



## **Government in Asia 72 Percent More Trusted Than Business**

### *Study Also Reveals 'Democratization of Media'*

Hong Kong – November 22, 2005 – In a study of 920 opinion leaders across Asia Pacific, government is seen as the 'most trusted' institution, with a 72 percent higher trust rating than business. Of the four institutions measured, government is the most trusted, followed in order by non-governmental organizations (NGOs), business and media.

The study, part of global public relations firm Edelman's annual Asia Pacific Stakeholder Study conducted by Harris Interactive Inc., looks at seven stakeholder groups – government, media, NGOs, employees, upscale consumers, institutional investors and senior business executives – across 10 Asia-Pacific markets – Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, South Korea, Singapore and Taiwan. The study's objective is to understand stakeholders' expectations of business.

"We believe that the disparity in trust between government and business sends a strong message to business that stakeholders expect much more than the delivery of products and services in the markets of Asia Pacific," said Edelman Asia Pacific President, Alan VanderMolen. "There is an imperative for business to shift from managing perceptions as drivers of trust and reputation to managing open, interactive and information-rich relationships as drivers of trust and influencers of business outcomes," Mr. VanderMolen added.

Further underscoring the trust-based issues facing business in the region is the finding that business does not trust itself. Only 15 percent of regional corporate executives participating in the study rate business as 'eight or higher' on a ten-point scale when asked if it could be trusted to do 'what is right'. Institutional investors, employees, government and NGOs each give business a higher trust rating than business gives itself. This finding contrasts with the findings of government, NGOs and media who each rate their own institutions as 'most trusted'.

### 'Democratization of Media': Personal Contacts, the Internet and Blogs

The 2005 Edelman Study also looks in-depth at 'trusted/believable' sources of information about business.

Given a choice of news/articles, advertising or personal contacts as most believable source of information about corporations, news/articles rate first with 48 percent of opinion leaders rating it highest. The more surprising result, however, was that personal contacts come in a close second with 45 percent of opinion leaders rating those highest.

A closer look at media shows a rising trust rating for the Internet versus the more traditional media outlets – television, newspapers and radio. Forty-four percent of

respondents turn to newspapers first as a trustworthy information source, followed by the Internet at 31 percent, television at 23 percent and radio at only three percent.

“We believe the study demonstrates a trend that we call ‘democratization of media,’” said Mr. VanderMolen. “Opinion leaders are increasingly consuming – and participating in – media on their own terms,” he said.

The study’s findings on web logs (or ‘blogs’) underscores the point. Sixty eight percent of respondents from Australia, China and Japan have heard of ‘blogging’, with 52 percent of those saying that they have visited or participated in a ‘blog’. Despite the trend, however, overall trust ratings for ‘blogs’ rate 4.8 on a scale of ten.

## **Other Key Findings:**

### **Spokespeople: Degree of trust and believability**

Regionally, stakeholders find those closest to the operation of a corporation to be the most trusted and believable sources of information about that particular corporation.

A CEO is seen by stakeholders across the region as the most trusted and believable spokesperson to provide information about a corporation, with 54 percent of the sample rating a CEO as ‘eight or higher’ on a ten-point trust scale; This is followed by a Chairman at 44 percent and a CFO at 42 percent.

Across the region, the least trusted and believable source of information about a corporation is the media with only 19 percent of stakeholders rating them ‘eight or higher’, followed by NGOs at 25 percent and government at 26 percent.

### **Communications vehicles: Trust and believability**

Analyst reports are seen by stakeholders across the region as the most likely source of information about a corporation, with 34 percent of the sample rating them ‘eight or higher’ on a scale of ten. Further, 38 percent of regional stakeholders rate analyst reports with the highest credibility for information about corporations.

Following analyst reports, 31 percent of respondents rate the daily newspaper as their most likely source for information about a corporation. However, only 25 percent of the sample find the daily newspaper to be the most ‘believable’.

Twenty-nine percent of regional respondents cite local television as their most likely source of information about a corporation, however, only 24 percent of the respondents cite the television as a ‘believable’ source.

### **Characteristics of a responsible organization**

Throughout the region, tangible business factors are still considered the most essential to a ‘good and responsible’ corporation.

Stakeholders rate the following characteristics most highly when asked if they are essential drivers of good and responsible behavior (the percentages refer to a rating of ‘8 or higher’):

- 81 percent give ‘eight or higher’ for the statement ‘offers top quality products and services’
- 78 percent give ‘eight or higher’ for the statement ‘stands behind its products and services’

- 70 percent give 'eight or higher' for the statement 'provides senior leadership that can be trusted', significantly up from the 55 percent rating in 2003.

-ENDS-

### **About the Survey**

This was Edelman's third annual Asia Pacific Stakeholder Research study conducted in partnership with Harris Interactive Inc., one of the world's leading research houses. The research objective was to understand which factors are most important to stakeholders when corporations build relationships with them. Within this, the research examined:

- Trust in Asia Pacific institutions and information sources
- The drivers of stakeholder opinions
- The drivers of responsible corporate behavior / Corporate Social Responsibility

The regional respondents represented seven different stakeholder groups, including:

- Senior business executives: C-Suite executive decision makers
- Institutional investors
- Government officials: Mid-range officials or above, such as senior officers and senior executive officers
- Media representatives: Senior Business Editors/Reporters/Journalists and Producers
- NGOs/trade associations: Managers or above working in institutions, charity organizations, industry associations and/or trade associations
- Up-scale consumers: Middle to upper class consumers with buying power; work in multi-national corporations and large corporations
- Employees

### **About Edelman**

Edelman is the world's largest independent public relations firm, with 1,800 employees in 43 offices worldwide. In 2004, The Holmes Group named Edelman "International Agency of the Year," and PRWeek voted its work for CIT "Best Campaign of the Year," the industry's most prestigious award for client programming. Edelman's network includes four specialty firms - Blue (advertising), First&42nd (management consulting), StrategyOne (research) and BioScience Communications (medical education and publishing) - making it possible to offer clients a comprehensive spectrum of communications services. Visit [www.edelman.com](http://www.edelman.com) or [www.edelmanapac.com](http://www.edelmanapac.com) for more information.

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