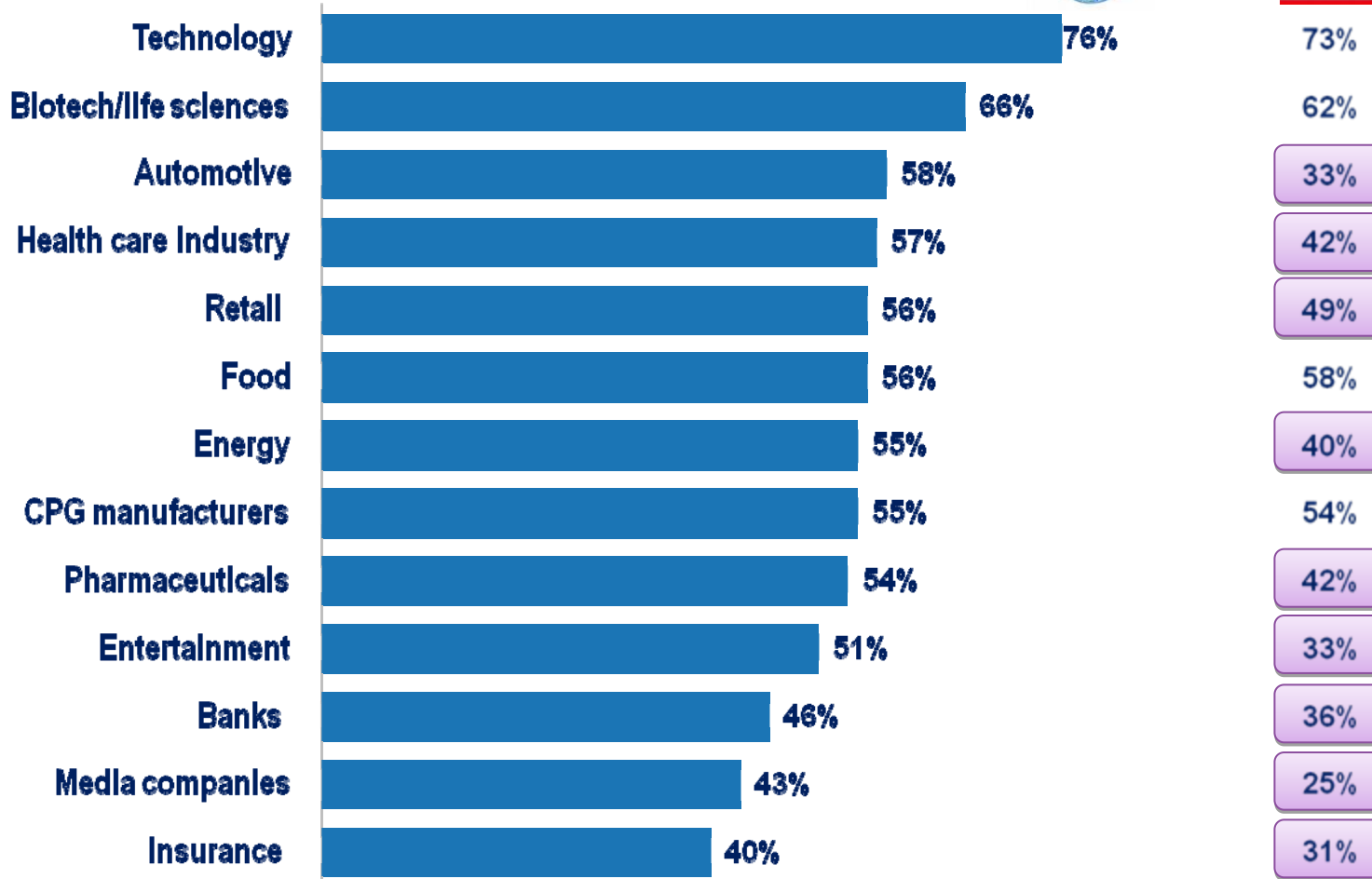
**% who trust each institution**



A8-11. [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. 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." The higher the number, the more you TRUST them to do what is right. (Top 4 Box) Informed publics 35-64 (global 20 countries)

# Technology remains most trusted industry sector globally

US has less trust than rest of the world in most industries



A25-37. [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 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 35-64 in Global Total 20 countries and US

## The State of Trust in the U.S.

“Madoff has sown the seeds of suspicion everywhere. He has caused us to doubt men and women with whom we have done business with for years. There is no way of knowing if someone is a con artist. The presumption of trust is gone.”

– Nicholas Von Hoffman, *The Nation*

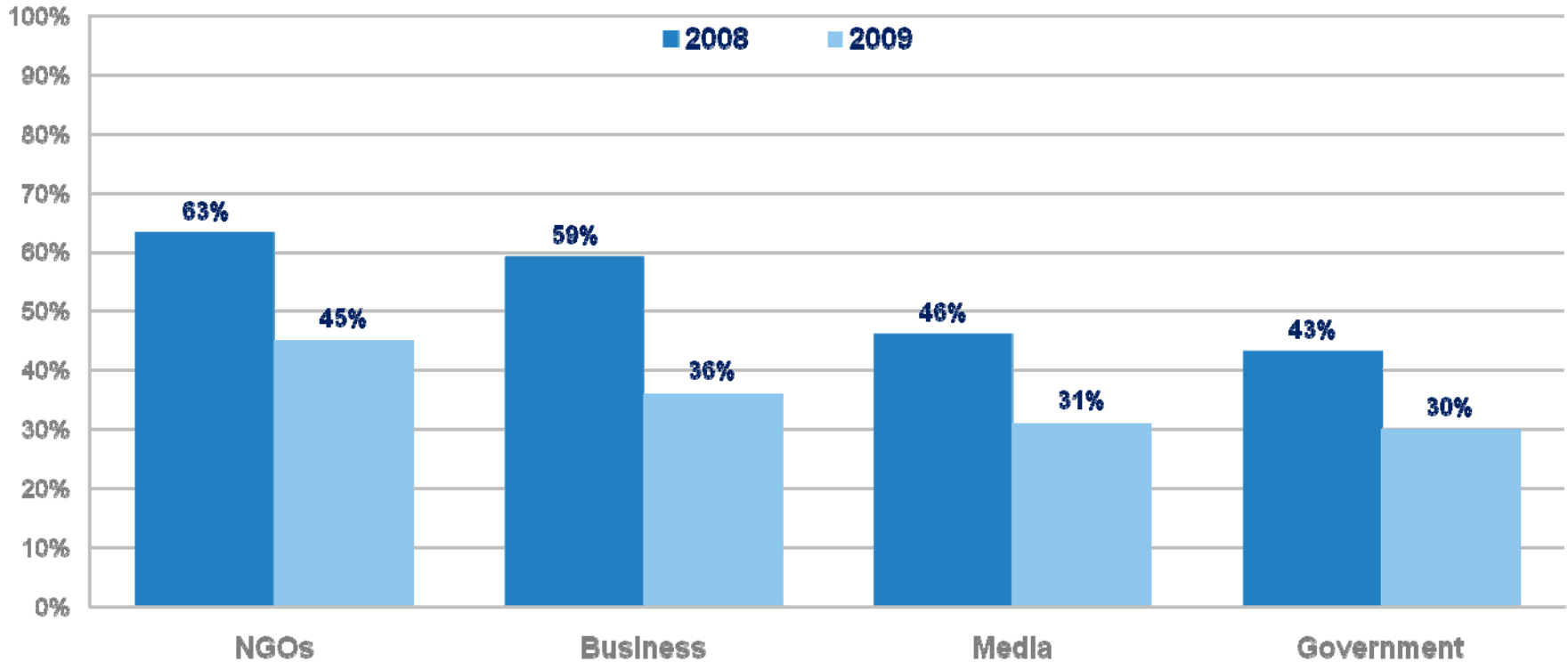


Bernard Madoff



# Trust in every institution declined this year in U.S.

## % who trust each institution



A8-11. [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. 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." The higher the number, the more you TRUST them to do what is right. (Top 4 Box) Informed publics 25-64 in US

# Reasons Why Corporations Less Trusted

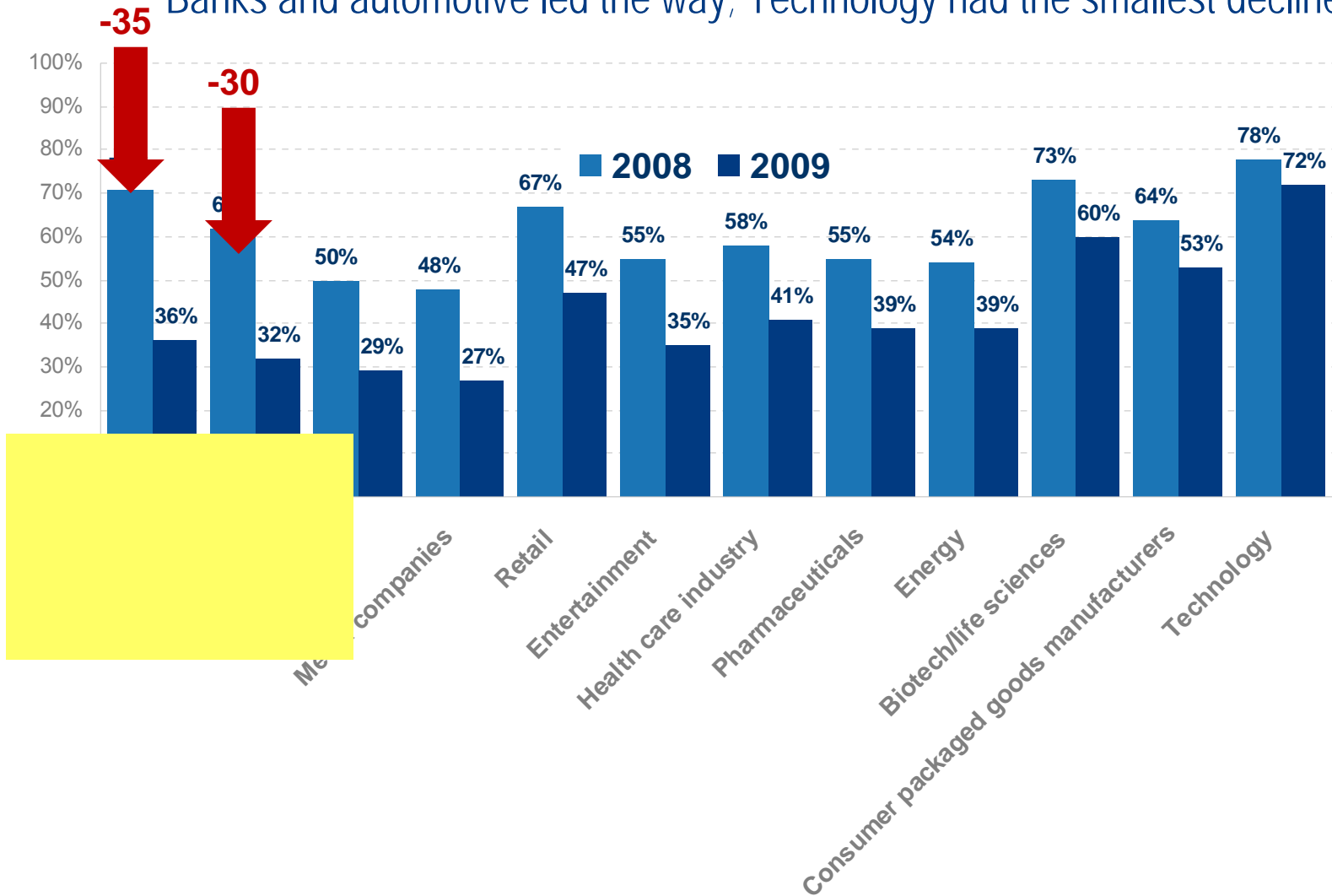
Executive Inequality, Economic Crisis, Poor Business Performance and Ethical Concerns are top reasons for less U.S. trust in Business

What would you say is the main reason that you trust corporations LESS now than last year?	
Executive Inequality	33%
Economic Crisis	31%
Poor Business Performance	30%
Corruption or Ethical	22%
Lack of Compassion	7%
Global Economic State	5%
Lack of Regulation	5%
Negative Media/ News	3%
Other	9%

A61a. What would you say is the main reason that you trust corporations LESS now than last year? Informed Publics 25-64 in US (open-ended responses)

# Trust in every industry declined (in U.S.)

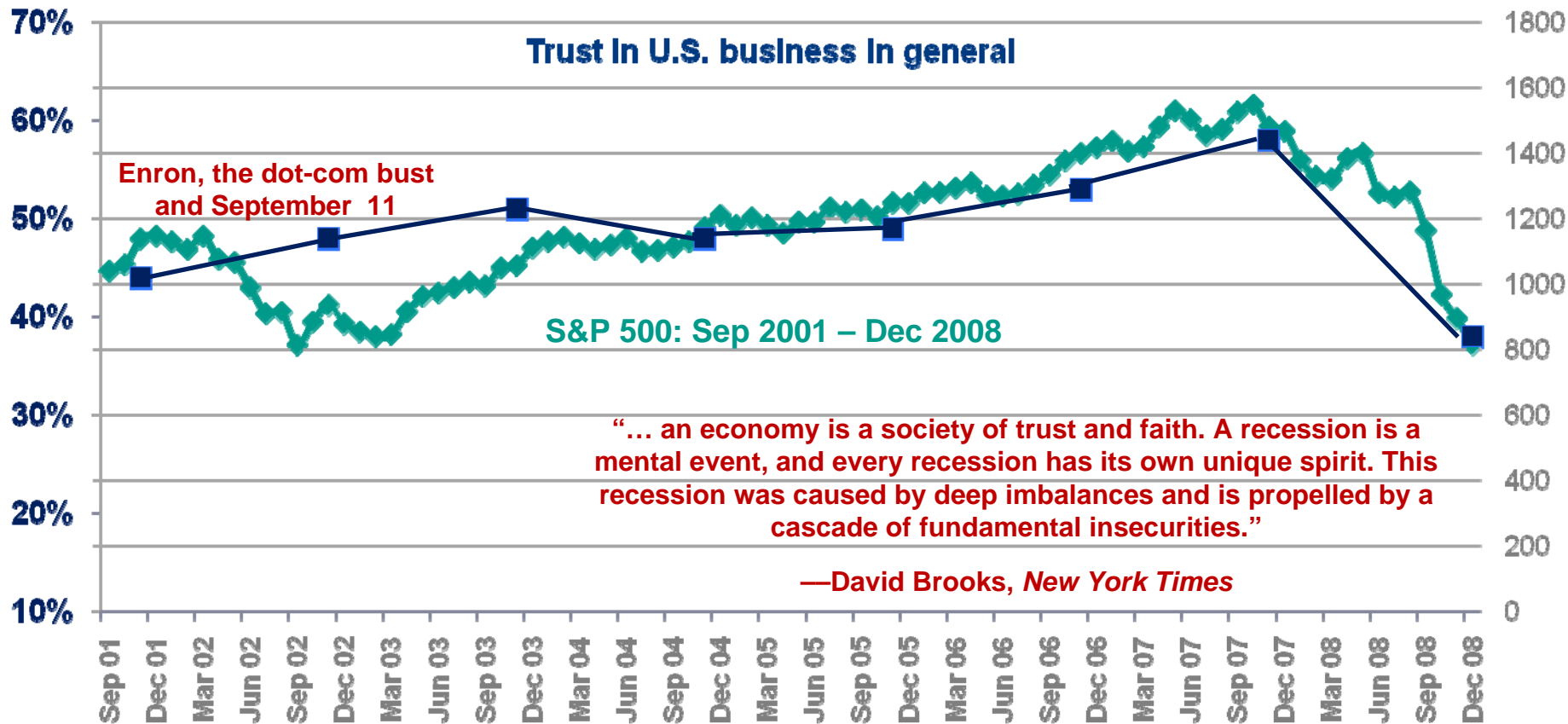
Banks and automotive led the way; Technology had the smallest decline



A25-37. [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 the United States

# The Chicken or the Egg: Can Trust Drive Economic Recovery?

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



A10. 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. 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 4 Box) Informed Publics 35-64 in the US

# Government, Business & Responsibility



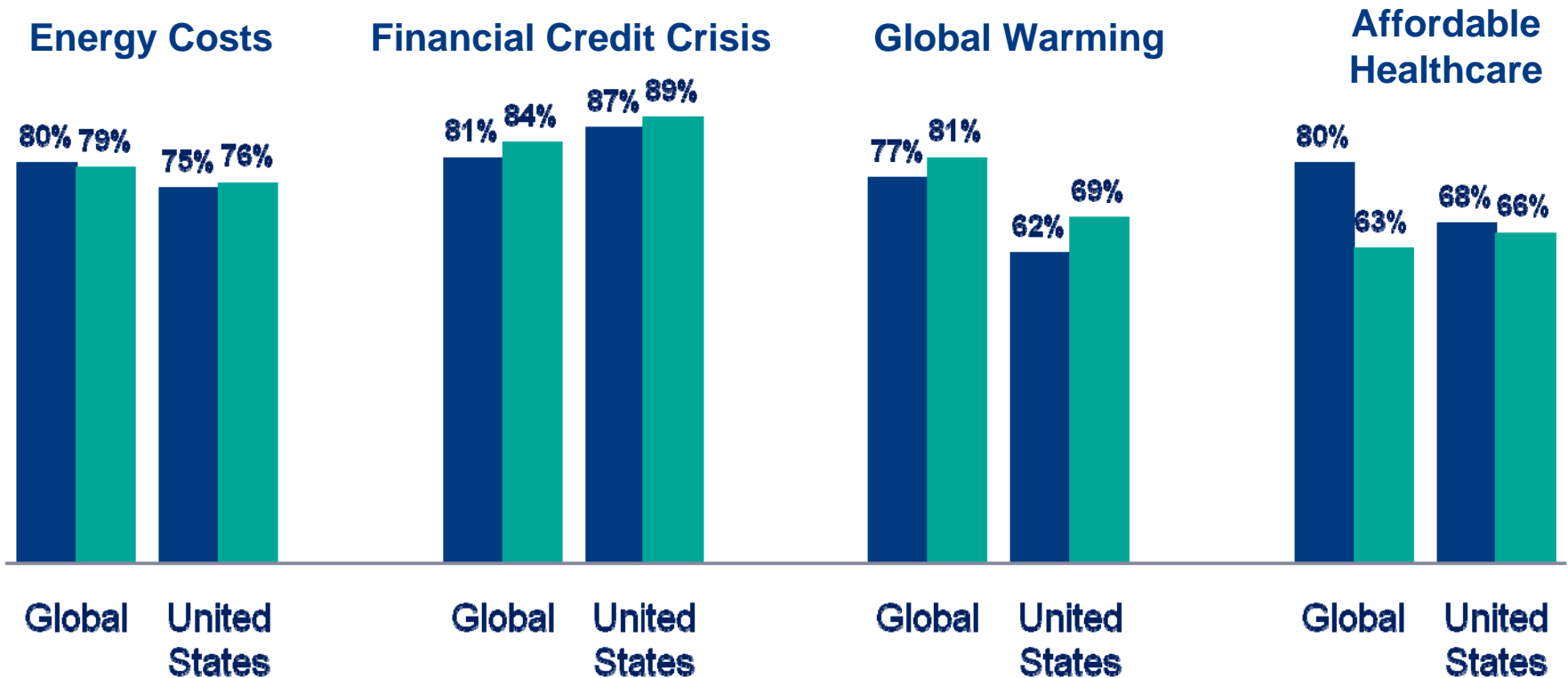
“...our problem is not just a deficit of dollars. It’s a deficit of accountability...a deficit of trust.”

– Barack Obama

# Government and business share responsibility for causing global issues

Globally, more people blame government for limiting access to affordable healthcare, but in United States, blame is split equally between business and government

■ Government and regulators    ■ Businesses

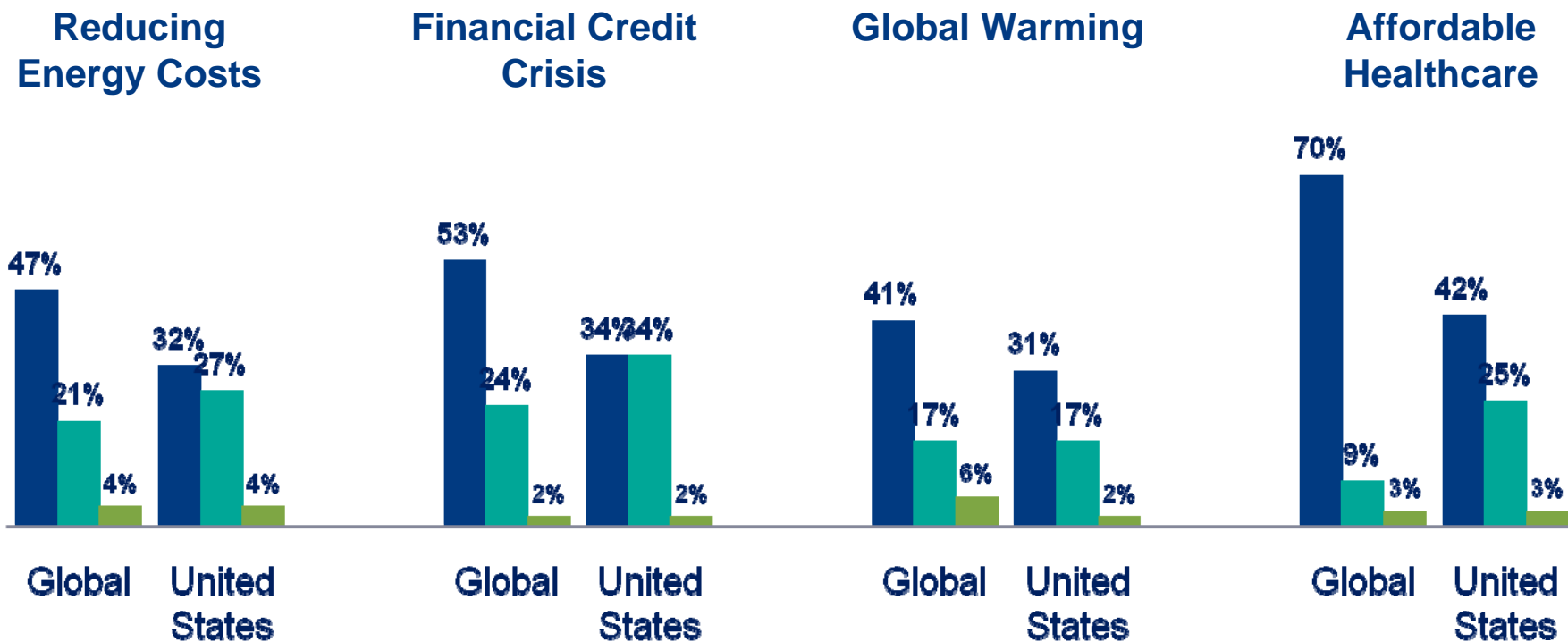


E. 119-120, E124-125, 129-130, 134-135. Now thinking about (Energy Cost, Financial Credit Crisis, Global Warming, Affordable Healthcare), please tell me how responsible you think each of the following entities are for contributing to (global issue)? TOP 4 BOX 25-64 Informed Publics in 20 countries

# Government held most responsible for solving these issues

United States assigns more responsibility to business than does rest of the world for solving energy costs, financial credit crisis and access to affordable healthcare.

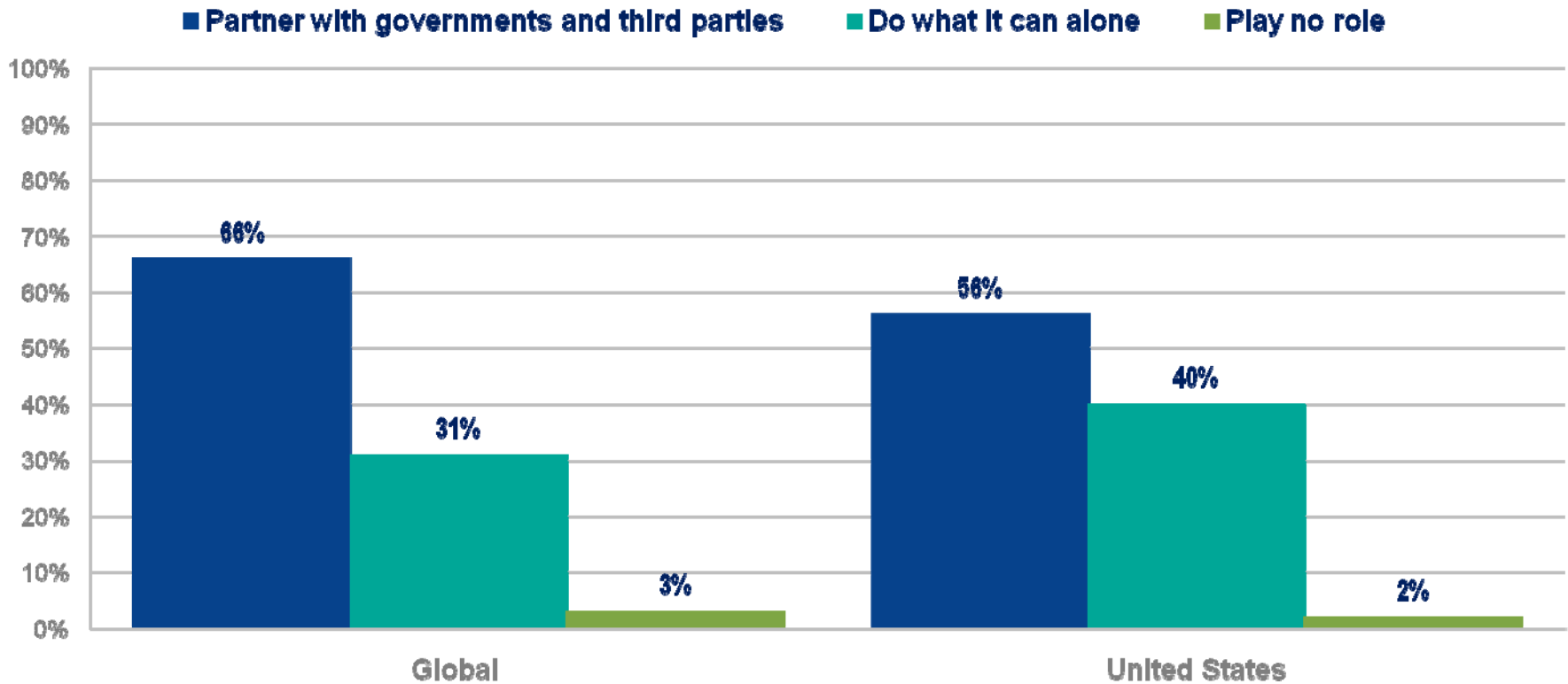
■ Government and regulators ■ Businesses ■ NGO



E138. And which ONE entity do you think should be MOST responsible for (solving each global issue)? Informed . Publics 25-64 in 20 countries

# Business has lost ability to lead unilaterally: Must partner with others to solve global issues

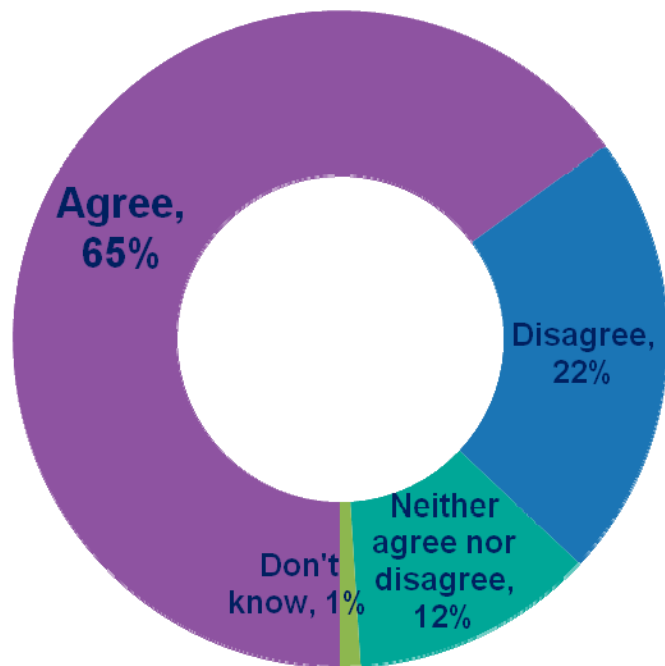
U.S. is more split in opinion, but the majority still believe Businesses needs to partner with others



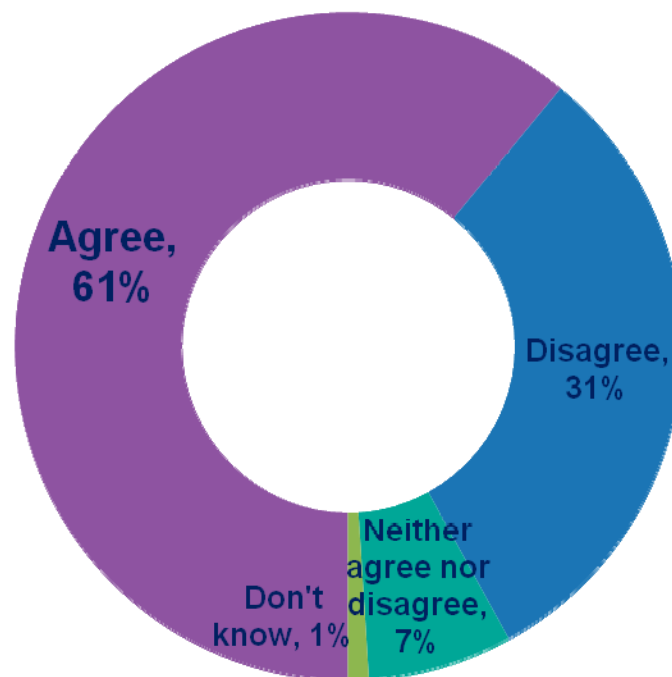
E139. Thinking about the role that business should play in helping to solve global issues such as energy costs, the financial credit crisis, global warming, or access to affordable healthcare, which of these following three statements is closest to your view? Business has to partner with governments and advocacy groups to solve these global issues, it cannot do it alone; OR Business should focus on what they themselves can do on these global issues, whether or not governments or others partner with them ; OR Business should not play a part in helping to solve these global issues (Informed publics 25-64 in 20 countries)

By 3:1 margin globally and in the United States, informed publics agree that government should impose stricter regulations and greater control over business across *all* industries

### Global



### United States



F146. The recent credit crisis and government bail-outs have led to debates on how much governments should intervene to regulate industry or nationalize companies to restore public trust. Please tell me how strongly you agree or disagree that your government should in the future impose stricter regulations and greater control over business across all industry sectors. (Informed Publics 25-64 in 20 countries and in US)

## Whom Can We Trust?

### Trust in Information Sources and Spokespeople Declines Across the Board

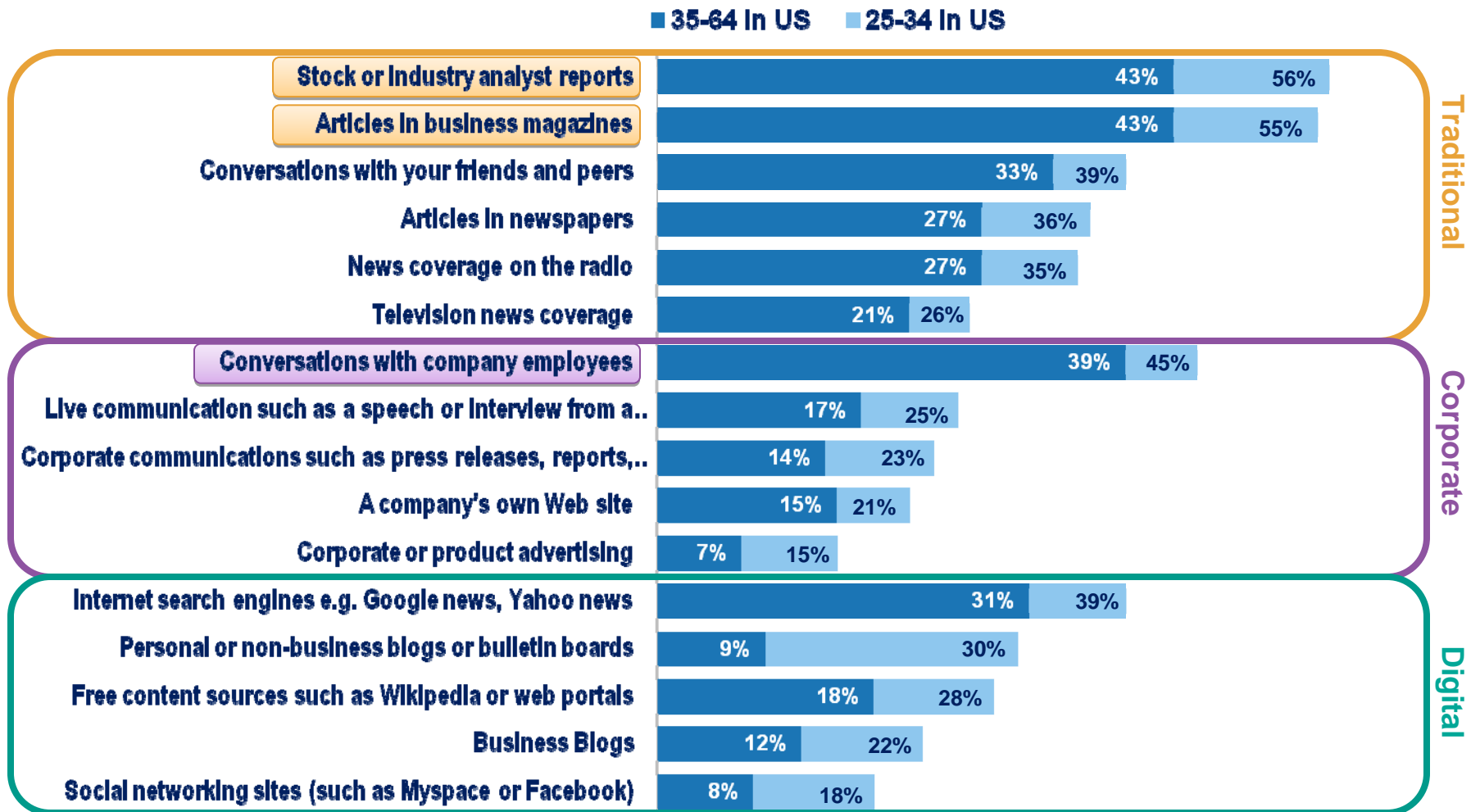
“Under the circumstances, I am tendering my resignation....I am now prepared to subject myself to the laws of the land and face the consequences thereof.”

– Ramalinga Raju, former chairman, Satyam Computers



# Expertise and peer conversations drive credibility of information sources

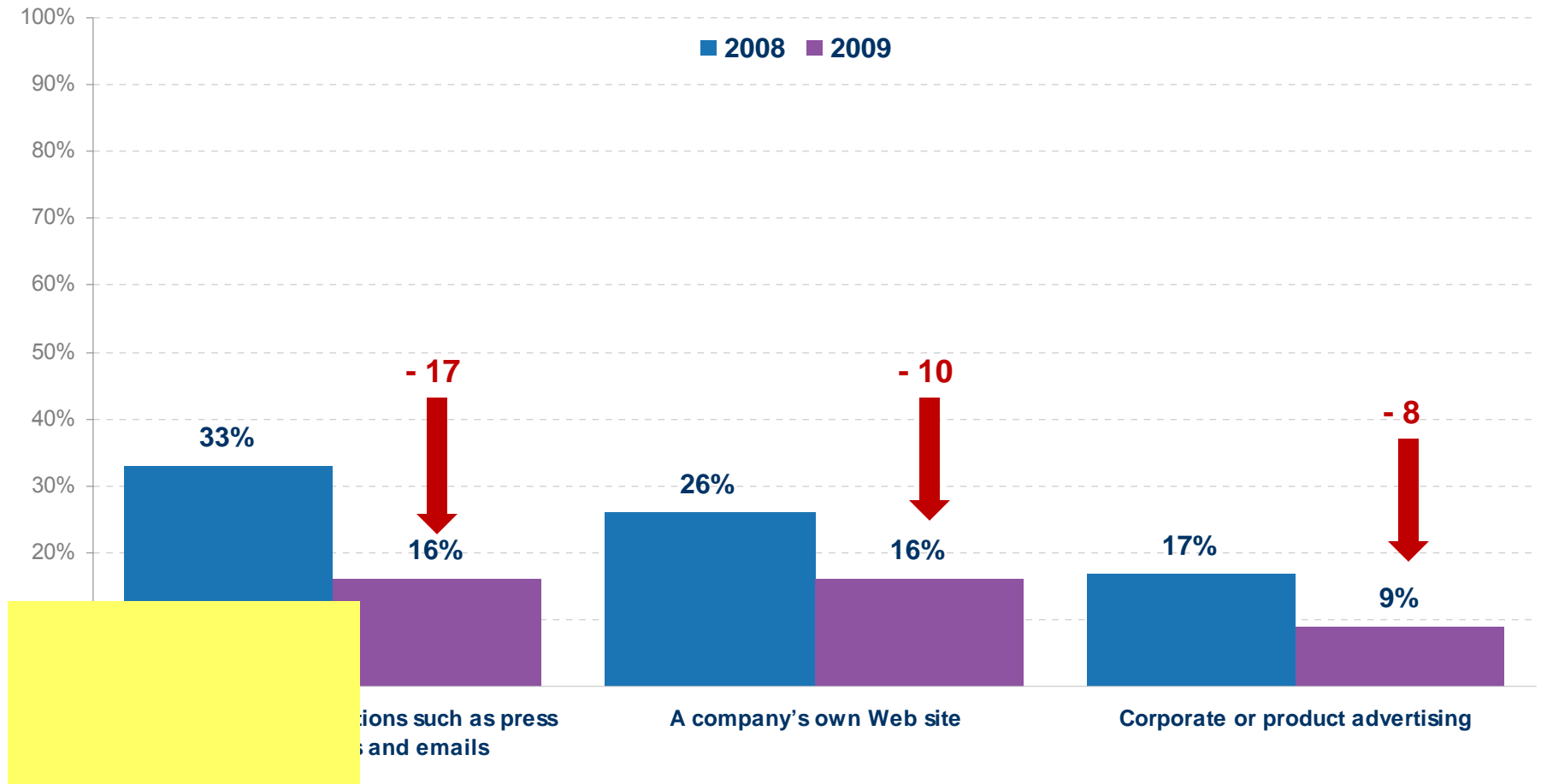
## Younger informed publics find all information sources more credible



C95-110. [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 Informed Publics 25-34 and 35-64 in the US

# Perceived credibility of corporate media as sources of information about a company declines in U.S.

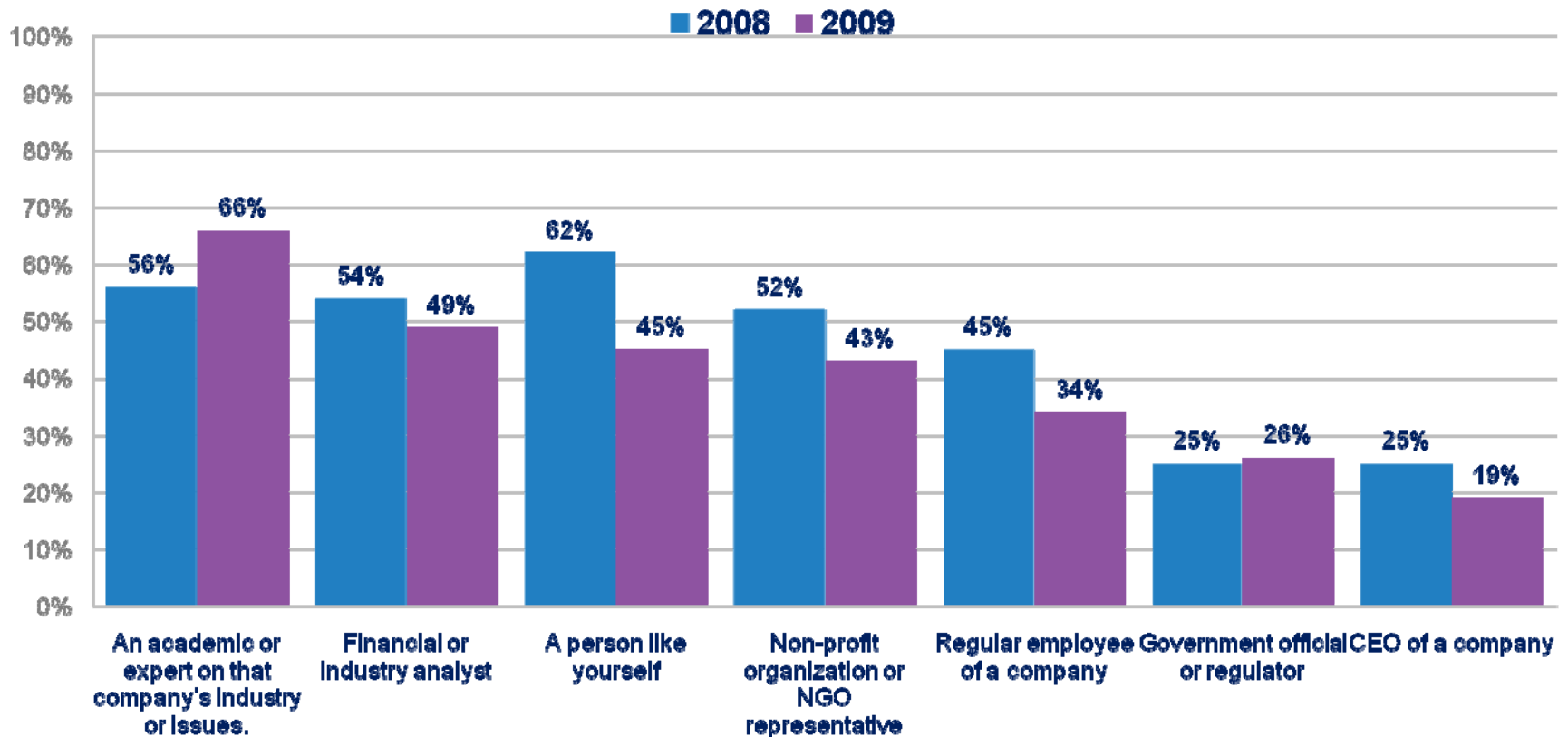
Informed publics age 25-64



C95-98,103. [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), Informed Publics ages 25-64 in US

# Perceived credibility of academics/experts as spokespeople for companies increased in U.S.

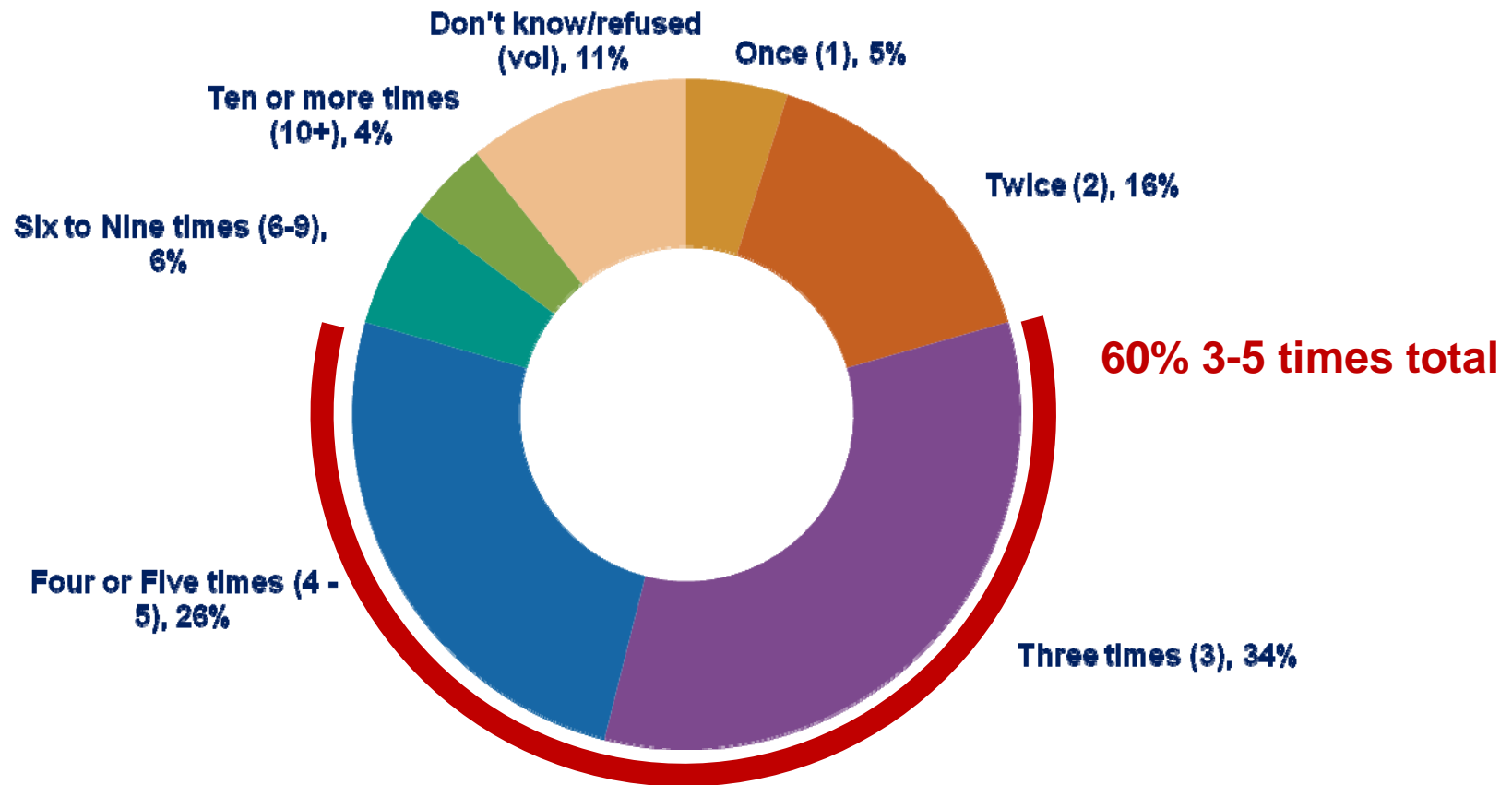
Informed publics age 25-64



\*asked as "an academic" in 2008

D112-118. [TRACKING] 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 25-64 in US

Informed publics need information from multiple sources, multiple voices.  
And they need to hear it 3-5 times to believe it.



C111. Think about everything you see or hear every day about companies, whether it is positive or negative. How many times in general do you need to hear something about a specific company to believe that the information is likely to be true? Please give me a number. (3-5 times) 25-64 Informed Publics in US

# The Business Case for Trust

Reputation, Sales, and License to Operate Driven by Trust and Transparency



“Trust is the cornerstone for the survival of an enterprise and a society.”

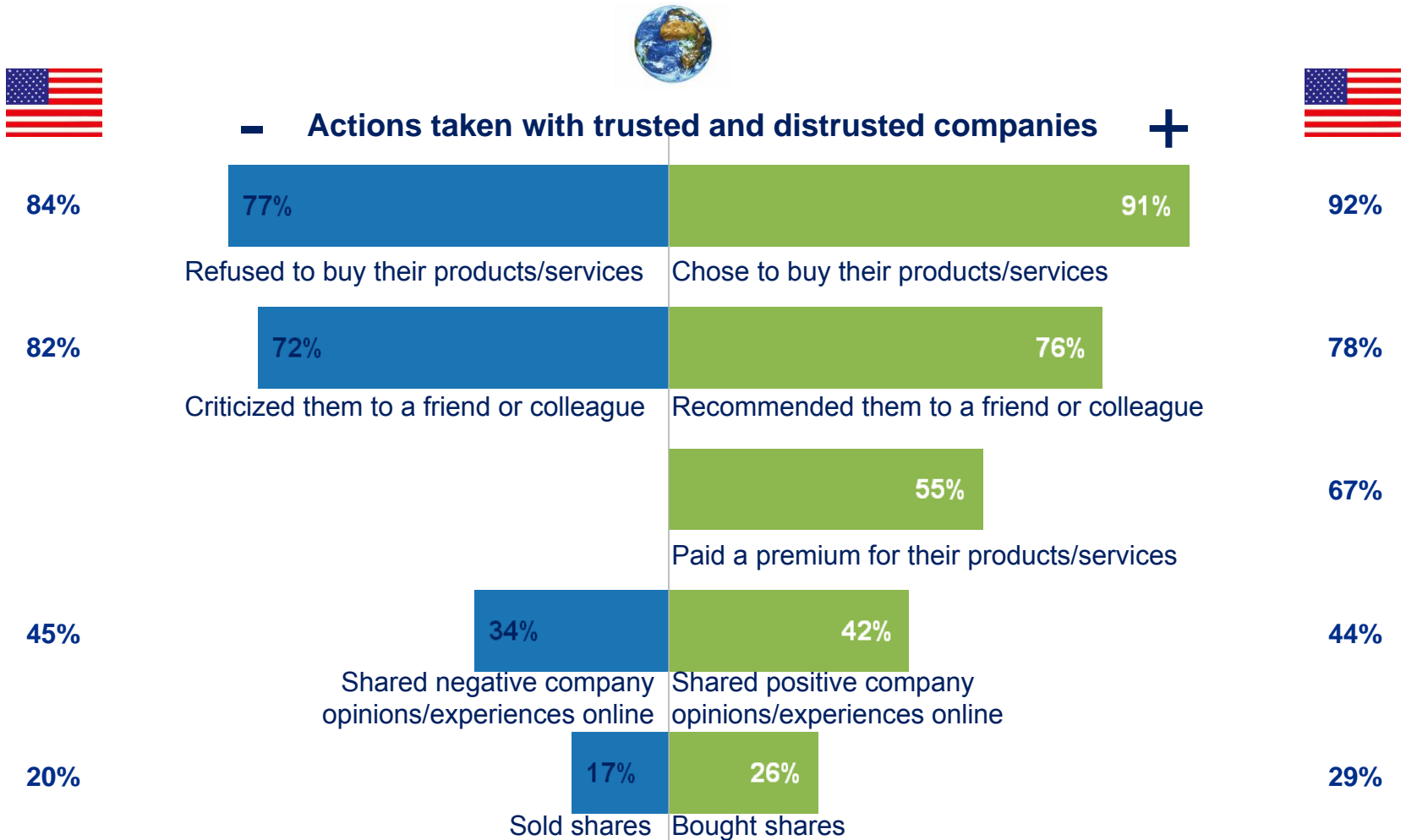
– *China Daily*

# In U.S., trusted senior leadership as important to reputation as high quality products/services



B62-73. When you think of good and responsible companies, how important is 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 4 Box) Informed Publics ages 25-64 in US

# Through personal action, trust has tangible benefits.



B74-78 Thinking back over the past 12 months, have you taken any of the following actions in relation to companies that you trust? Please answer yes or no to each action.

B79-82. Still thinking about the past 12 months, have you taken any of the following actions in relation to companies that you do not trust? Please answer yes or no to each action. Informed publics ages 25-64 in 20 countries and US

# Rebuilding Trust

## The Power of Public Engagement

"I understand your  
disappointment, your anger.  
This situation is  
perfectly unacceptable."

– Daniel Bouton,  
former CEO of Société Générale



# What We Have Learned.

Diminished trust impedes business license to operate.

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Regulation  $\neq$  abdication

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A public company serves shareholders *and* society.

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Partnership is the solution.

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# Private Sector Diplomacy

Shape policy on world's most pressing problems, including ones that don't concern company's industry

Partner with government, NGOs to drive decision-making and set strategy on major societal issues

**“ ...Come together—government, NGOs and business—in new approach to solving big problems facing our country. ... This can work.”**

**– H. Lee Scott, Jr.,  
President and CEO, Wal-Mart**

Private Sector  
Diplomacy

Mutual Social  
Responsibility

Shared  
Sacrifice

Continuous  
Conversation



# Mutual Social Responsibility

Private Sector  
Diplomacy

Mutual Social  
Responsibility

Shared  
Sacrifice

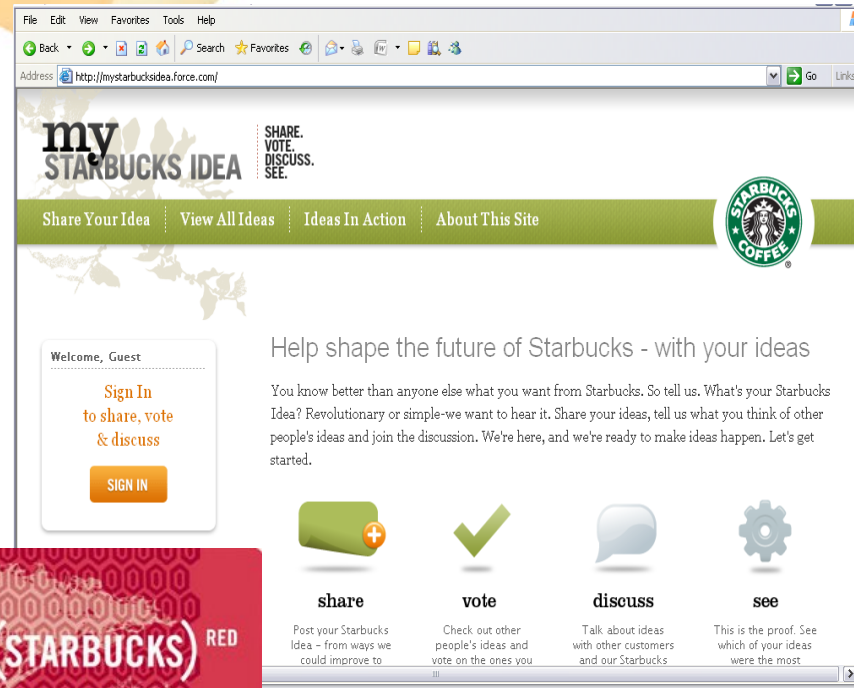
Continuous  
Conversation

Benefit society and the bottom line

Integrate approaches to societal problems into products and services

Involve employees and customers in decisions and actions about company's social responsibility

**Starbucks invites customers to partner as a force for good.**



# Shared Sacrifice

Private Sector  
Diplomacy

Mutual Social  
Responsibility

Shared  
Sacrifice

Continuous  
Conversation

Set collaborative tone for company:  
We're all in this together.

Equitable compensation (executive pay cuts, bonus  
forfeiting) sends powerful message.

Communicate with employees, welcome their voices.



“In order to restore trust, we’ve got to make certain that taxpayer funds are not subsidizing excessive compensation packages. We all need to take responsibility, and this includes executives at major financial firms who turned to the American people, hat in hand, when they were in trouble.”

– Barack Obama, February 4, 2009

# Continuous Conversation

Private Sector  
Diplomacy

Mutual Social  
Responsibility

Shared  
Sacrifice

Continuous  
Conversation

Be agile and “of the moment”

Inform, don’t control the  
conversation

Say... then do as you say

**Johnson & Johnson among first  
companies to join public  
conversation on health**



# Implications for B-to-B Marketers

- Recognize that trust is an **enabler** and it opens doors for deeper engagement with all of your channels
- Understand that your **“license to operate”** is increasingly under scrutiny and threat
- Remember that your business is **“always-on”** -- continuous conversation is now a business imperative
- View **“partnering”** relationships (NGOs, government, academia) as the key to greater opportunity
- Trust is not a campaign; it’s the result of an ongoing series of **expectations being set and fulfilled**

