

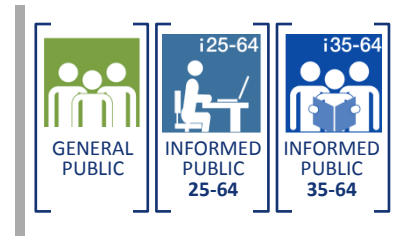


# 2012

## EDELMAN TRUST BAROMETER GLOBAL RESULTS

# 2012 Edelman Trust Barometer

## METHODOLOGY OVERVIEW



### Twelfth annual study

### Online survey in 25 countries

30,000+ respondents

### 1,000 general population respondents per country

Ages 18+

### Oversample of informed publics\*

500 respondents in U.S. and China & 200 in all other countries

Ages 25-64

- (Trending data among Ages 35-64)

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



\* This year Informed Publics were surveyed via online methodology instead of telephone

# Edelman Trust Barometer in retrospect

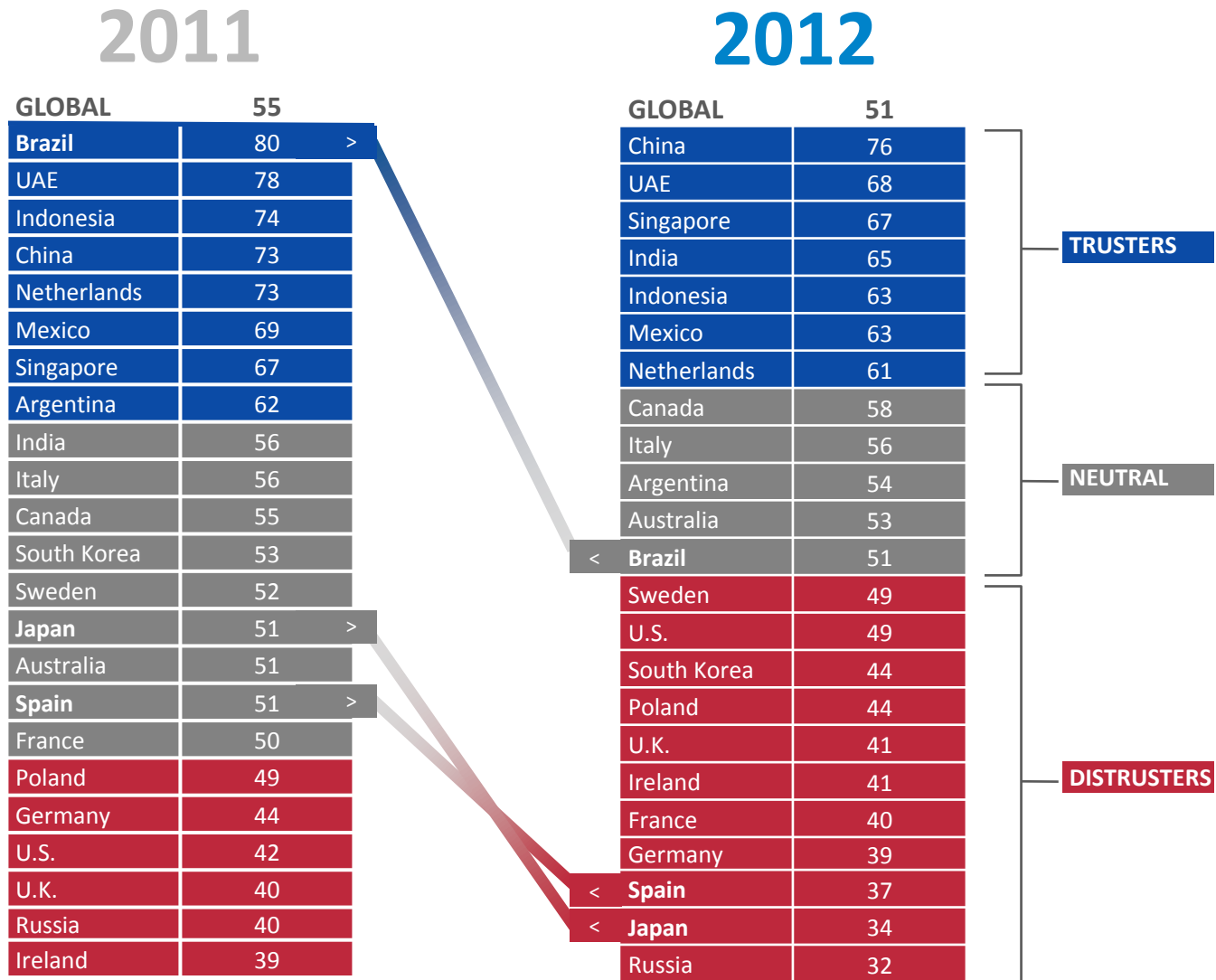
- 2011** Rise of authority figures
- 2010** Trust is now an essential line of business
- 2009** Business must partner with government to regain trust
- 2008** Young influencers have more trust in business
- 2007** Business more trusted than government and media
- 2006** “A person like me” emerges as credible spokesperson
- 2005** Trust shifts from “authorities” to peers
- 2004** U.S. companies in Europe suffer trust discount
- 2003** Earned media more credible than advertising
- 2002** Fall of the celebrity CEO
- 2001** Rising Influence of NGOs



# the state of TRUST



# Distrust is growing; nearly twice as many countries are now skeptics Fewer countries now in neutral zone



Composite score is an average of a country's trust in all four institutions. Informed Publics ages 25-64 in 20 country global total (excludes Argentina, Hong Kong, Malaysia, Singapore and UAE) and across 23 countries

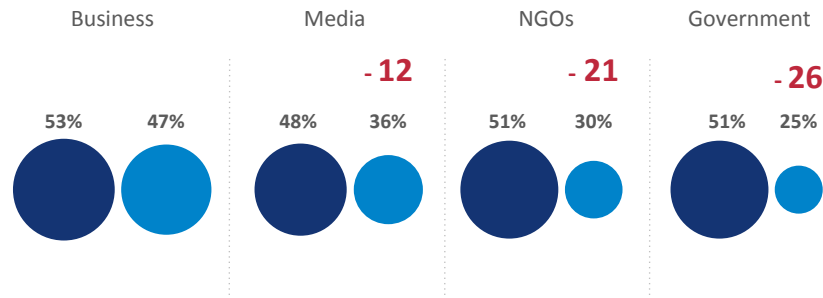
# The Fragility of Trust: Focus on Japan



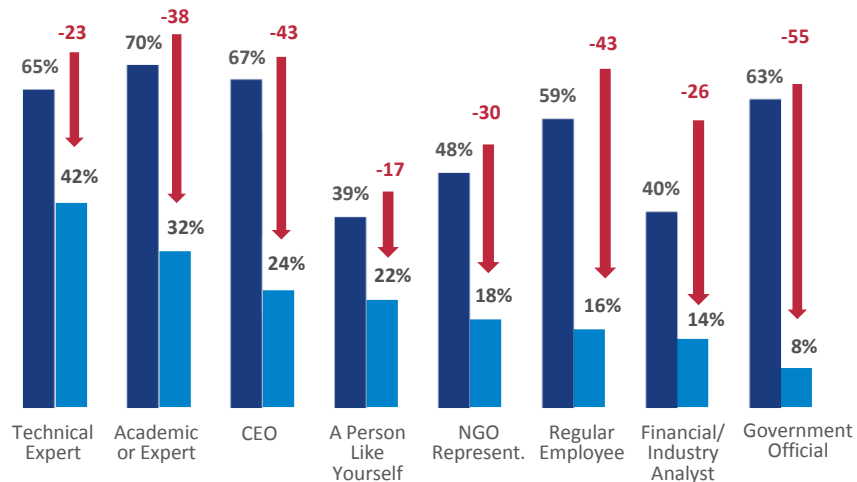
2011  
Informed Public

2012  
Informed Public

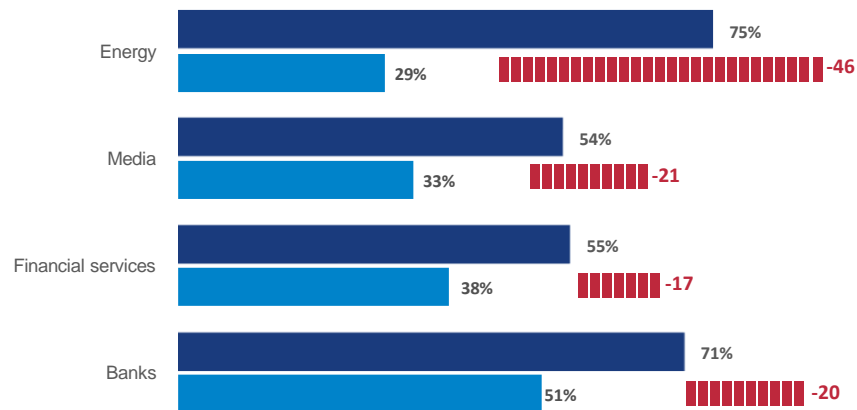
## TRUST IN INSTITUTIONS INFORMED PUBLICS – AGES 25-64



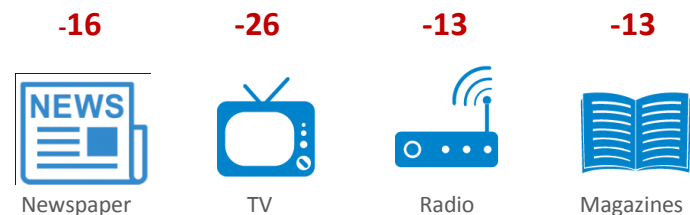
## CREDIBLE SPOKESPEOPLE



## TRUST IN INDUSTRIES



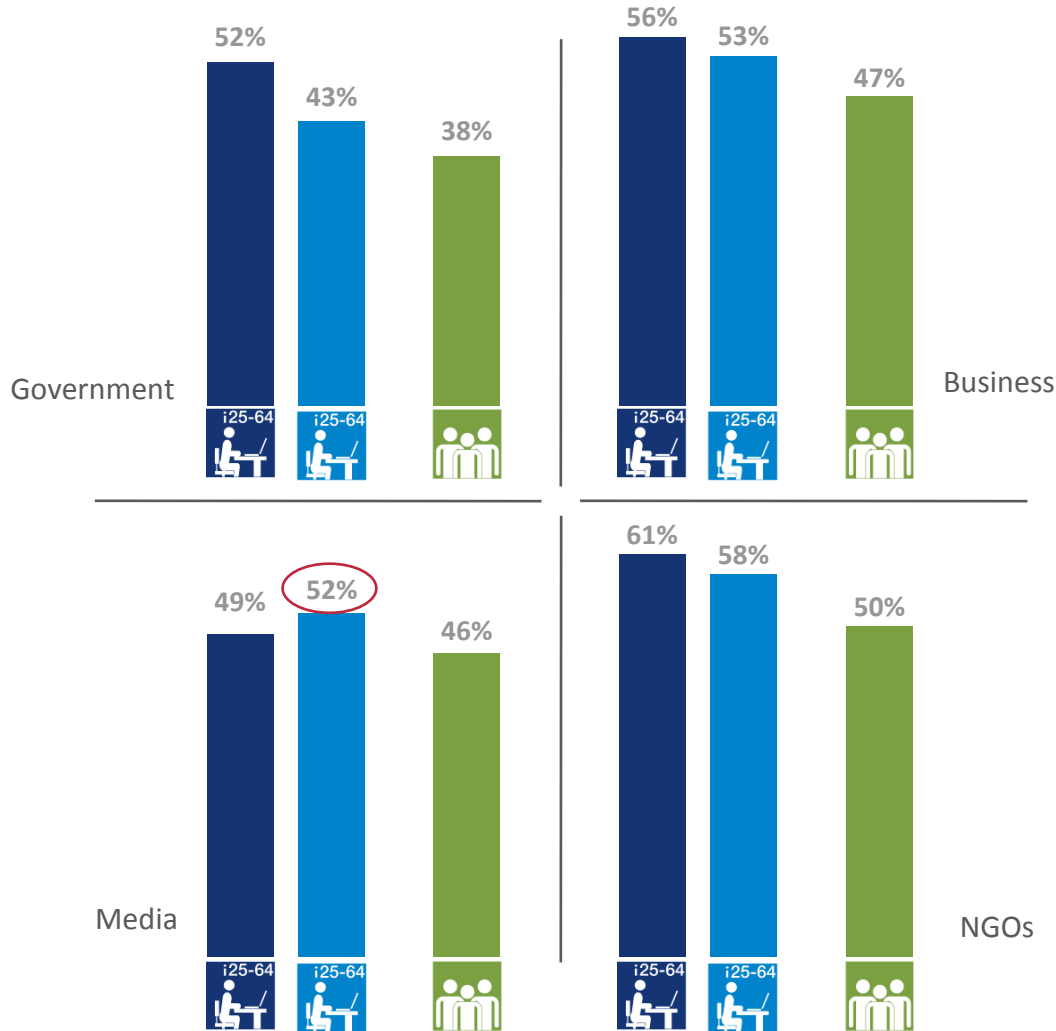
## TRUST IN INFORMATION SOURCES



Q11-14. [TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using 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, Trust); Q16-26. [TRACKING] Please indicate how much you trust businesses in each of the following industries to do what is right. Again, please 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, Trust); Q119-126. [TRACKING] Below is a list of people. In general, when forming an opinion of a company, if you heard information about a company from each person, how credible would the information be—extremely credible, very credible, somewhat credible, or not credible at all? (Top 2 Box, Credible: Very + Extremely Credible); Q149-160. [TRACKING] Below is a list of places where you might get information about a company. For each, please indicate if you trust it a great deal, somewhat, not too much, or not at all as a source of information about a company. (Top Box - % Trust A Great Deal) Informed Publics ages 25-64 in Japan

# Trust in three of four institutions declines; only media rises

## TRUST IN INSTITUTIONS

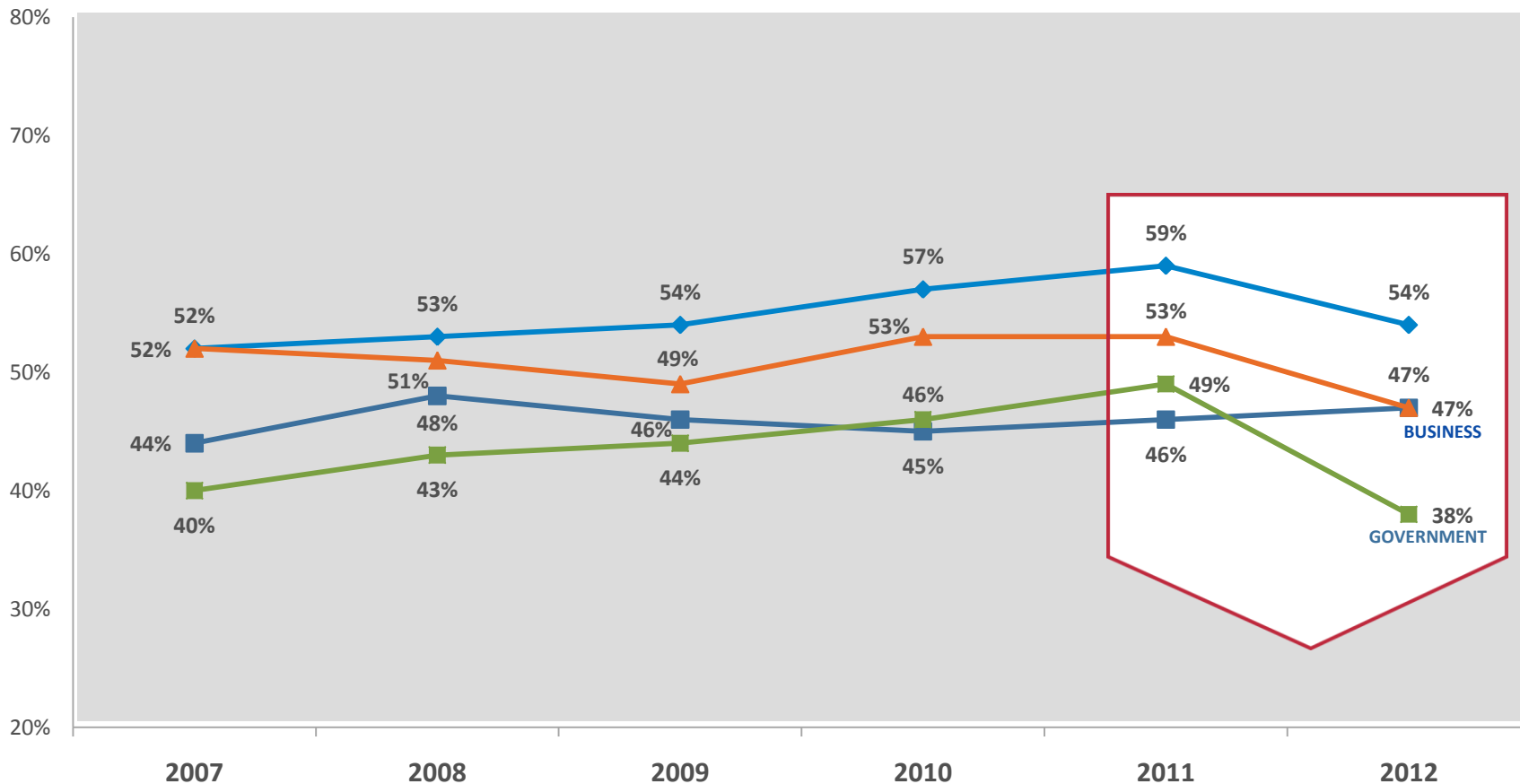


Q11-14. [TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. (Top 4 Box, Trust) Informed Publics ages 25-64 in 20 country global total (excludes Argentina, Hong Kong, Malaysia, Singapore and UAE) AND General Population in 25 country global total

# Record decline in government -- NGOs and business fall to 2009 trust level

TRUST IN INSTITUTIONS – 18-COUNTRY GLOBAL TOTAL

- ◆ NGOs
- Media
- ▲ Business
- Government



Q11-14. [TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using 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, Trust) Informed Publics ages 35-64 in 18 country global total (excludes Argentina, Australia, Hong Kong, Indonesia, Malaysia, Singapore and UAE)



# Several mature markets see double-digit drops in business trust

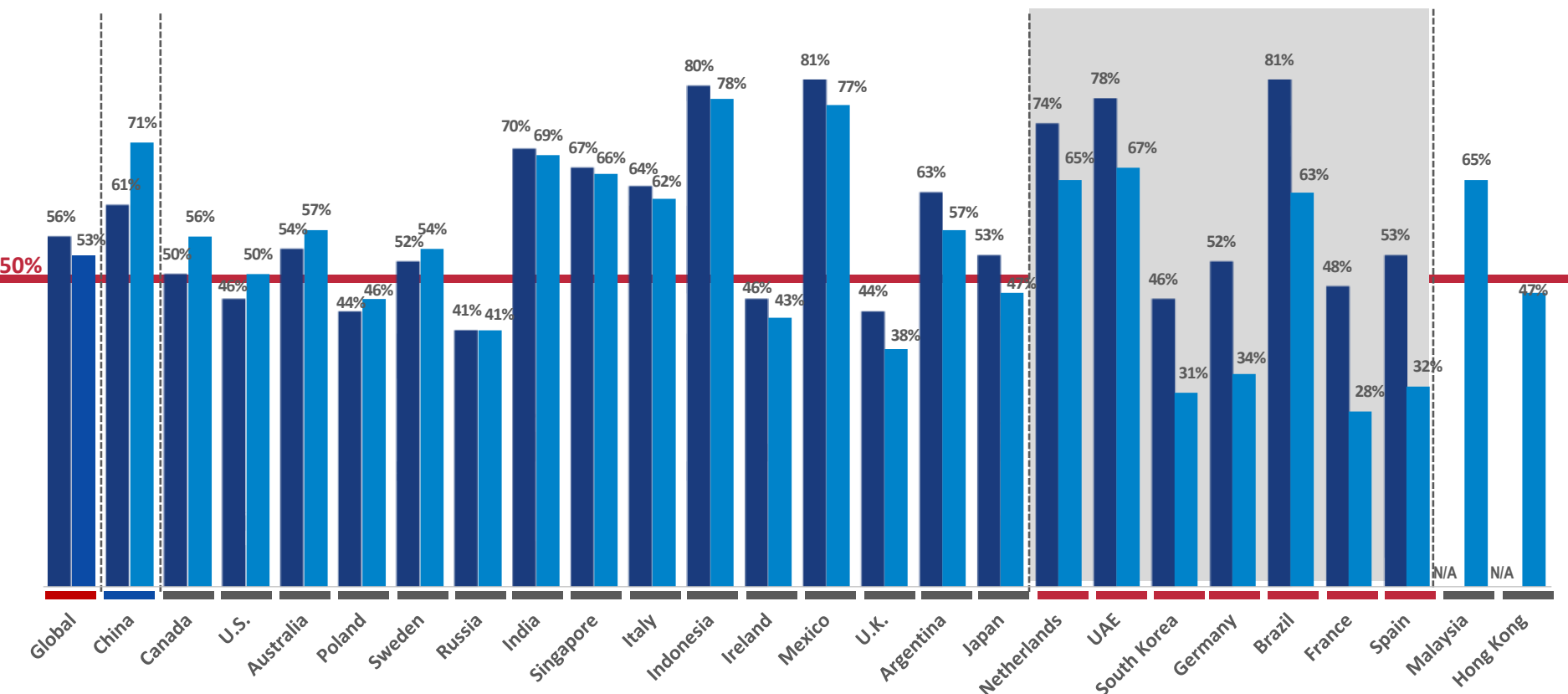
## TRUST IN BUSINESS

2011 Informed Public  
 2012 Informed Public

↑ Trust

Trust Steady

↓ Trust



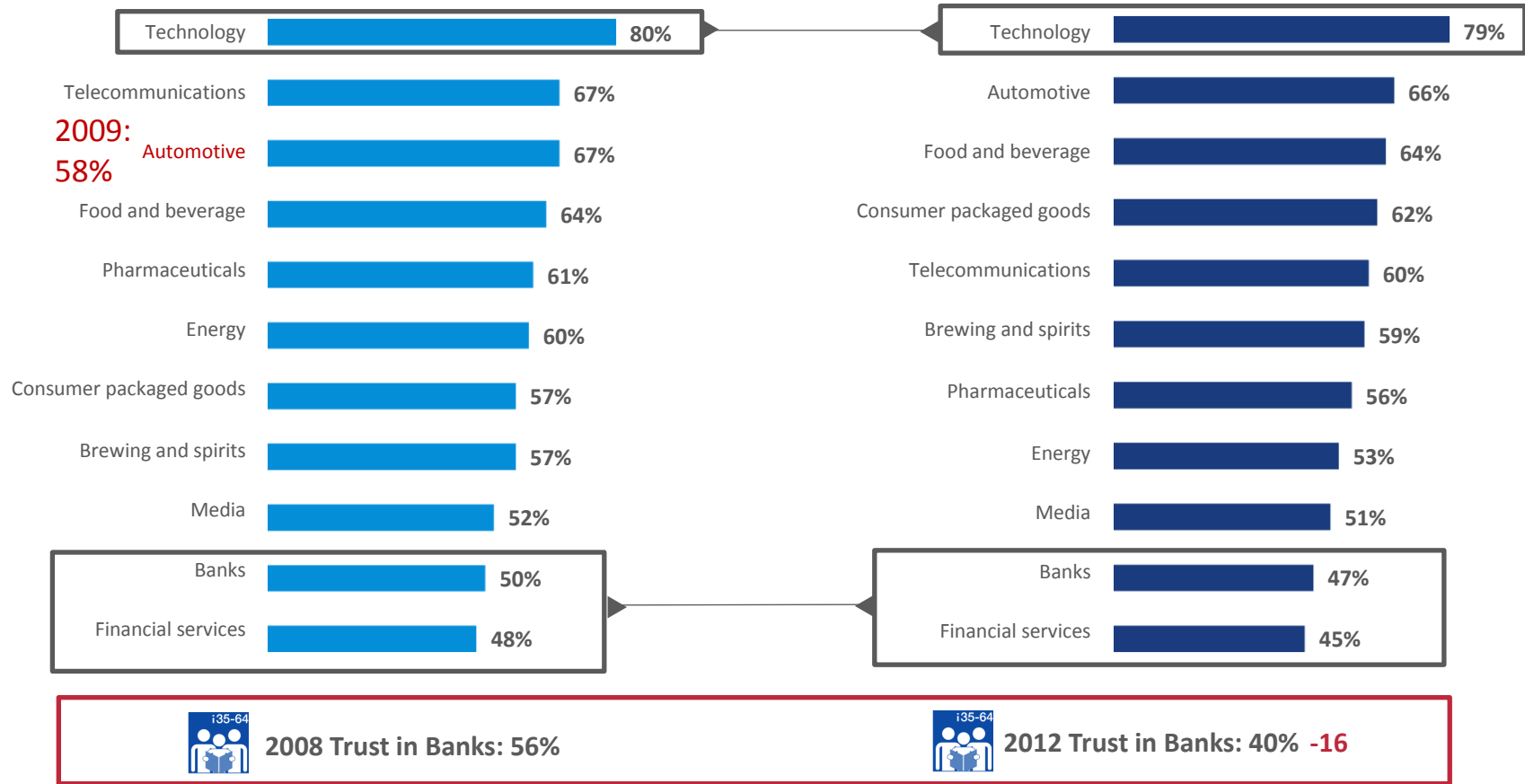
Q11-14. [Business in General TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. (Top 4 Box, Trust) Informed Publics ages 25-64 in 20 country global total (excludes Argentina, Hong Kong, Malaysia, Singapore and UAE) and across 25 countries

# Technology remains on top in all markets, finance sector still at bottom

TRUST IN INDUSTRIES – GLOBAL

## 2011

## 2012

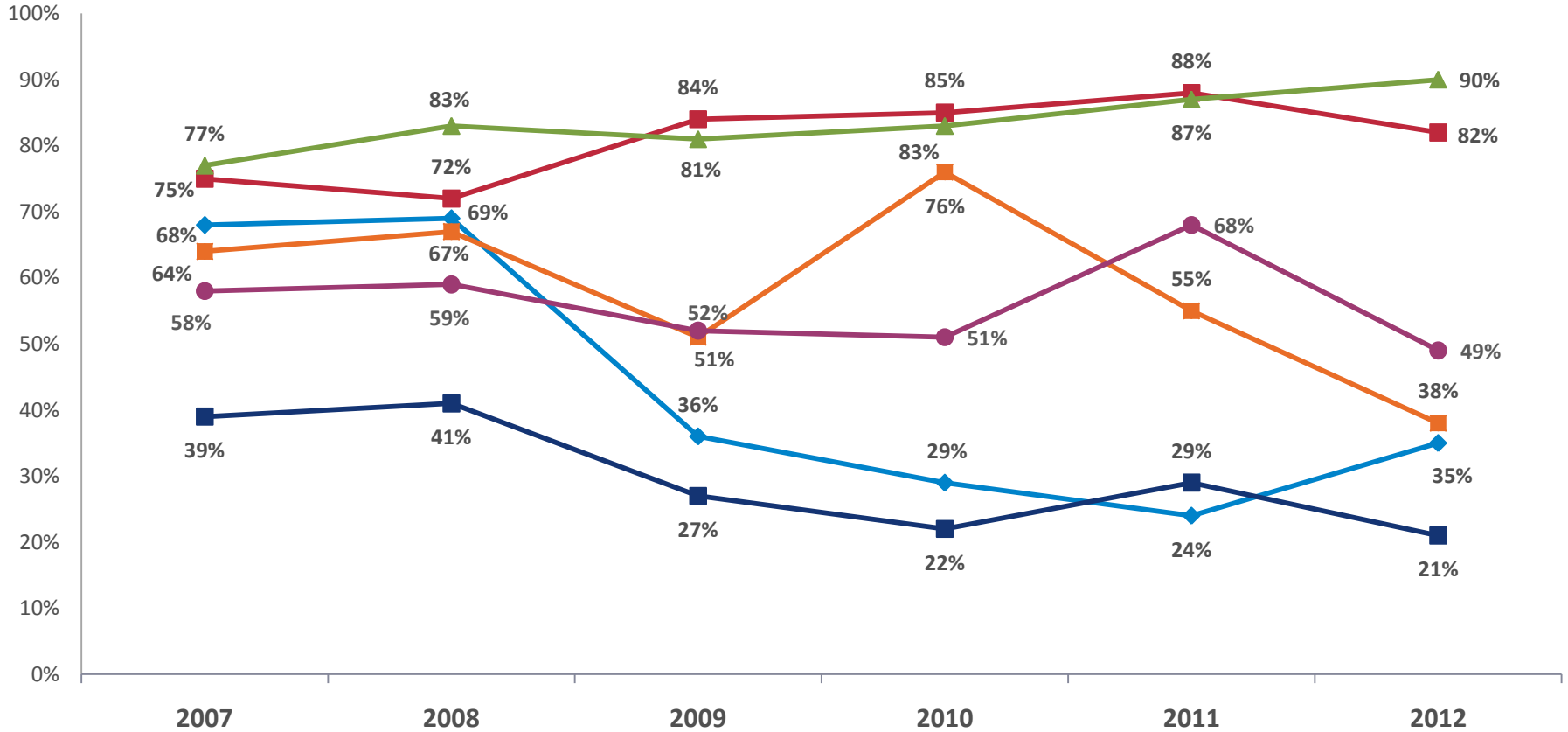


Q16-26. [TRACKING] Please indicate how much you trust businesses in each of the following industries to do what is right. Again, please use the same 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. (Top 4 Box, Trust) Informed publics ages 25-64 in 20 country global total (excludes Argentina, Hong Kong, Malaysia, Singapore and UAE) & Informed Publics ages 35-64 in 18 country global total

# Dramatic fall for banks in Japan and S. Korea; now at low levels seen in West

## TRUST IN BANKS

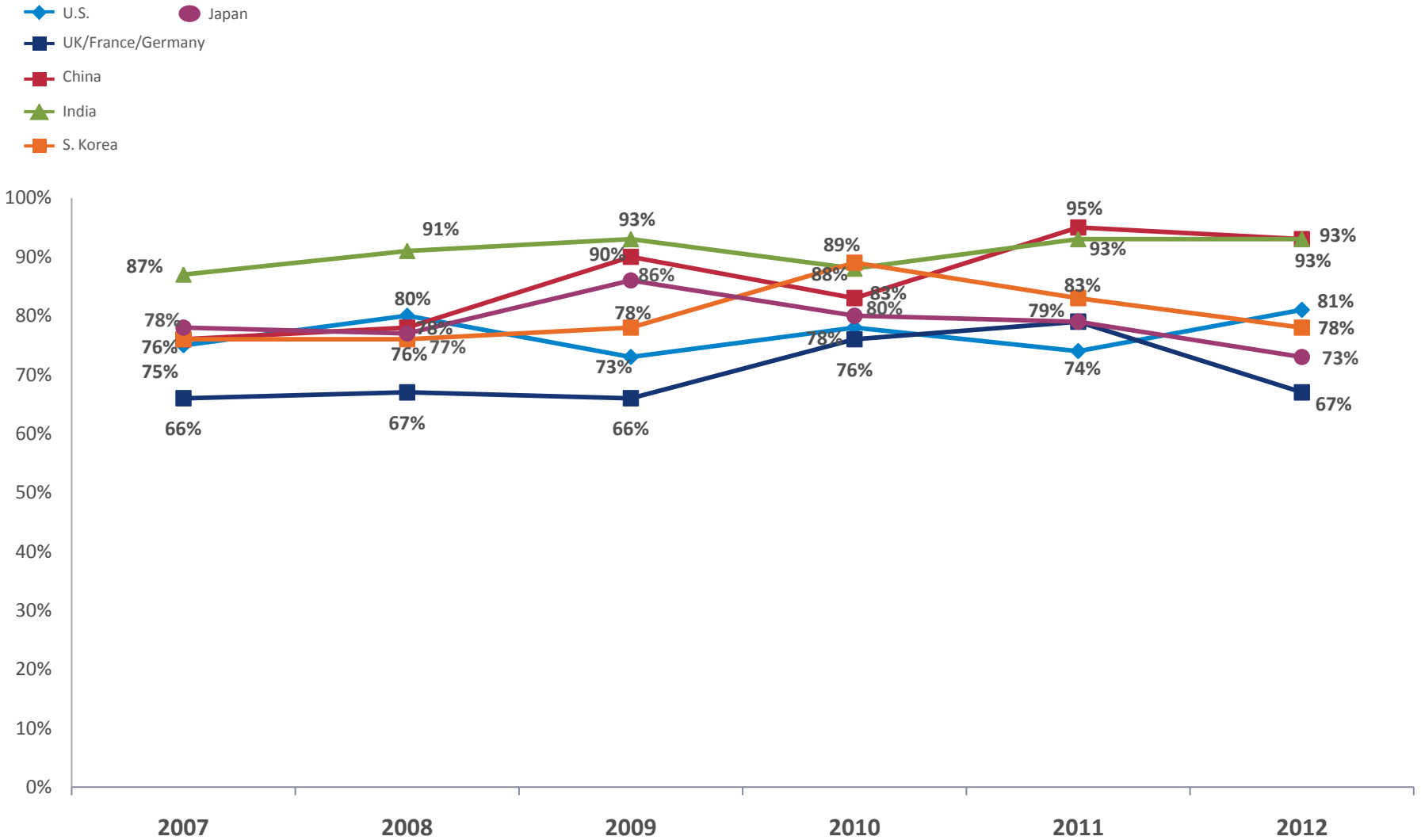
- ◆ U.S.
- UK/France/Germany
- China
- ▲ India
- S. Korea
- Japan



Q16-26. [Banks TRACKING] Please indicate how much you trust businesses in each of the following industries to do what is right. Again, please 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, Trust) Informed publics ages 35-64 in the U.S., UK/France/Germany, China, India, Japan and South Korea

# Trust in technology remains high in all markets

## TRUST IN TECHNOLOGY



Q16-26. [Technology TRACKING] Please indicate how much you trust businesses in each of the following industries to do what is right. Again, please 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, Trust) Informed publics ages 35-64 in the U.S., UK/France/Germany, China, India, Japan and South Korea

# Majority of countries now distrust government

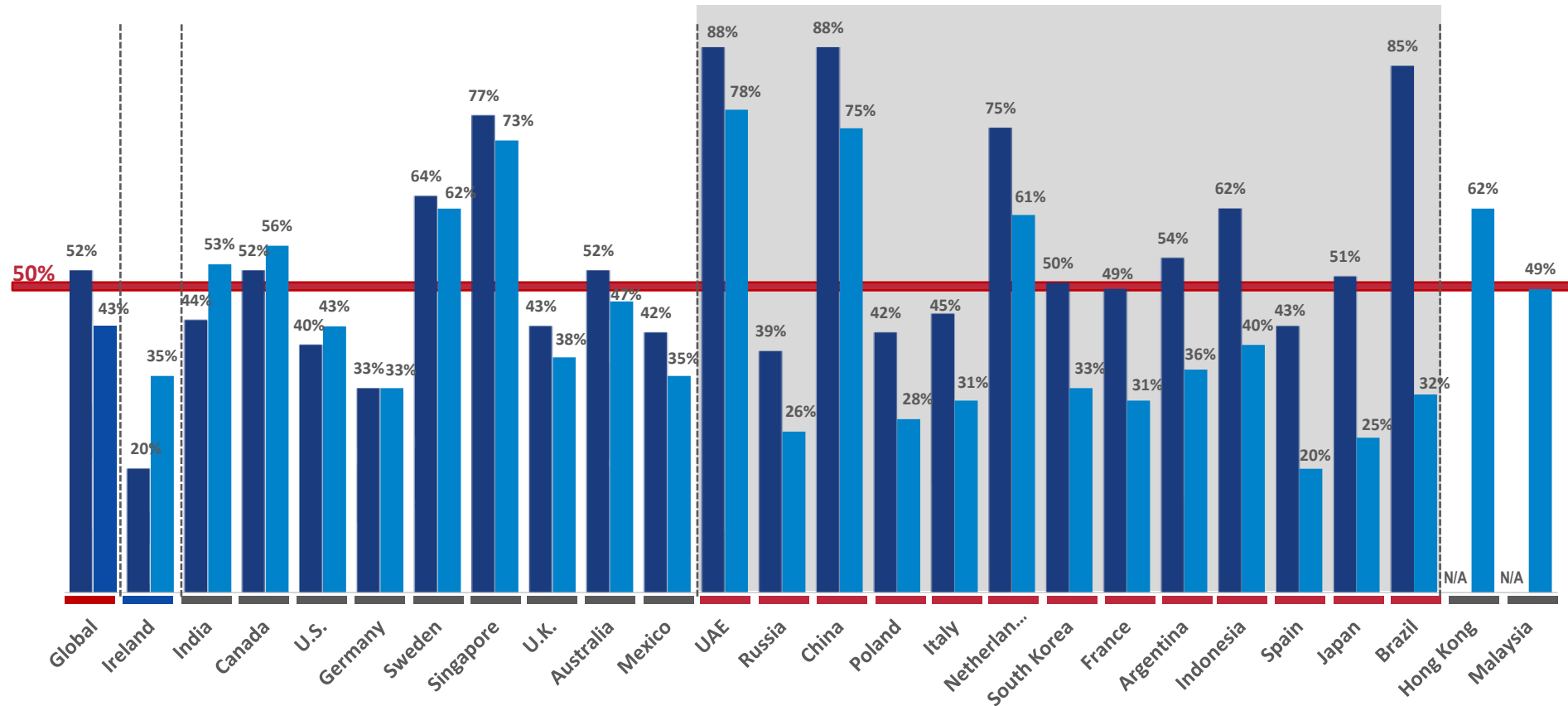
## TRUST IN GOVERNMENT

2011 Informed Public  
2012 Informed Public

↑ Trust

Trust Steady

↓ Trust



Q11-14. [Government in General TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using 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, Trust) Informed Publics ages 25-64 in 20 country global total (excludes Argentina, Hong Kong, Malaysia, Singapore and UAE) and across 25 countries

# Media only institution to see trust increase

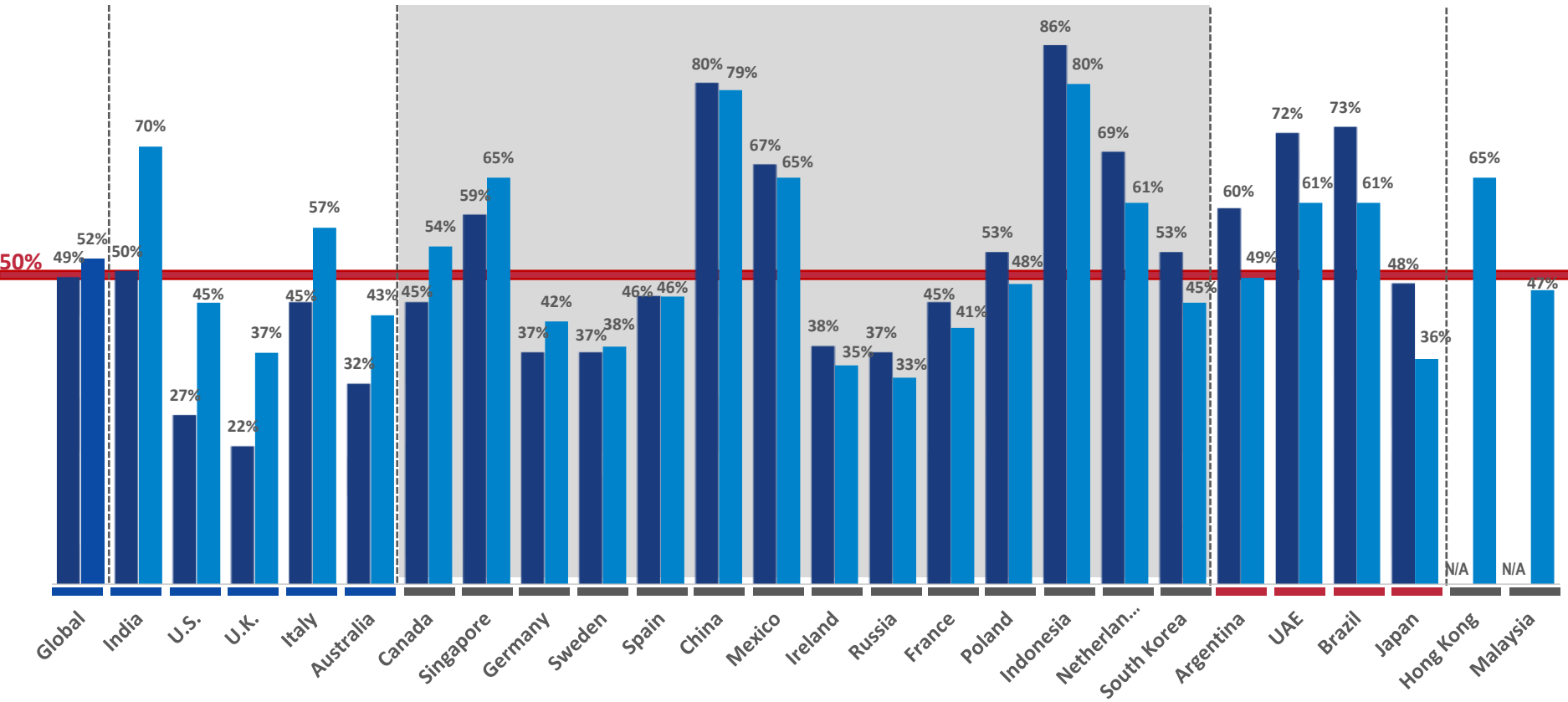
## TRUST IN MEDIA

2011 Informed Public  
2012 Informed Public

↑ Trust

Trust Steady

↓ Trust

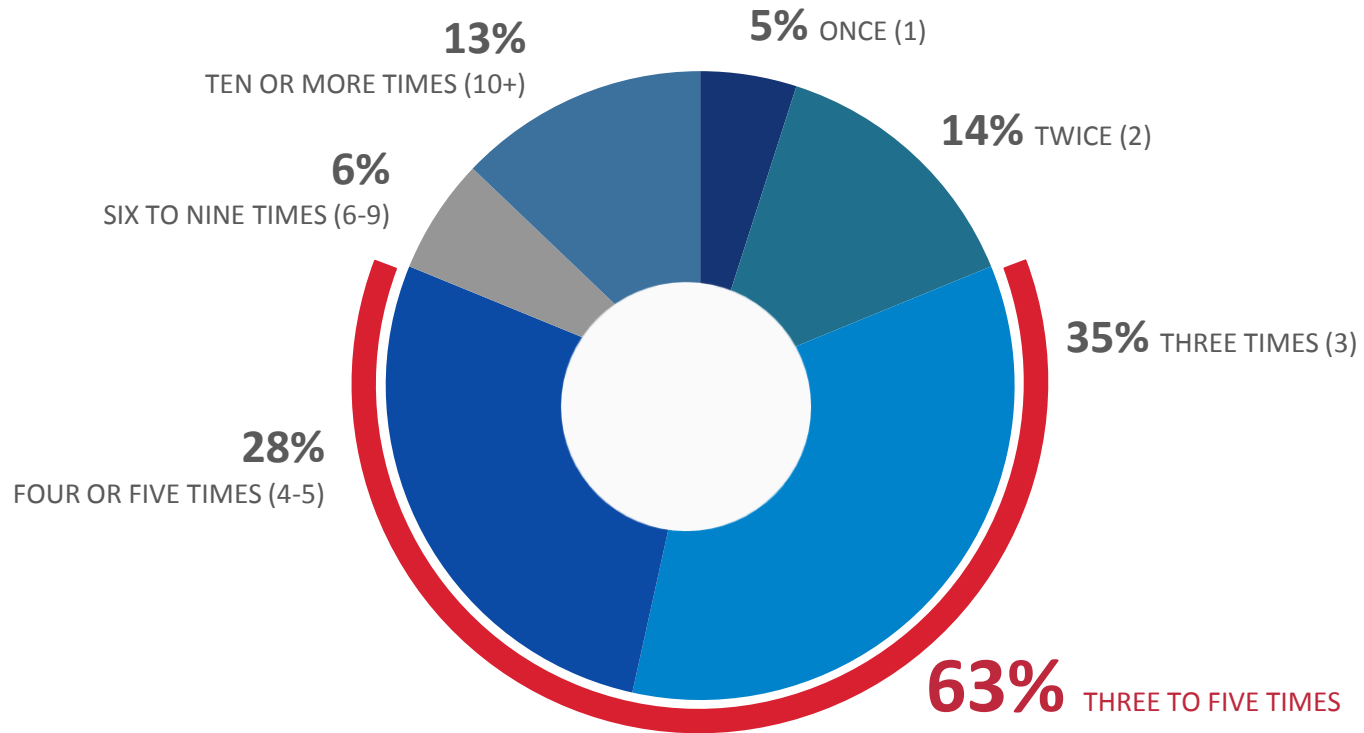


Q11-14. [Media in General TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a 9-point scale where one means that you "do not trust them at all" and nine means that you "trust them a great deal". (Top 4 Box, Trust) Informed Publics ages 25-64 in 20 country global total (excludes Argentina, Hong Kong, Malaysia, Singapore and UAE) and across 25 countries



# Skepticism requires repetition

MAJORITY NEEDS TO HEAR INFO 3-5 TIMES TO BELIEVE

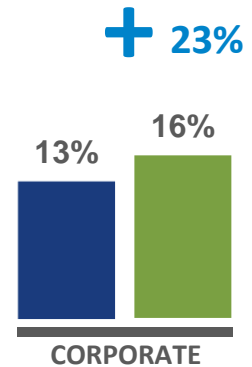
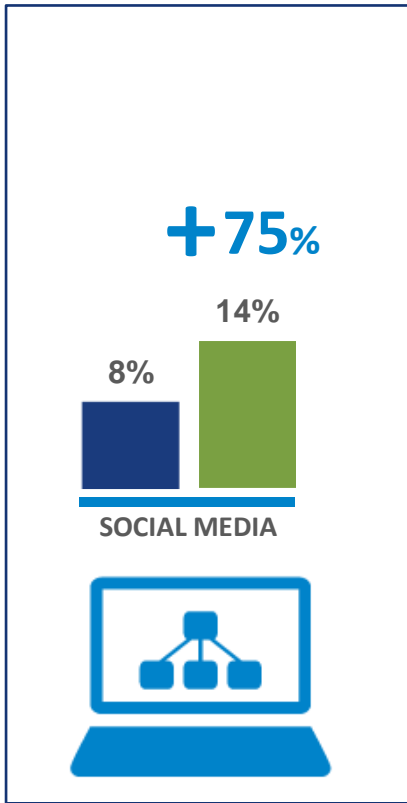
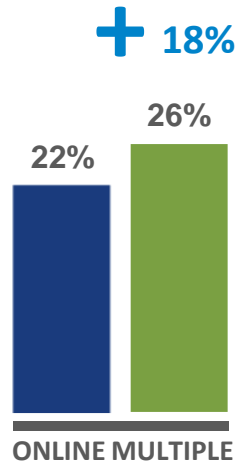
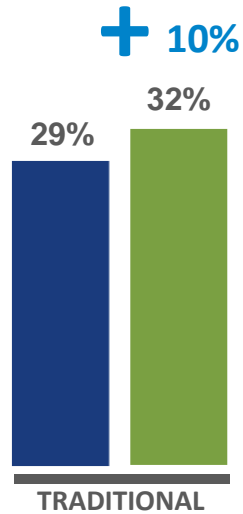


Q148. [TRACKING] Think about everything you see or hear every day about companies, whether it is positive or negative. How many times in general do you need to be exposed to something about a specific company to believe that the information is likely to be true? Please enter the number of times below. (Excludes 'Don't Know' responses) Informed publics ages 25-64 in 25 country global total

# Diversification of Media

## TRUST IN INFORMATION SOURCES

■ 2011 Informed Public  
■ 2012 Informed Public



Q149-160. [TRACKING] Below is a list of places where you might get information about a company. For each, please indicate if you **trust** it a great deal, somewhat, not too much, or not at all as a source of information about a company. (Top Box - % Trust A Great Deal) Informed Publics ages 25-64 in 20 country global total (excludes Argentina, Hong Kong, Malaysia, Singapore and UAE)

# NGOs still most trusted institution, despite some declines

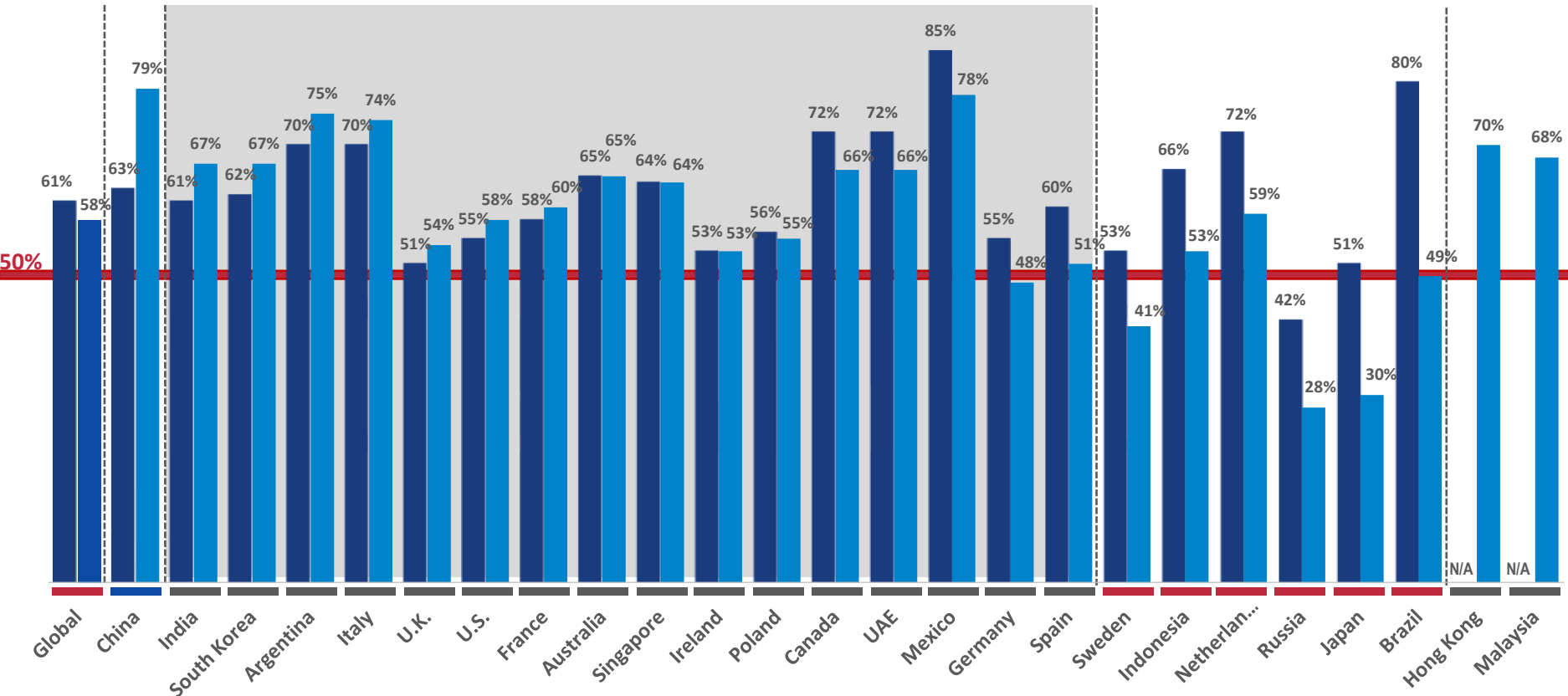
## TRUST IN NON-GOVERNMENTAL ORGANIZATIONS (NGOS)

2011 Informed Public  
 2012 Informed Public

↑ Trust

Trust Steady

↓ Trust

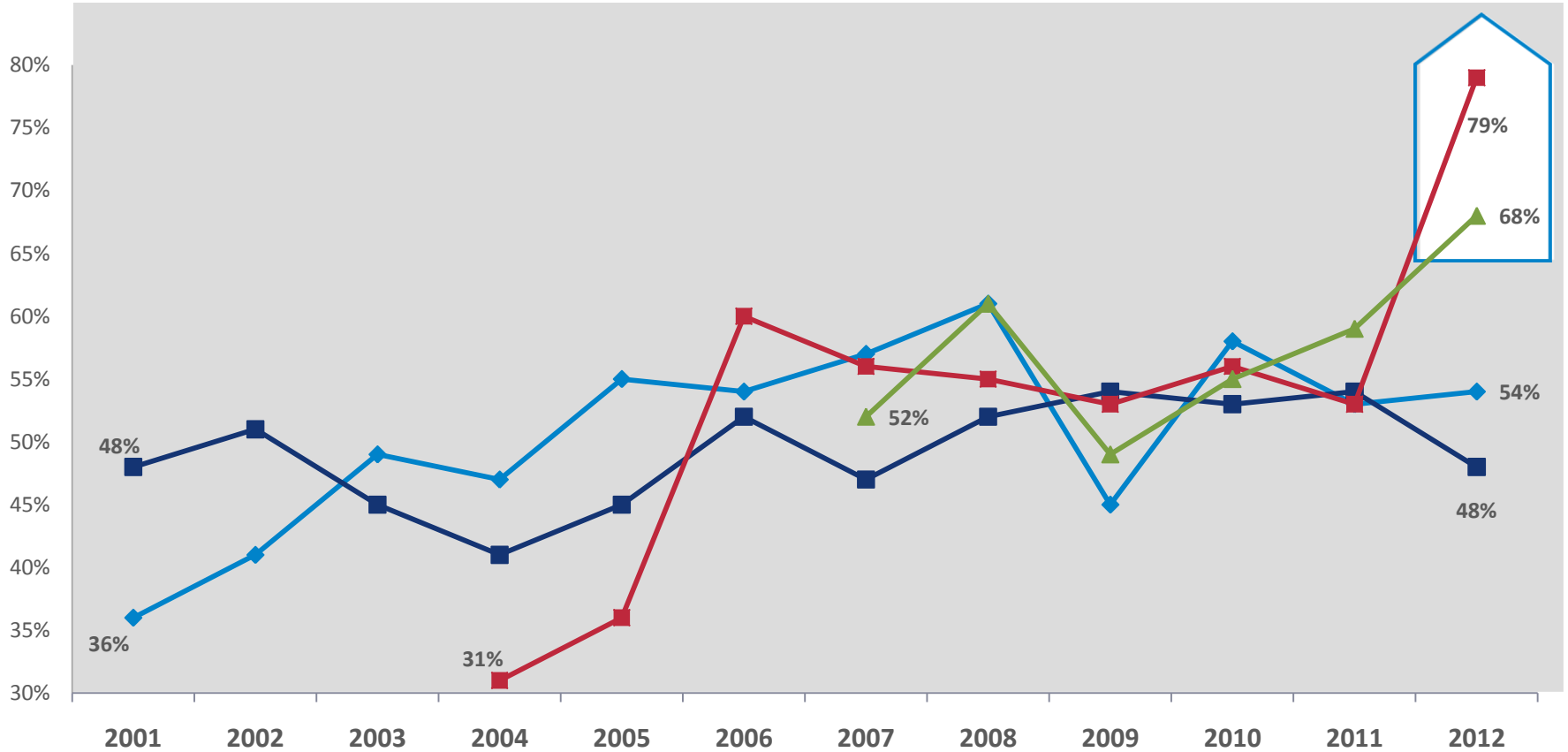


Q11-14. [Non-governmental organizations (NGOs) TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using a 9-point scale where one means that you “do not trust them at all” and nine means that you “trust them a great deal”. (Top 4 Box, Trust) Informed Publics ages 25-64 in 20 country global total (excludes Argentina, Hong Kong, Malaysia, Singapore and UAE) and across 25 countries

# NGOs surge in China and India

## TRUST IN NON-GOVERNMENTAL ORGANIZATIONS (NGOS)

- ◆ U.S.
- UK/France/Germany
- China
- ▲ India



Q11-14. [Non-governmental organizations (NGOs) TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using 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, Trust)  
 Informed Publics ages 35-64 in U.S., UK/France/Germany, India and China

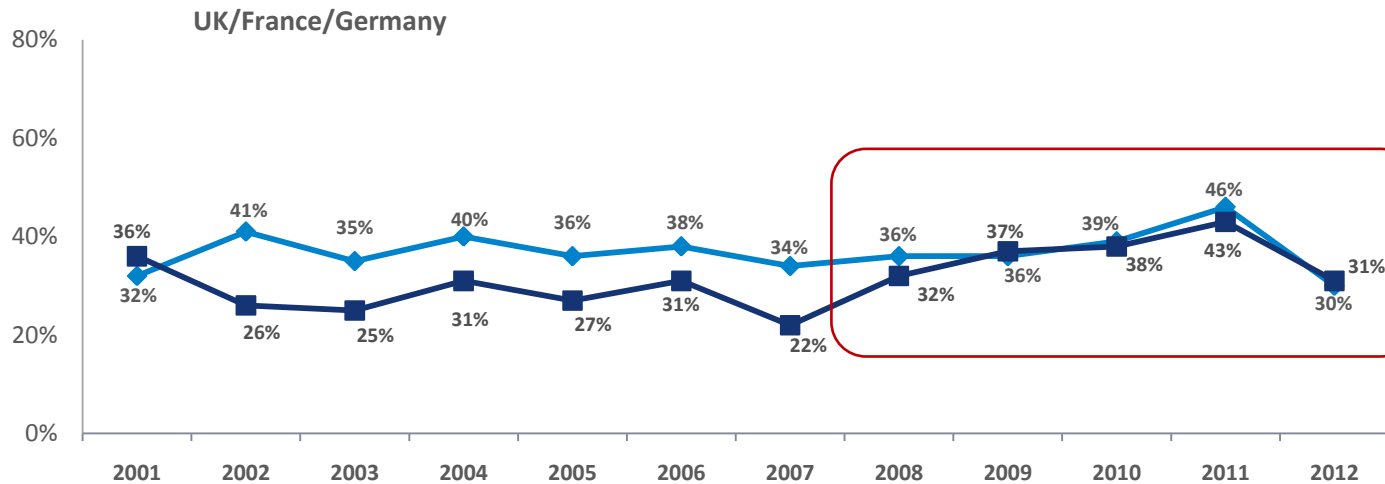
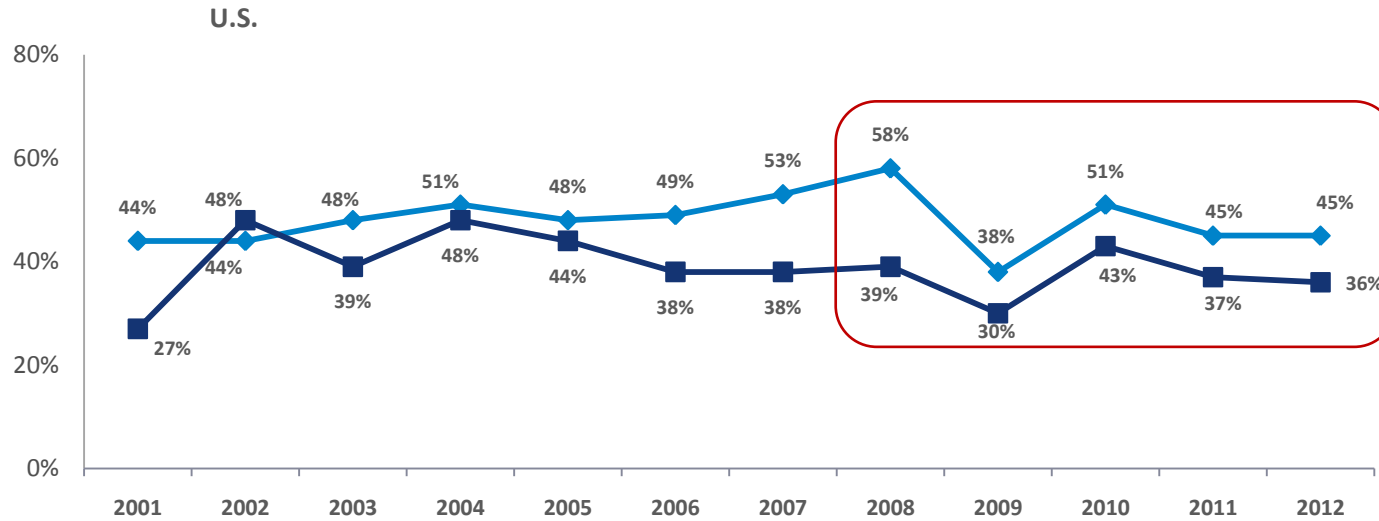
# business government DYNAMIC



# Trust in business and government move in sync since 2008 in Western Economies

## TRUST IN BUSINESS AND GOVERNMENT

Business  
Government



Q11-14. [Business in General and Government in general TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using 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, Trust) Informed Publics ages 35-64 in the U.S. and UK/France/Germany



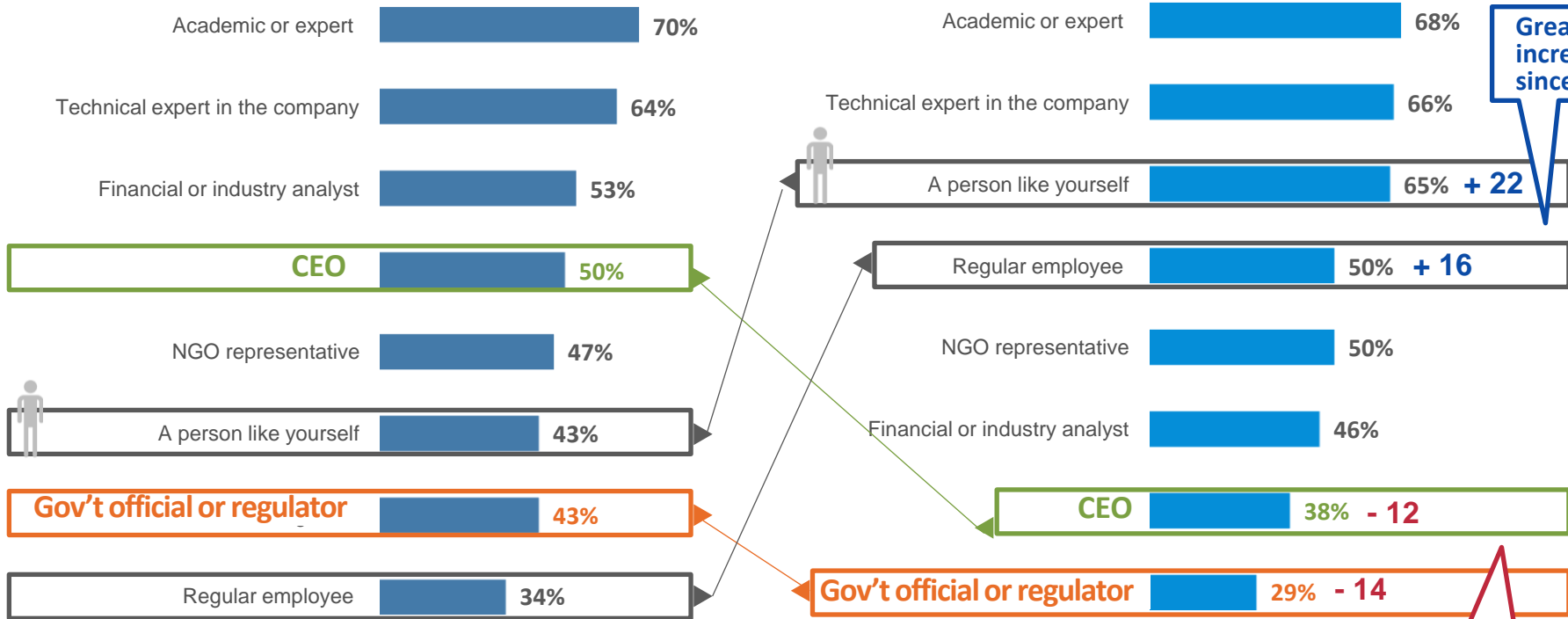
# Credibility of CEOs and government officials plummet

## Peers and regular employees see dramatic rise

CREDIBLE SPOKESPEOPLE

### 2011

### 2012



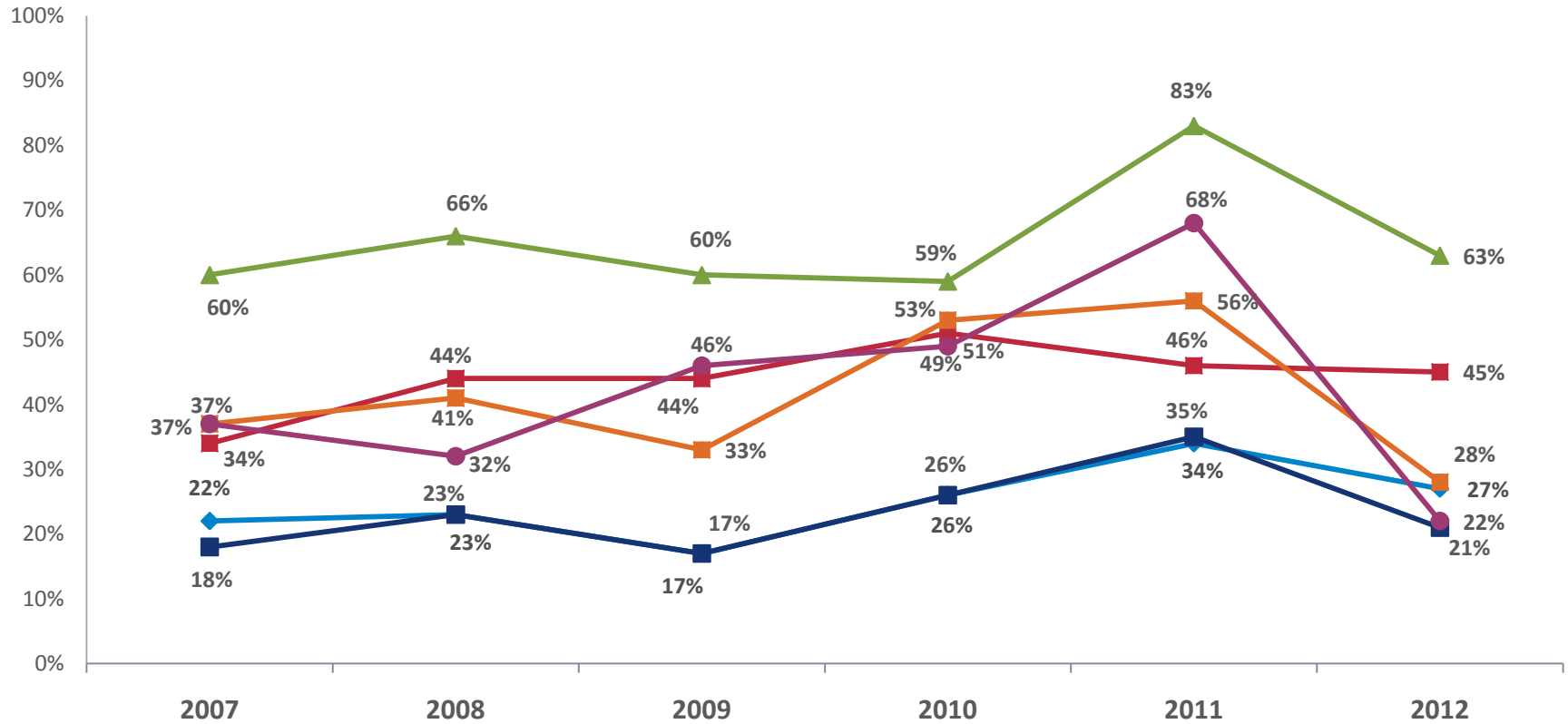
**Greatest increase since 2004**

**Biggest declines in Barometer history**

Q119-126. [TRACKING] Below is a list of people. In general, when forming an opinion of a company, if you heard information about a company from each person, how credible would the information be--extremely credible, very credible, somewhat credible, or not credible at all? (Top 2 Box, Credible: Very + Extremely Credible) Informed Publics ages 25-64 in 20 country global total (excludes Argentina, Hong Kong, Malaysia, Singapore and UAE)

# CEO credibility returns to low of 2009

## CEO CREDIBILITY



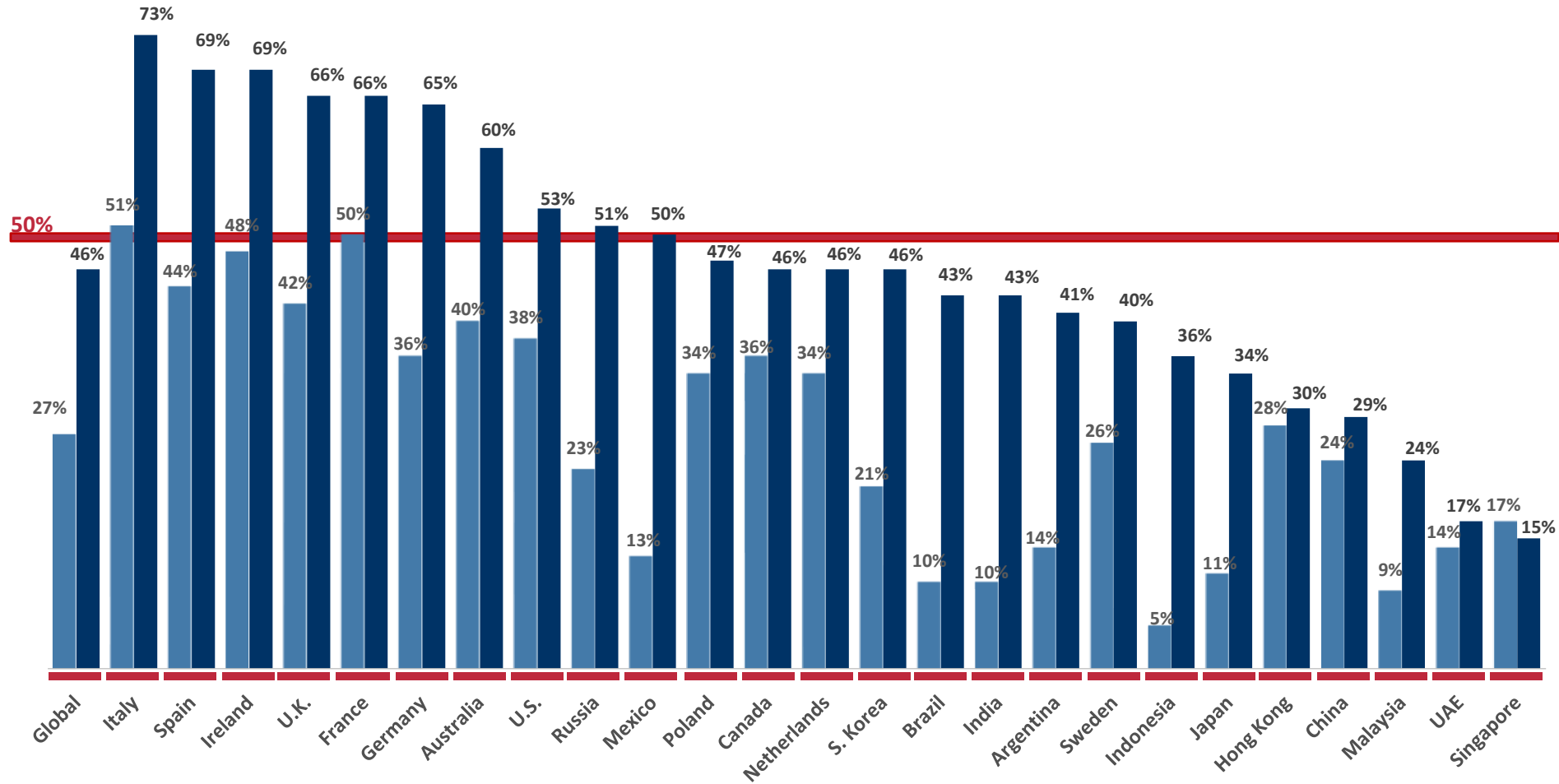
Q119-126. [A CEO of a company TRACKING] Below is a list of people. In general, when forming an opinion of a company, if you heard information about a company from each person, how credible would the information be—extremely credible, very credible, somewhat credible, or not credible at all? (Top 2 Box, Credible: Very + Extremely Credible) Informed Publics ages 35-64 in the U.S., UK/France/Germany, China, India, Japan and South Korea

# Government leaders less trusted than business leaders to tell the truth



Business Leaders  
Government Leaders

% WHO DO **NOT TRUST THEM** AT ALL TO TELL THE TRUTH

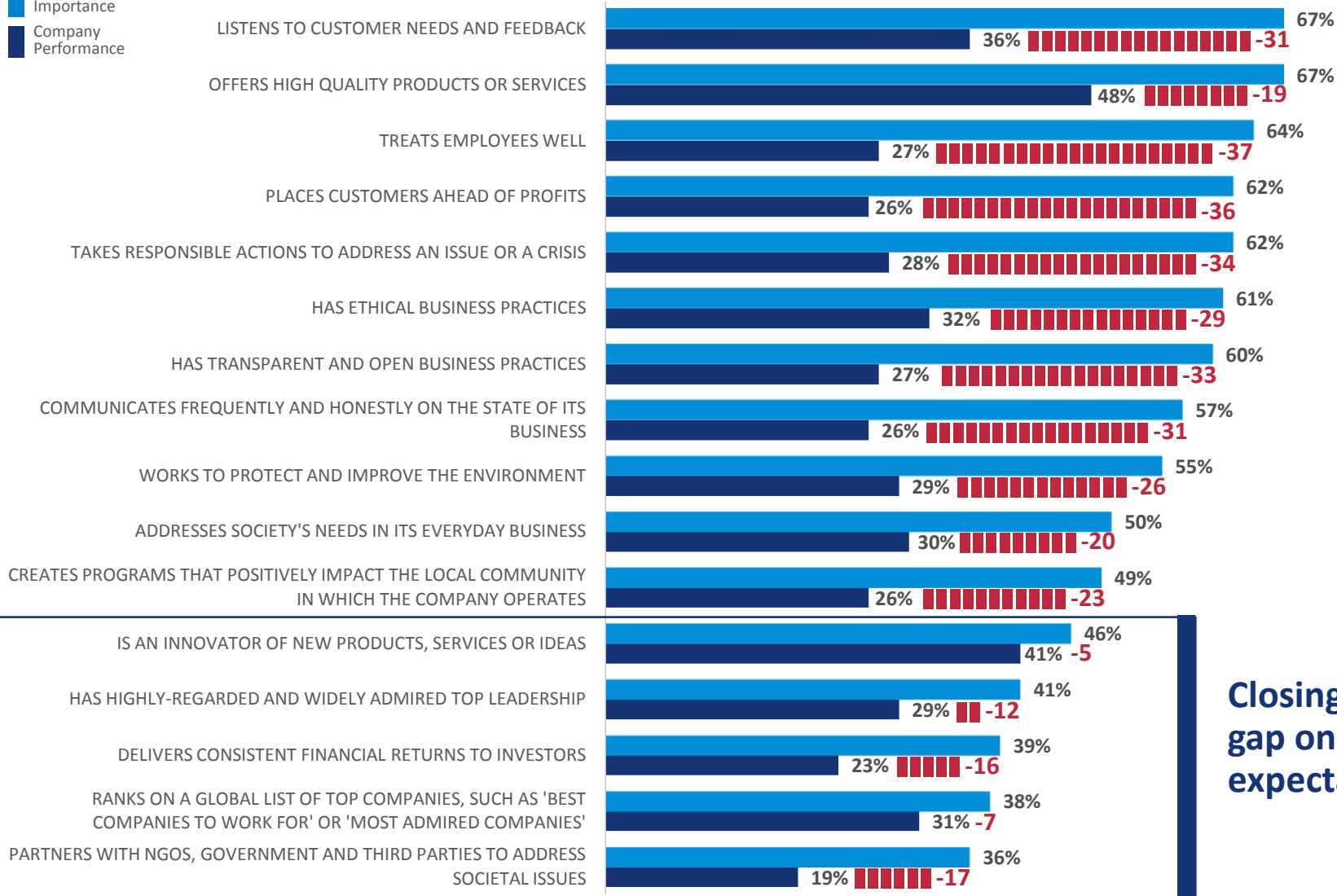


Q126A. [SPLIT SAMPLE] How much do you trust business leaders to tell you the truth, regardless of how complex or unpopular it is? (% who say they do not trust them at all) General Population in 25 country global total and across 25 countries; Q126B. [SPLIT SAMPLE] How much do you trust government leaders to tell you the truth, regardless of how complex or unpopular it is? (% who say they do not trust them at all) General Population in 25 country global total and across 25 countries

# Business not meeting public's expectations



Business Importance  
Company Performance



**Closing the gap on expectations**

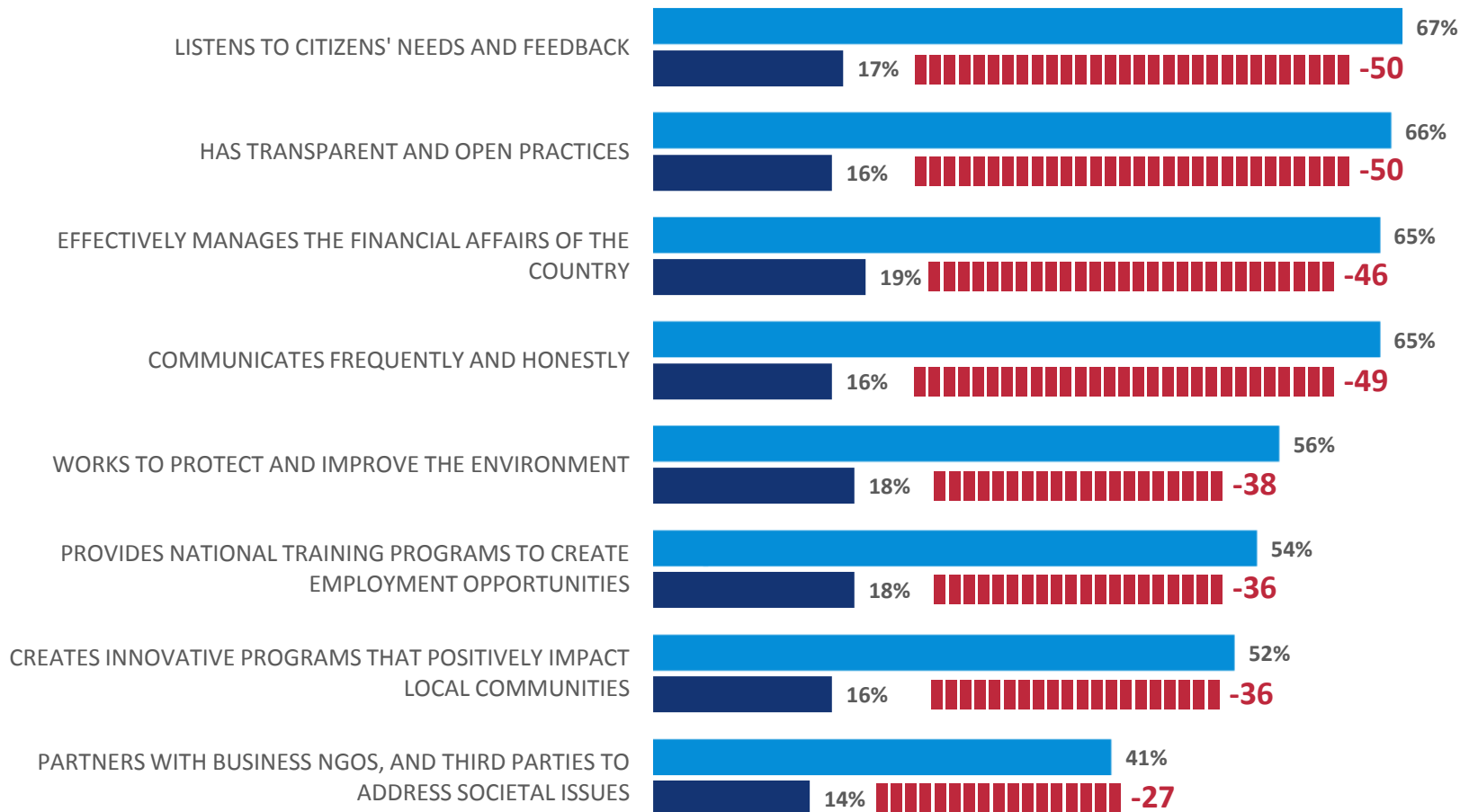
Q52-69. How important is each of the following actions to building your TRUST in a company? Use a nine-point scale where one means that action is "not at all important to building your trust" and nine means it is "extremely important to building your trust" in a company. (Top 2 Box, Very/Extremely Important) General Population in 25 country global total (excludes 'Don't Know' responses); Q103-118. Please rate [INSERT COMPANY] on how well you think they are performing on each of the following attributes. Use a nine-point scale where one means they are performing "extremely poorly" and nine means they are performing "extremely well". (Top 2 Box, Performing Very/Extremely Well) General Population in 25 country global total



# Government not meeting public's expectations



■ Government Importance  
■ Government Performance

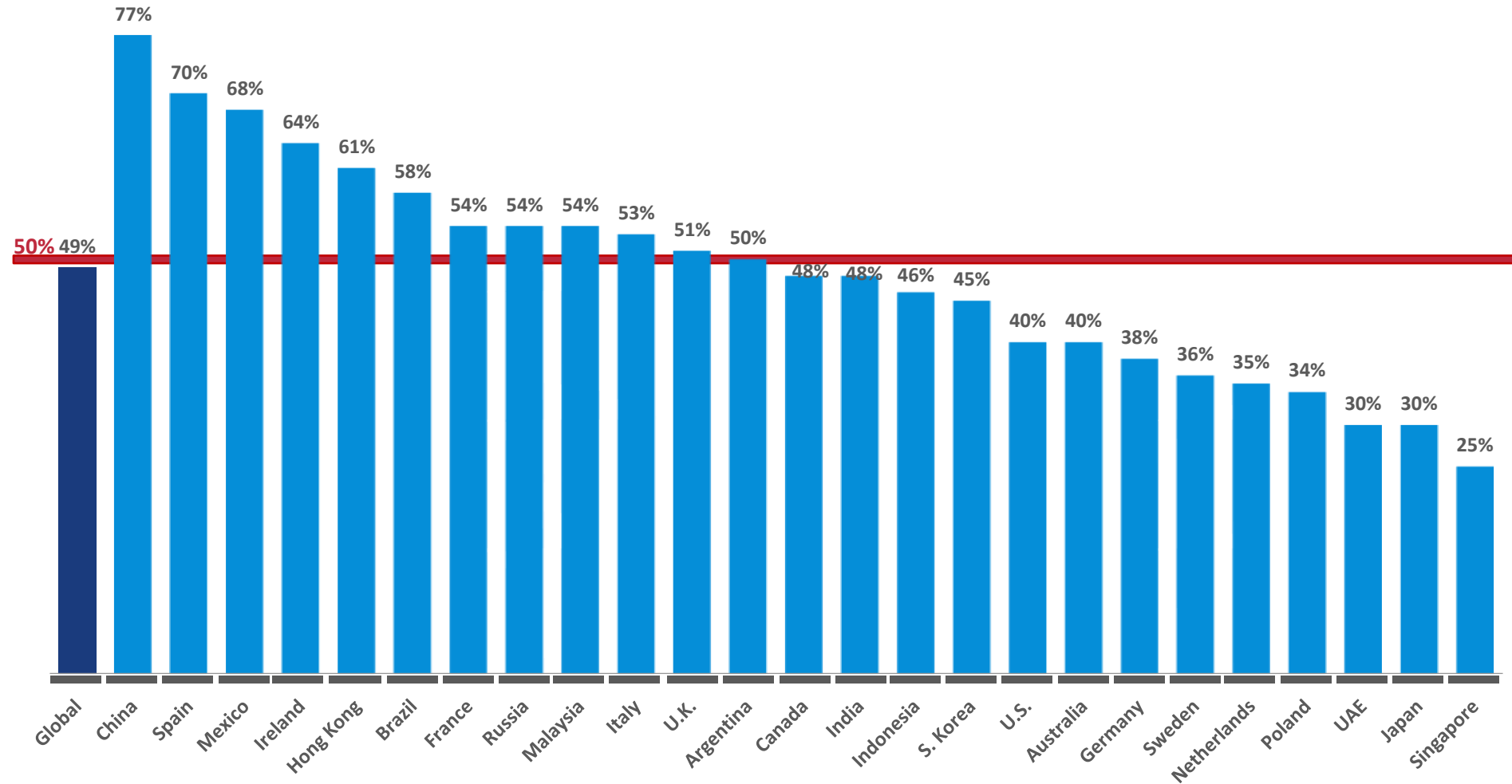


Q132-139. How important is each of the following actions to building your trust in government? Please use a nine-point scale where one means that action is 'not at all important to building your trust' and nine means it is 'extremely important to building your trust'. (Top 2 Box, Very/Extremely Important) General Population in 25 country global total; Q140-147. Please rate your government on how well you think they are performing on each of the following attributes using a nine-point scale where one means they are performing 'extremely poorly' and nine means they are performing 'extremely well'. (Top 2 Box, Performing Very/Extremely Well) General Population in 25 country global total



# Despite lack of trust in government, calls for increased regulations

% WHO BELIEVE GOVERNMENT **DOES NOT REGULATE BUSINESS** ENOUGH



Q130. When it comes to government regulation of business, do you think that your government regulates business too much, not enough or the right amount? (% who selected 'not enough') Informed Publics ages 25-64 in 25 country global total and across 25 countries



# Calls for greater protection and responsible behavior

THINKS THE MOST **IMPORTANT ROLE THAT GOVERNMENT** SHOULD PLAY IN BUSINESS IS:



Business can address on its own

- Perceived drivers of irresponsible behavior:
- Poor management (29%)
  - Unethical business practices (28%)
  - Shortcuts that lead to poor quality (21%)

Q131. Which of the following is the **most important** role that government should play in business? Informed Publics ages 25-64 in 25 country global total; Q127. Which of the following items do you think makes people in a company most likely to engage in risky and irresponsible behavior that could damage a company? Informed Publics ages 25-64 in 25-country global total

**the path  
FORWARD**



# BUSINESS

CAN EARN LICENSE TO LEAD

Business has flexibility and speed

2008-2009  
Low trust in business and CEOs

## THE DYNAMIC OF TRUST BETWEEN BUSINESS & GOVERNMENT

Call for increased regulation  
protection from irresponsible behavior sought

Government responds

2011

Dwindling trust in government  
policy paralysis

Business leaders more trusted than government leaders  
business has advantage in 24 out of 25 markets

# Business: from license to operate to license to lead



CURRENT TRUST BUILDING FUTURE TRUST

## Attributes that Correlate with Current Trust

47% TRUST BUSINESS

- 1 Delivers consistent financial returns
- 2 Innovator of new products
- 3 Highly regarded, top leadership
- 3 Ranks on a global list
- 5 Partners with third parties

**SOCIETAL** ATTRIBUTES  
MORE IMPORTANT TO  
**BUILDING FUTURE  
TRUST**

## Most Important Attributes that Build Trust

- 1 Listens to customer needs and feedback
- 1 High quality products or services
- 3 Treats employees well
- 4 Places customers ahead of profits
- 4 Takes actions to address issue or crisis
- 6 Has ethical business practices
- 7 Has transparent and open business
- 8 Communicates frequently and honestly
- 9 Works to protect/ improve environment
- 10 Addresses society's needs
- 11 Positively impacts the local community
- 12 Innovator of new products
- 13 Highly regarded, top leadership
- 14 Delivers consistent financial returns
- 15 Ranks on a global list
- 16 Partners with third parties

**CURRENT TRUST**  
DRIVEN BY **OPERATIONAL**  
ATTRIBUTES

- Societal
- Operational

Q11-14. [TRACKING] Below is a list of institutions. For each one, please indicate how much you trust that institution to do what is right using 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, Trust) General Population in 25 country global total; Q52-69. How important is each of the following actions to building your TRUST in a company? Use a nine-point scale where one means that action is “not at all important to building your trust” and nine means it is “extremely important to building your trust” in a company. (Top 2 Box, Very/ Extremely Important) General Population in 25 country global total (excludes “Don’t Know” responses). \*Current Trust results based on regression analysis of general population in 25 country global total



## Earn License to Lead

**Exercise principles-based leadership, not rules based performance**

**Recognize that operational factors responsible for current trust won't build future trust, societal and engagement behaviors will**

**Practice radical transparency: speak first to employees; report on goals**

**Shape the public discourse on issues of importance to business**



Edelman  
trustbarometer  
2012 | ANNUAL GLOBAL STUDY