



Edelman Regional Stakeholder Study 2006

October 2006

Our Environment

A large blue arrow graphic pointing to the right, with the text "Our Environment" centered inside it. The arrow is composed of several overlapping blue shapes, creating a sense of depth and movement.



Capital Flows: Economic and Political



Center Stage



**Nationalism:
Alive and Well**



Birth of CSR



Rise of Real Consumerism

Chatter Below the Surface

Implications

A large blue arrow pointing to the right, with the word "Implications" written in white text inside it. The arrow has a 3D effect with a darker blue shadow on its right side.

For Business...



Governments and NGOs: Allies, Adversaries, or Both?



**Well-Defined Expectations:
Rational and Not**



**Relationship Capital:
A Premium**



The Asia Pacific Edelman Study: Regional Results



Research Objectives- to examine and understand:

- Trust in Regional institutions and information sources
- The drivers of stakeholder opinions of corporations in Region
- The drivers of responsible corporate behavior / Corporate Social Responsibility in Region



- **Fourth Annual Regional Study**
- **Quantitative** studies by stakeholder group and for Australia, China, India, Japan & Korea
- Conducted by **Harris Interactive**
- 1,050 x 40 minute face to face interviews across the region
- **Qualitative** studies for Hong Kong, Indonesia, Malaysia, Singapore and Taiwan

Seven stakeholder groups:

- Government officials
- NGOs/ Trade Associations
- Institutional investors
- Media
- Senior business executives
- Employees
- Up-scale consumers

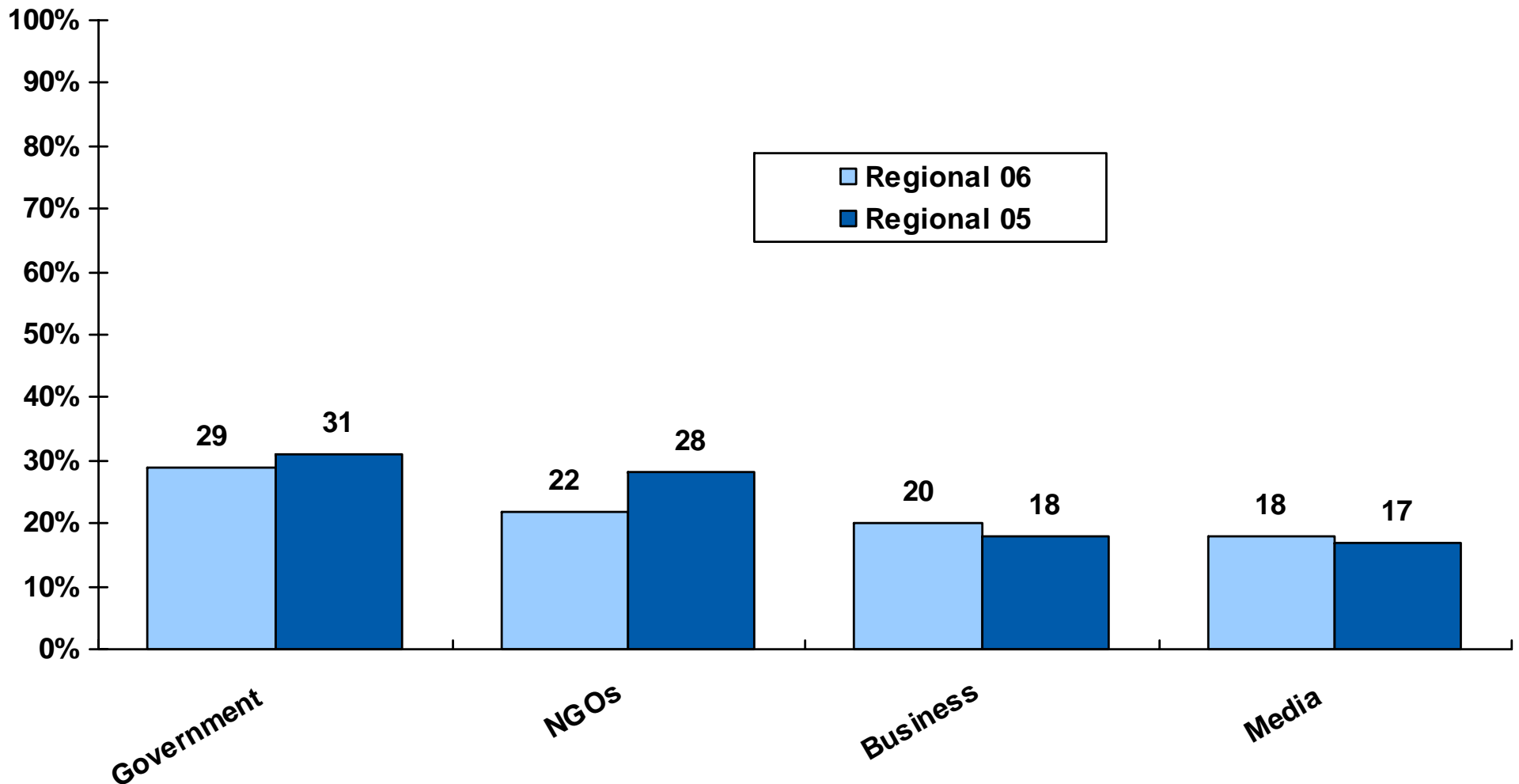
The State of Trust



Trust in Institutions

How much do you trust each of the following institutions to do what is right?

(Percentage equals top three box score for each institution)



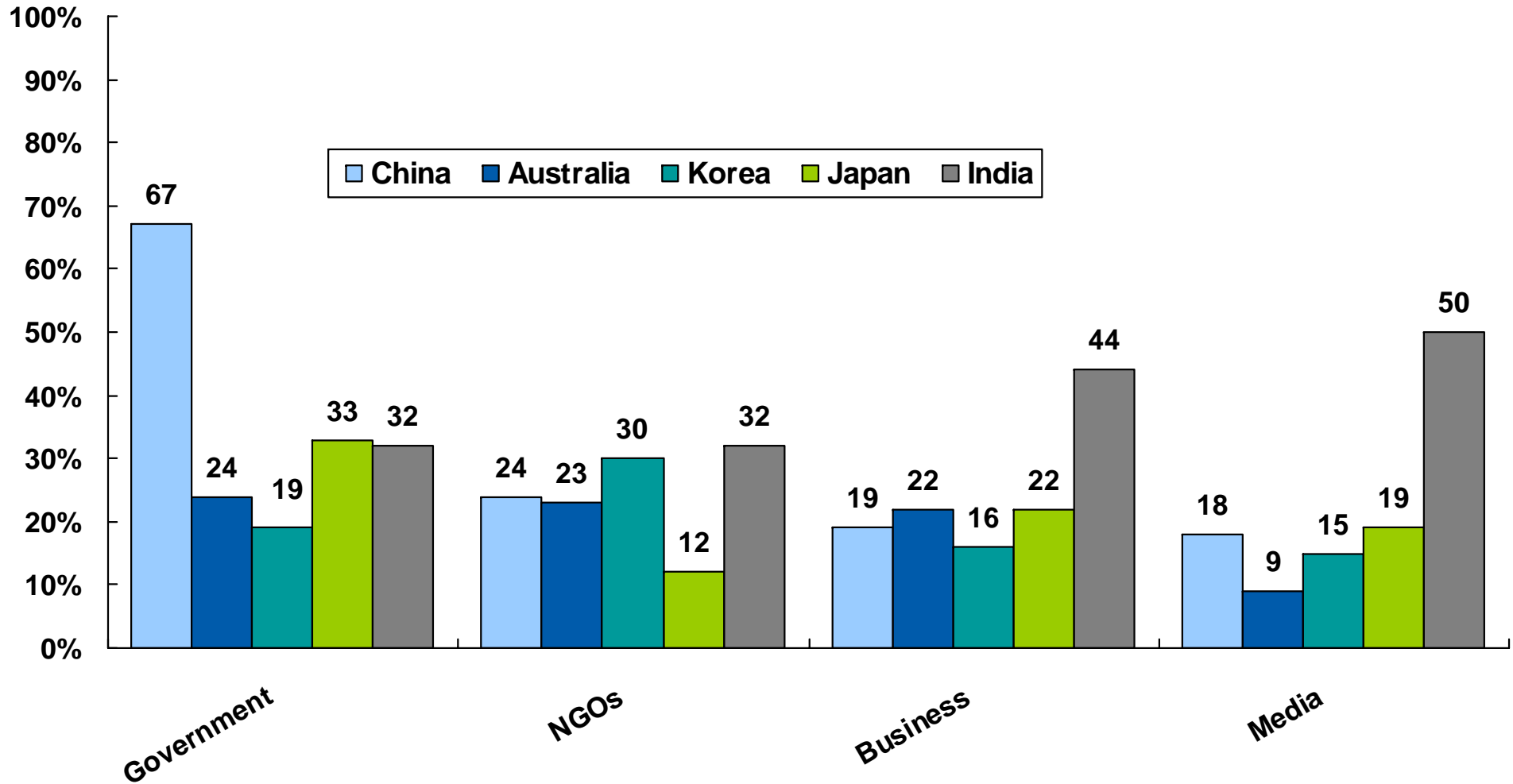
Base: Regional 06: 1050, Regional 05: 912

Trust in Institutions (Quantitative Studies)



How much do you trust each of the following institutions to do what is right?

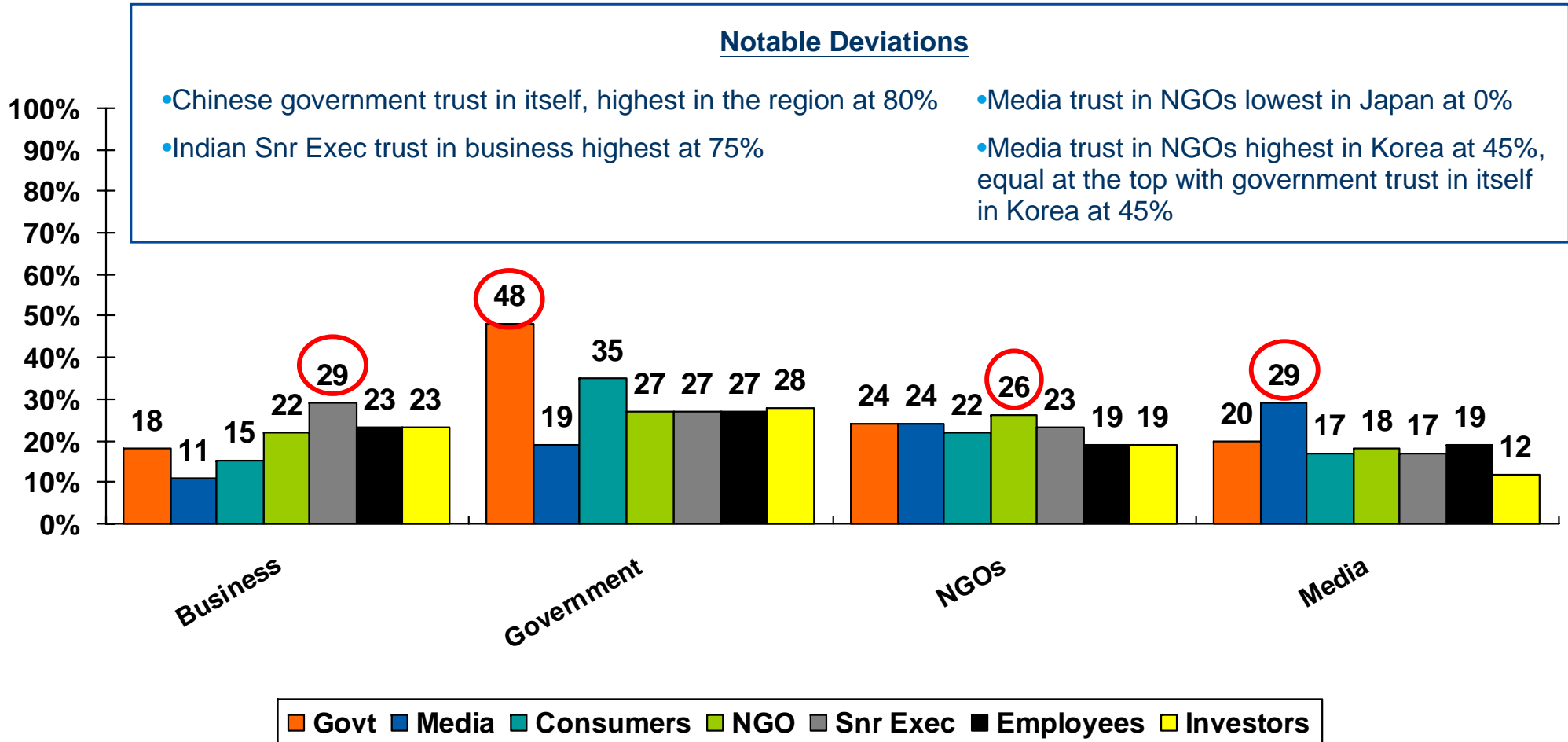
(Percentage equals top three box score for each institution)



Base: 700

Trust in Institutions by Stakeholder (Regional)

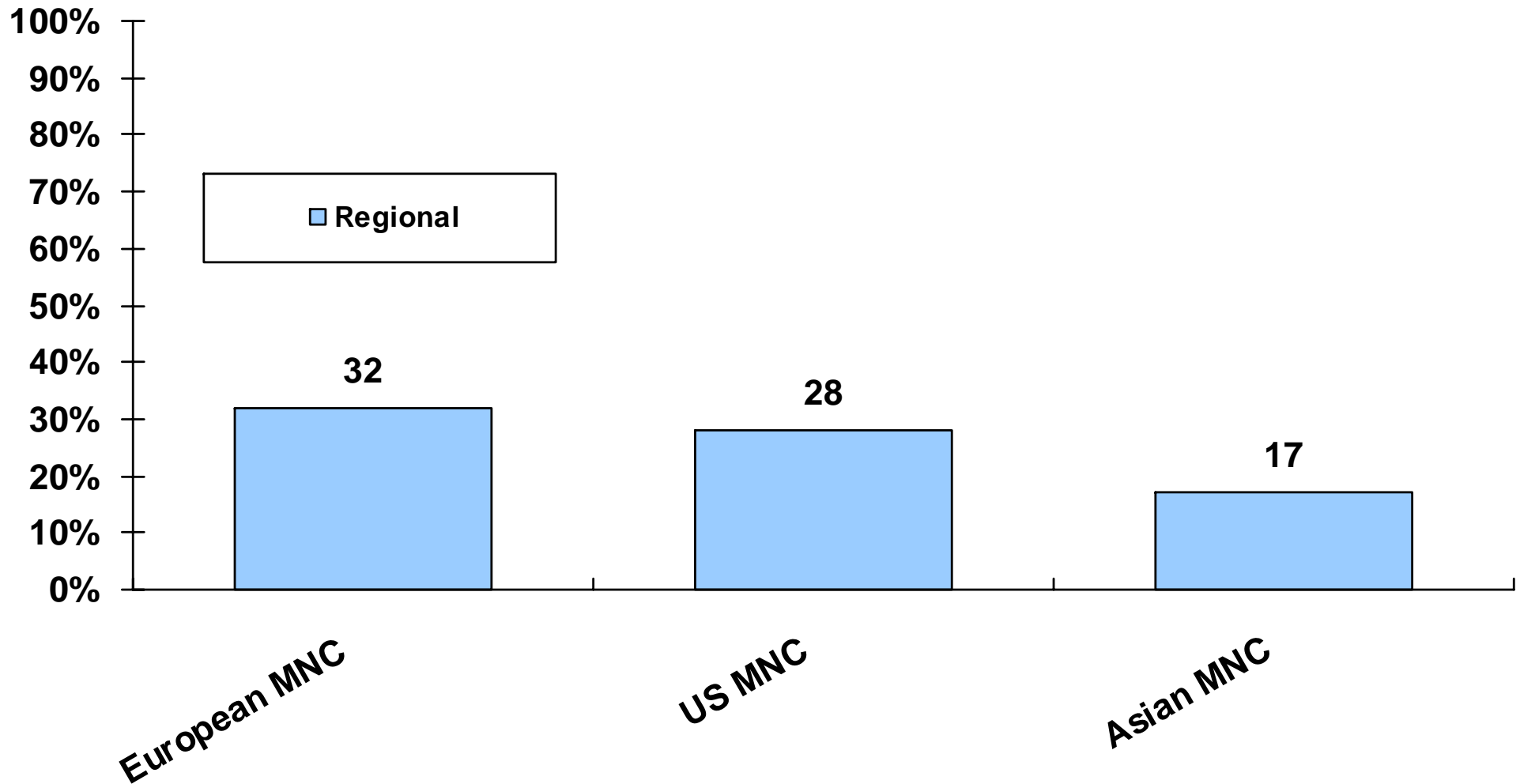
How much do you trust each of the following institutions to do what is right?



Trust in Business (Regional)

How much do you trust each to do what is right?

(Percentage equals top three box score for each institution)



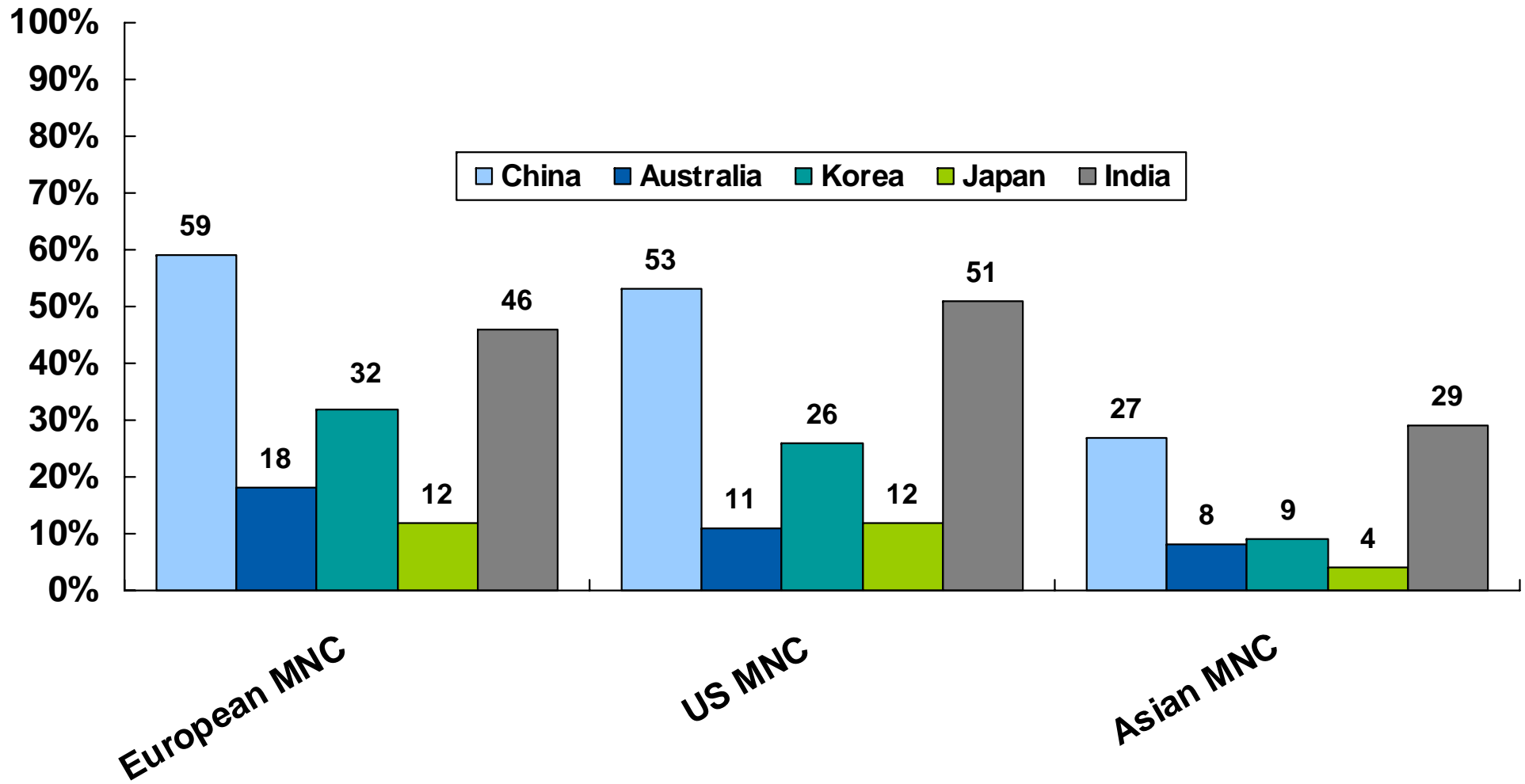
Base: Regional 06: 1050

Trust in Business (Quantitative Studies)



How much do you trust each to do what is right?

(Percentage equals top three box score for each institution)



Base: 700

Institutions: Points to Ponder



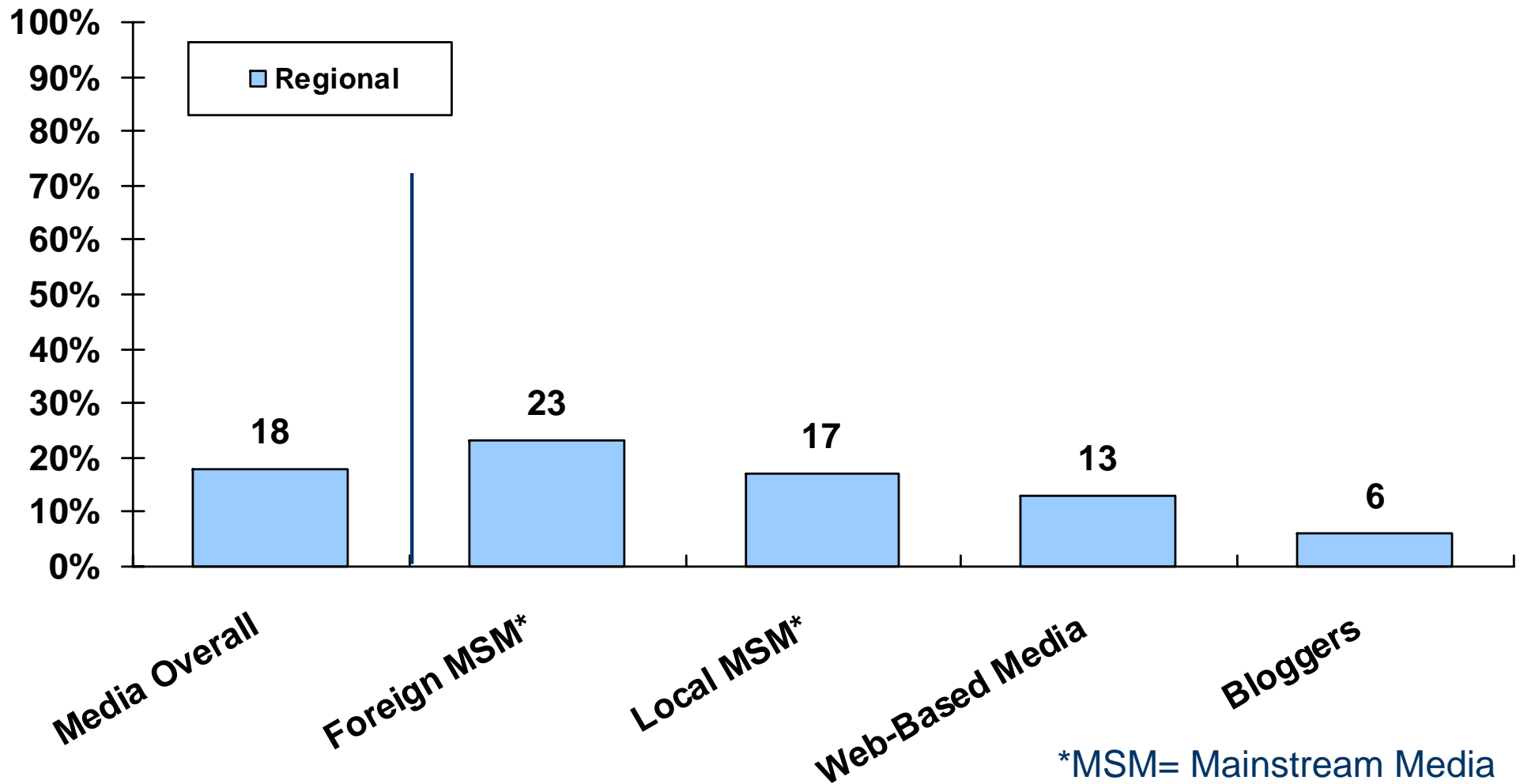


Sources and Channels:

Trust in Media (Regional)

How much do you trust each of the following institutions to do what is right?

(Percentage equals top three box score for each institution)



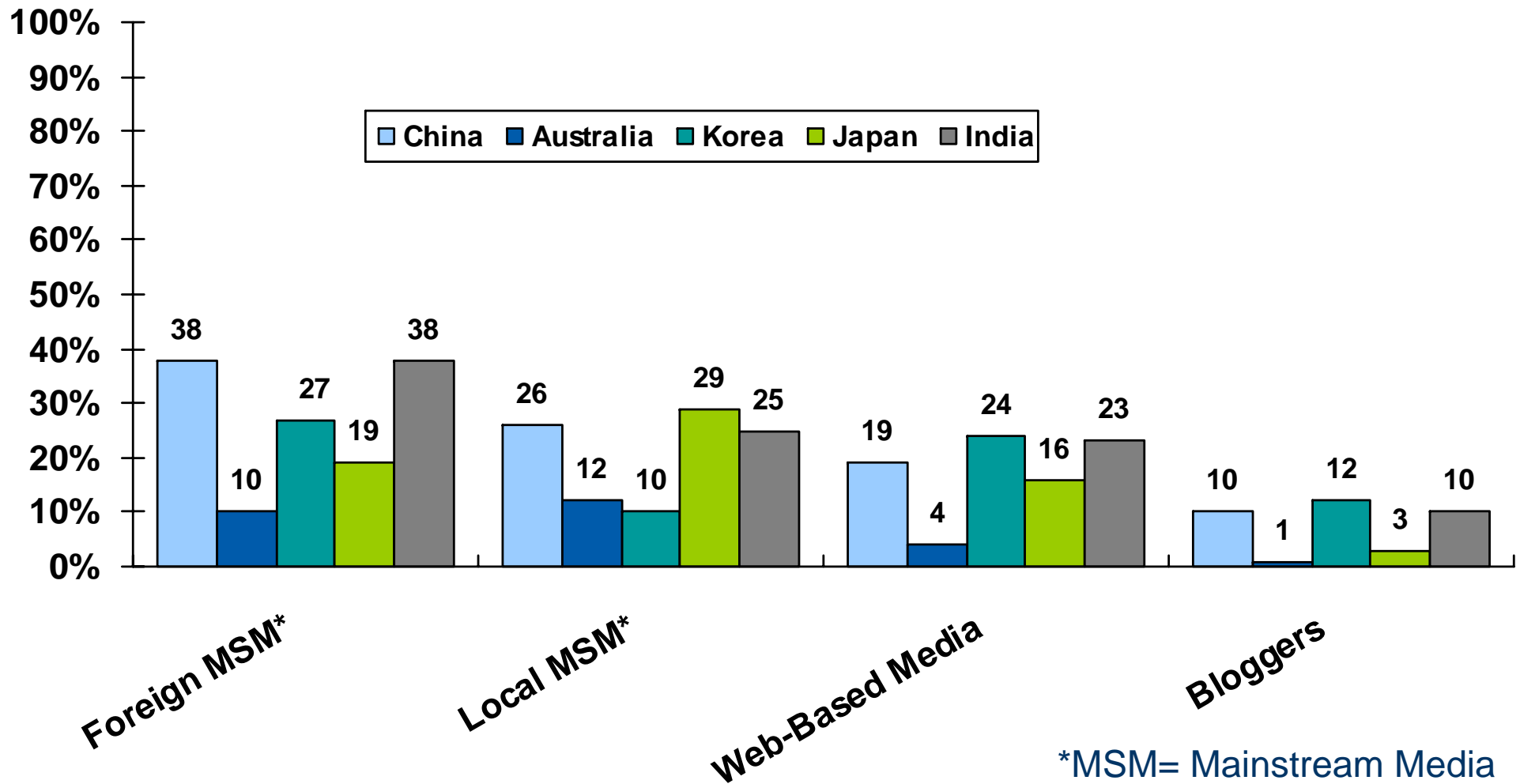
Base: Regional: 1050

*MSM= Mainstream Media

Trust in Media (Quantitative Studies)

How much do you trust each of the following institutions to do what is right?

(Percentage equals top three box score for each institution)



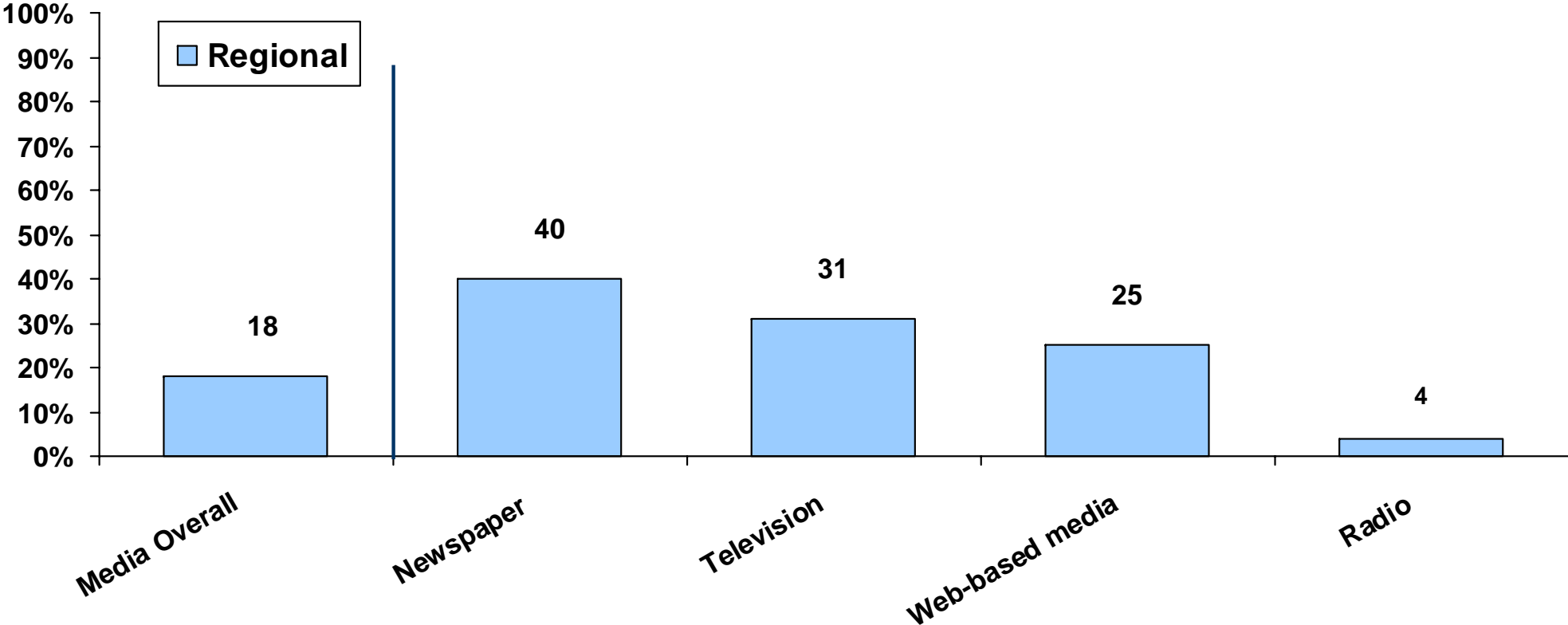
Base: 700

*MSM= Mainstream Media

Media Trust (Regional)



What type of the following media do you turn to first for trustworthy information/news?

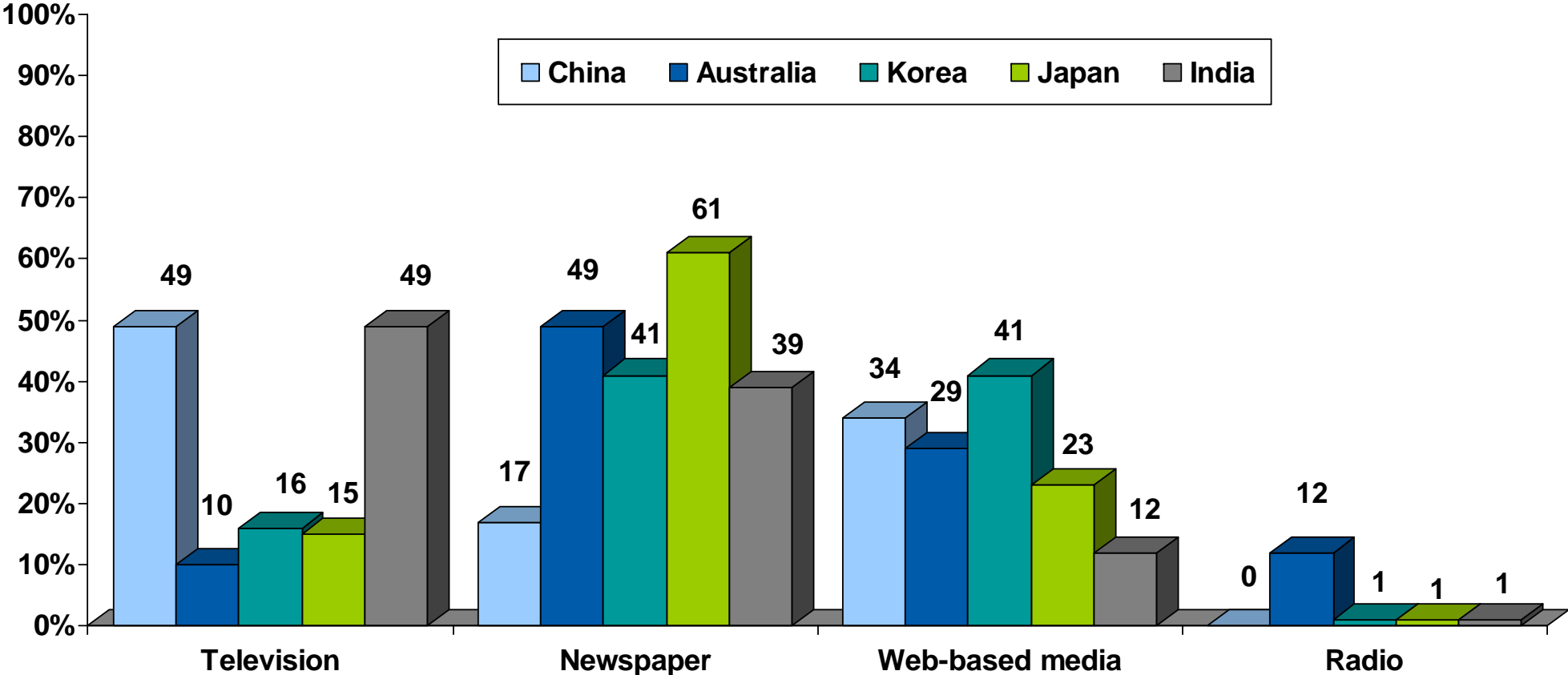


Base: Regional 06: 1049

Media Trust (Quantitative Studies)



What type of the following media do you turn to first for trustworthy information/news?

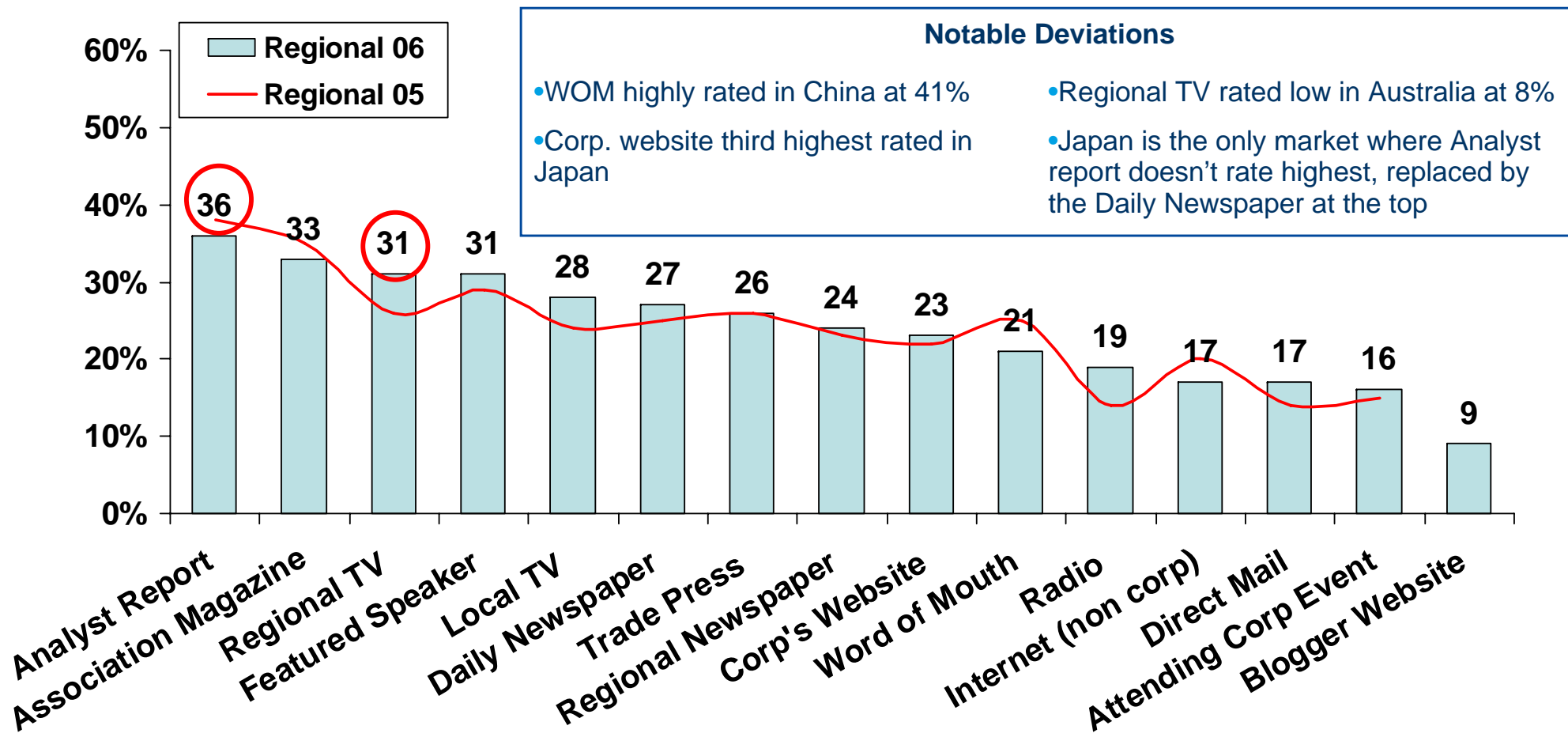


Base: 700

Trusted Communication Sources (Regional)

How trustworthy and believable do you feel certain communication vehicles are when passing information along about a corporation?

(Percentage equals top three box score for each channel)

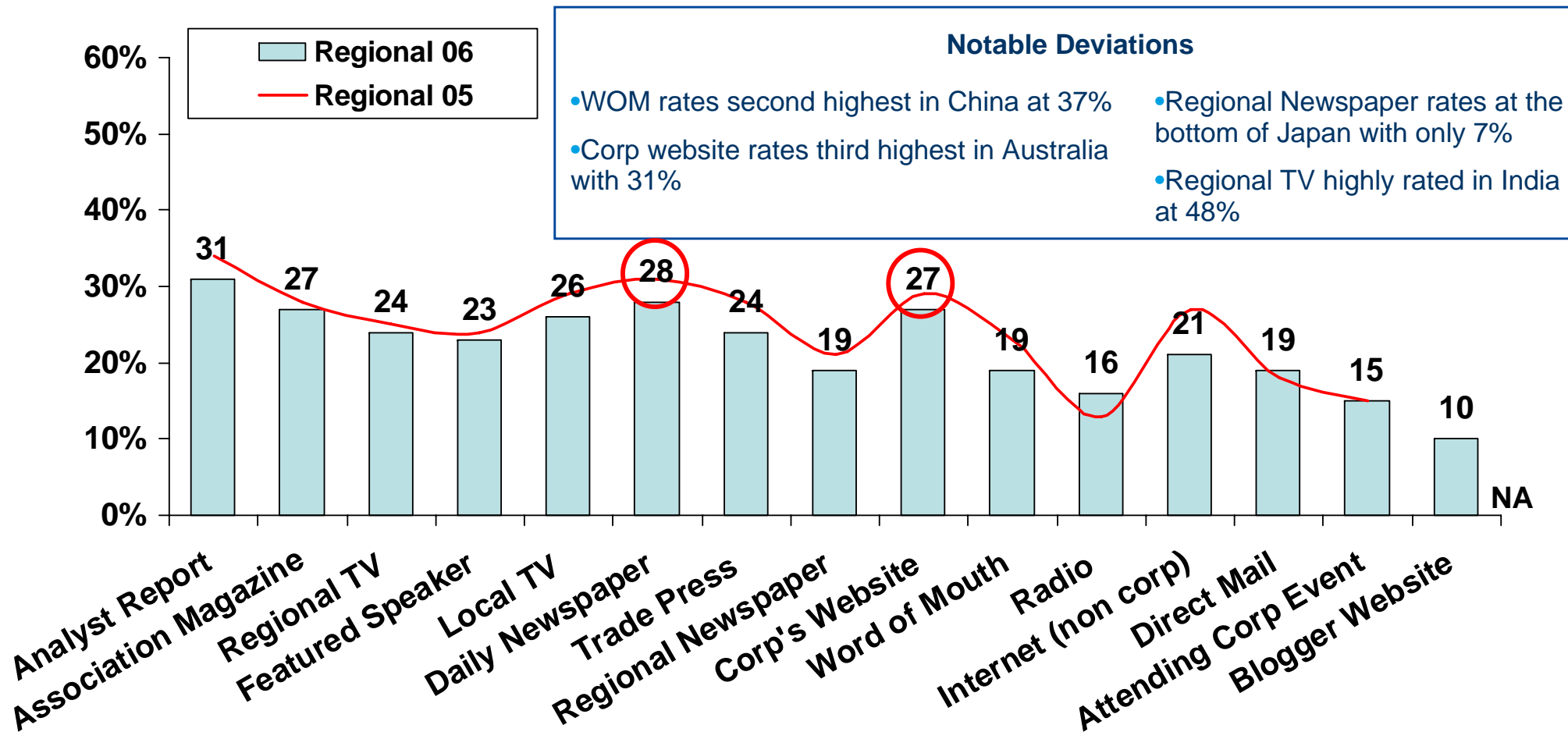


Base: Regional 06: 1050, Regional 05: 912

Channel Usage Likelihood (Regional)

How likely are you to use each communication vehicle to get information about a corporation?

(Percentage equals top three box score for each channel)

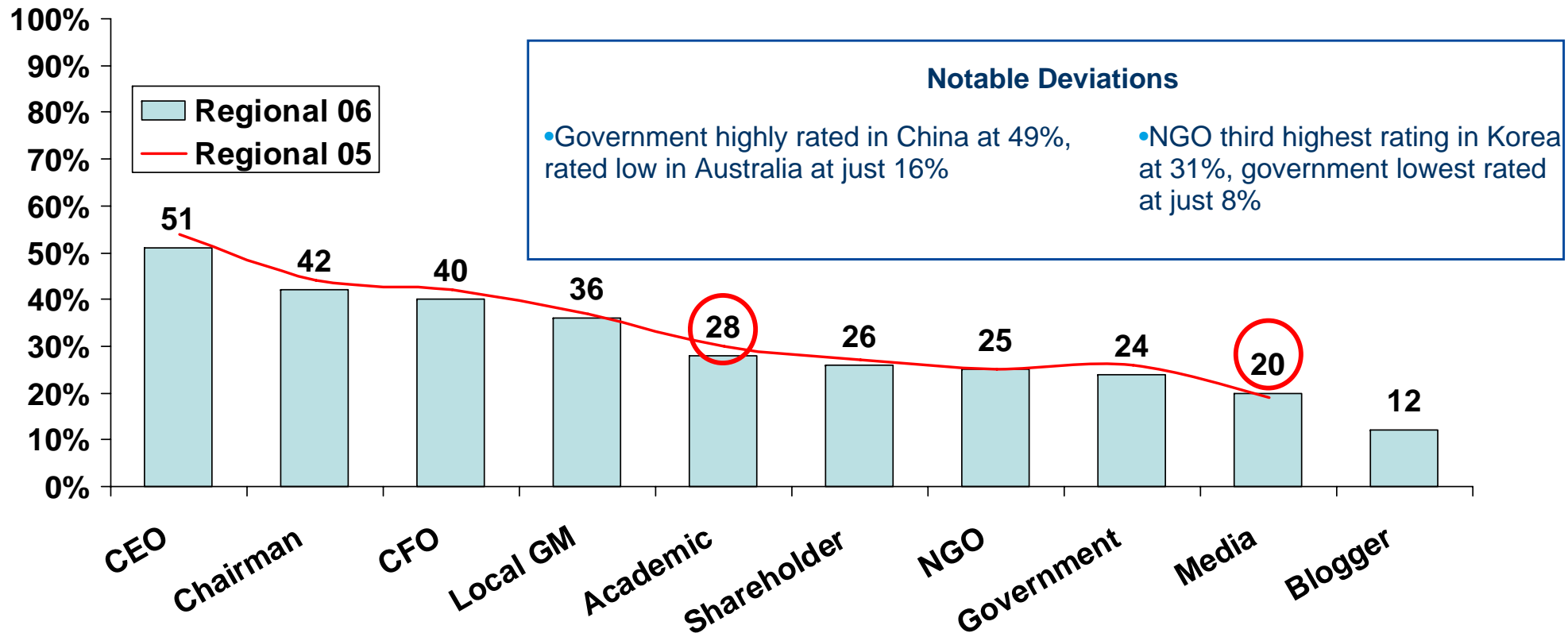


Base: Regional 06: 1050, Regional 05: 912

Trust in Spokespeople (Regional)

How trustworthy and believable do you feel each person is when passing information along about a corporation?

(Percentage equals top three box score for each spokesperson)



Base: Regional 06: 1050, Regional 05: 912

Sources and Channels: Points to Ponder

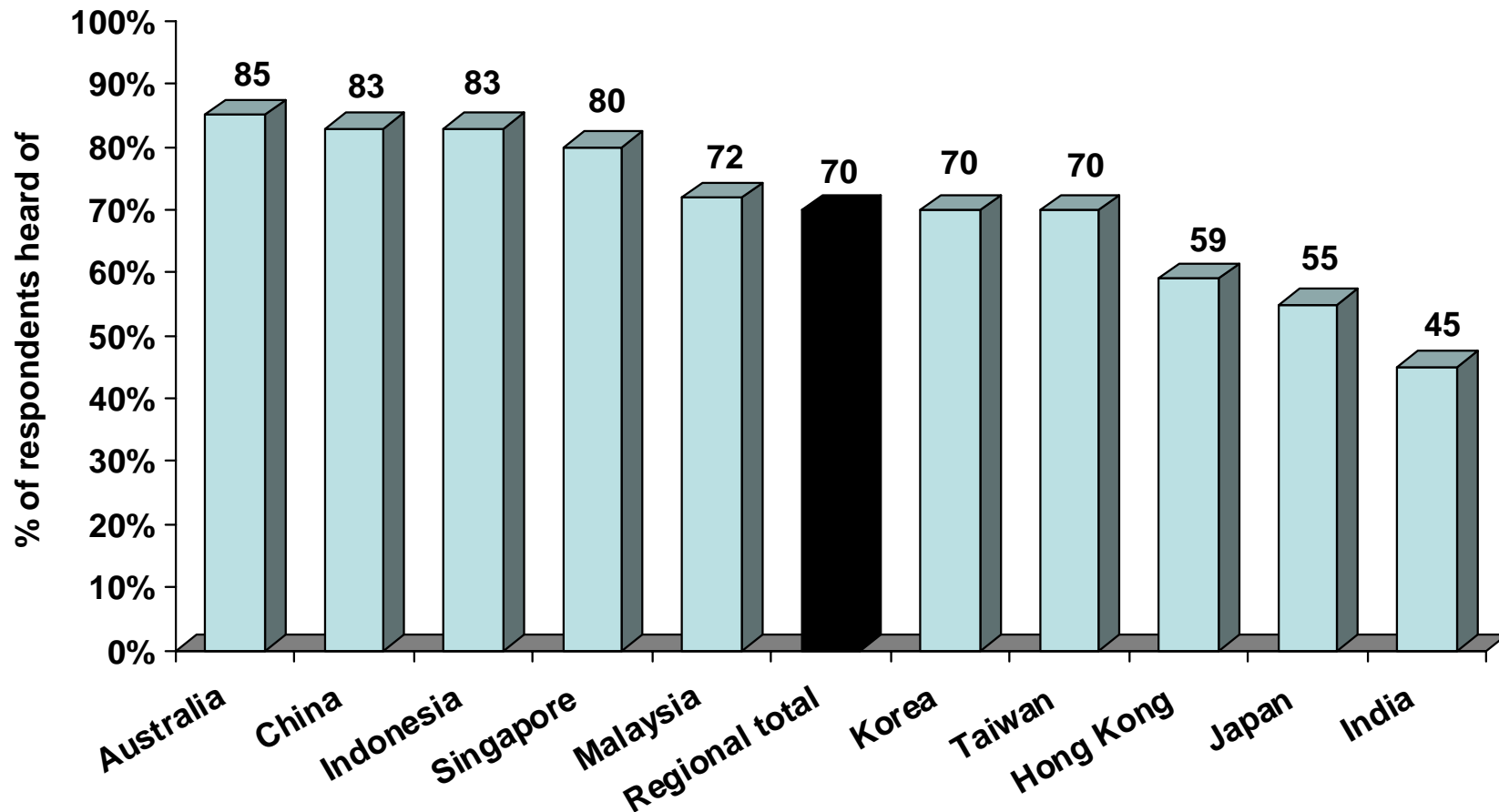


Blogs and the Web:



Familiarity of “Blogging” or “Blogs”? (Regional)

... How familiar are you with the terms “blogging” or “blogs”?
Percentage equals to ‘very familiar’ + ‘somewhat familiar’

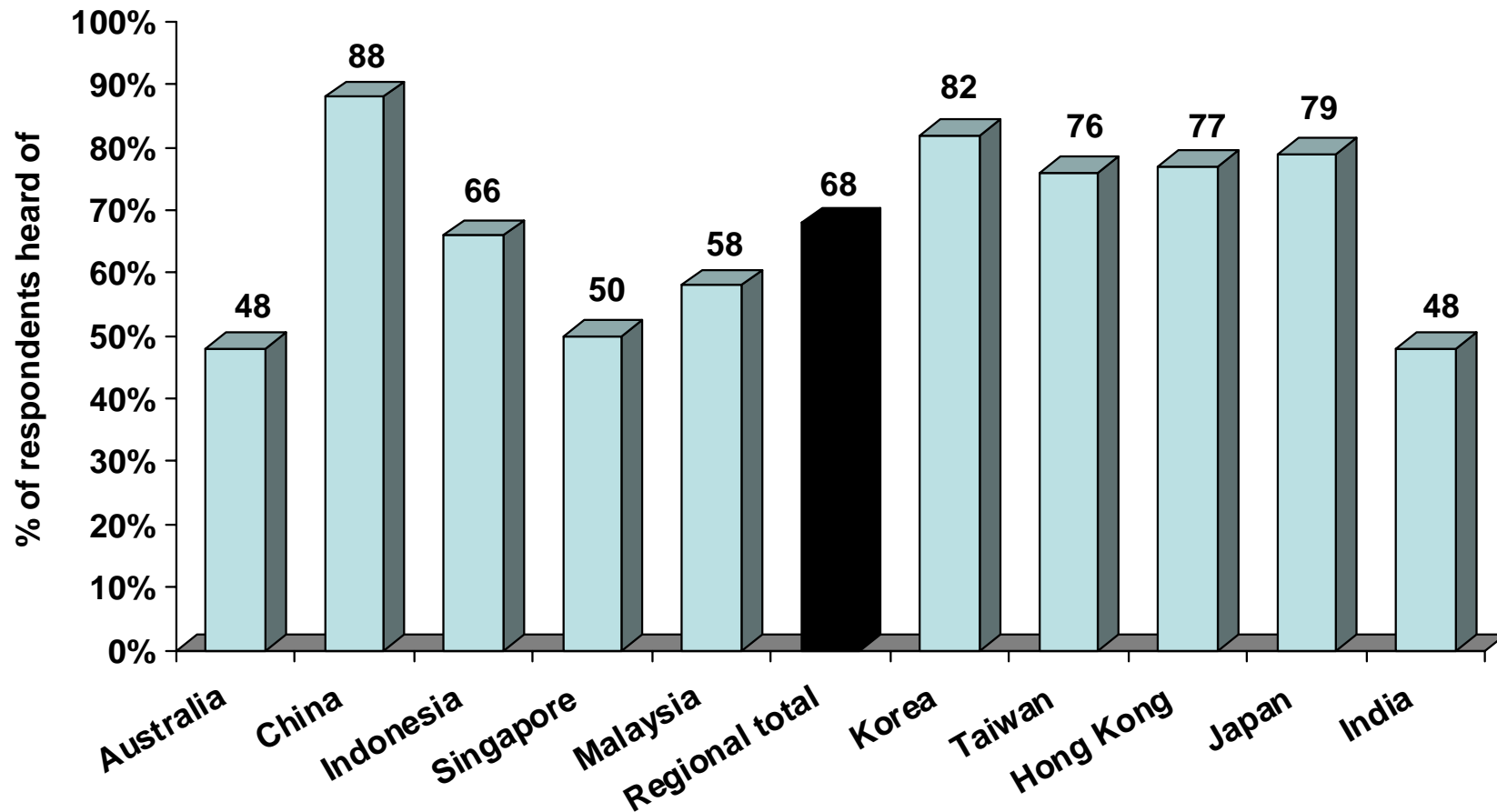


Base: 1050

Usage of “Blogging” (Regional)



Have you ever done any “blogging” yourself, or visited “blogs” on the internet?

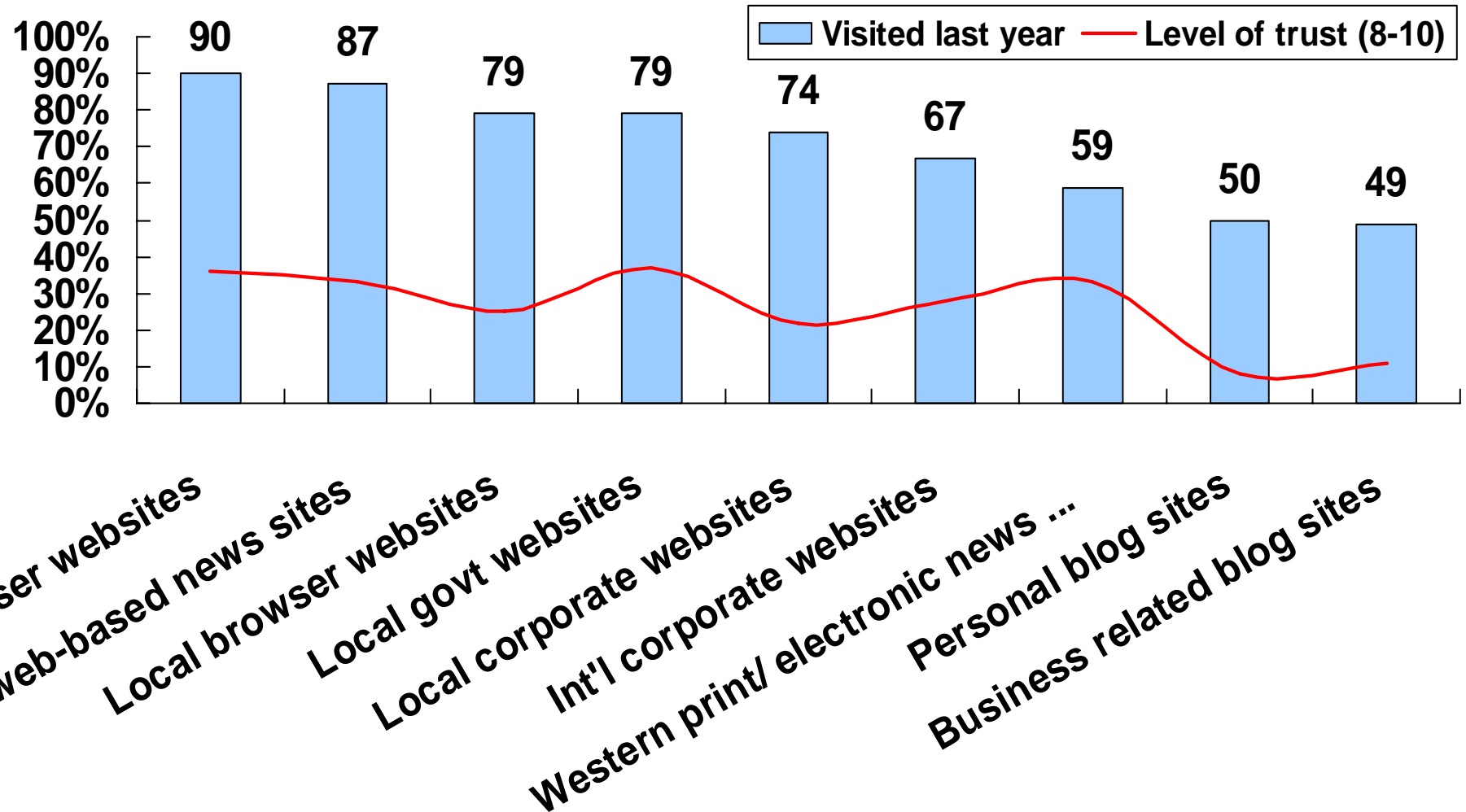


Base: 974

Website Usage and Trust (Regional)



Which websites have you visited in the last year?



Base: Bar: 1050

Website Usage and Trust (Notable Deviations)



- Local browser and local news-based websites were the most visited in China with 88% ratings
- Personal blog sites were highly rated in Korea with 62% of respondents visiting them last year, compared to 54% who visited corporate websites
- International browser websites are the most popular in Australia with 99% of respondents visiting them in the last year, although they are only trusted at 31%

A large blue arrow graphic pointing to the right, with a white outline. The arrow is composed of several overlapping blue shapes, creating a 3D effect. The text "Opinion Drivers in Asia Pacific" is centered within the arrow.

Opinion Drivers in Asia Pacific

Standout Characteristics (Regional)



What is the first thing you notice that makes companies stand out from the rest?

<u>Stand Out Characteristics of a corporation in Asia</u>	<u>Reg 06</u>	<u>Reg 05</u>	<u>Reg 04</u>
Brand/Product quality	23%	26%	19%
Management/Leadership	21%	17%	12%
Employee development/Employee benefits	15%	10%	9%
High profit/Profitable	14%	13%	11%
Good services	12%	8%	10%
Company image/Reputation	11%	8%	12%
Innovation	9%	3%	5%
Staff quality/Attitude	8%	8%	10%
Active promotion/Advertising	8%	7%	8%
Corporate citizenship/Socially responsible	7%	7%	6%
Sales/Marketing strategy	7%	4%	3%

Standout Characteristics (Notable Deviations)

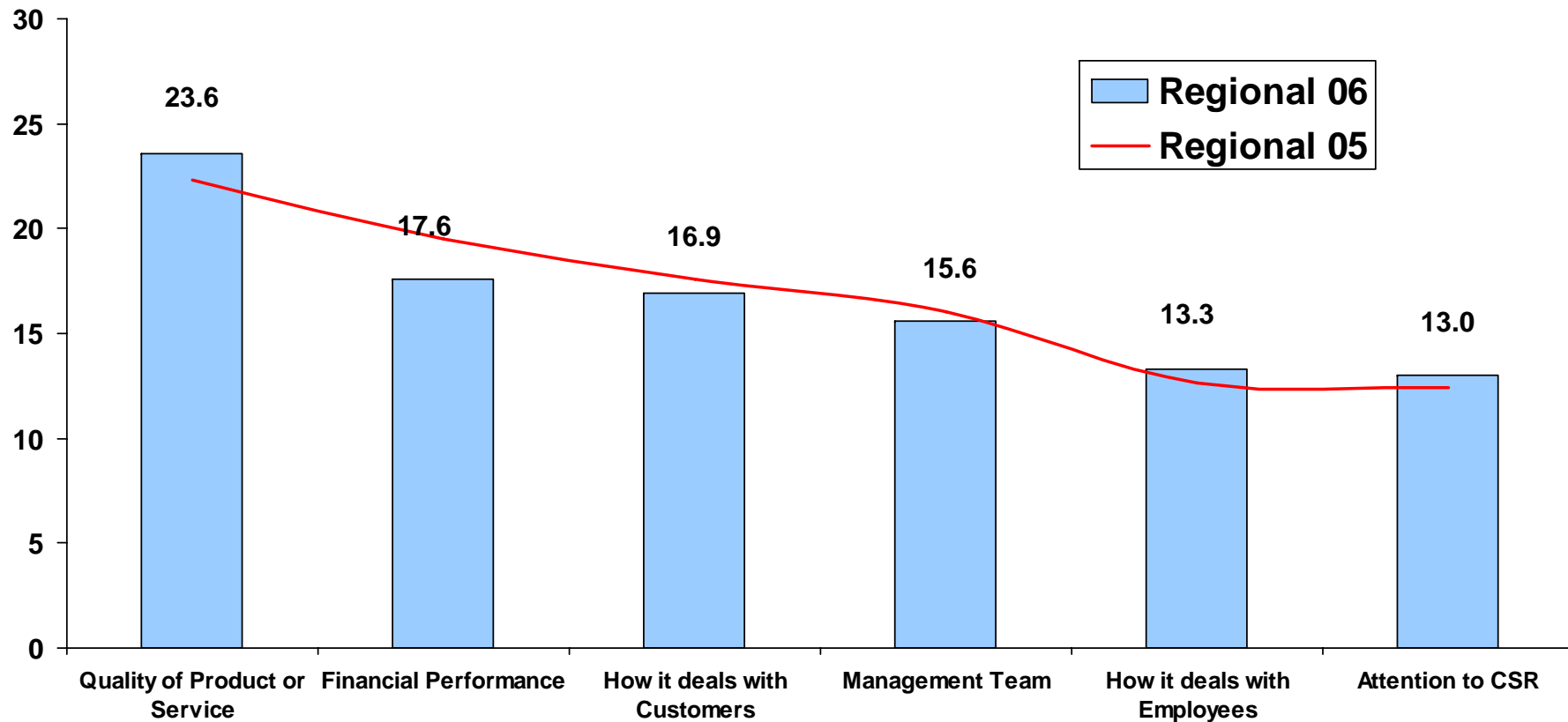


- Employee development in China grew by 60% to become the 2nd highest standout characteristic at 16%
- In Australia employee development grew by nearly threefold, from 7% to 27%
- Korean respondents value employee development the most with a top rating of 41%
- Good service reigns in India with a top rating of 30%
- Leadership as a standout characteristic in Japan fell from 24% to 11% since 2005

Rating Characteristics (Regional)



“You have \$100 to gather information on a corporation. Allocate this on how you would spend it for the information. You must spend all \$100.”
(we asked the respondents on spending 10 poker chips in 2004)



Base: Regional 06: 1050, Regional 05: 912

Characteristics of 'Good and Responsible' Corporations



Good and Responsible (Regional)



How important are the following characteristics for good and responsible corporations?

<u>Characteristics of a Responsible Corporation in Asia</u>	<u>Reg 06</u>	<u>Reg 05</u>	<u>Reg 04</u>
Stands behind its products/services when something goes wrong	80%	78%	72%
Offers top quality products/services	80%	81%	78%
Provides senior leadership that can be trusted	72%	70%	56%
Communicates frequently and openly with employees	59%	52%	42%
Operates in an open and transparent fashion	58%	54%	51%
Makes products that really impress other people	55%	45%	44%
Works hard at building relationship with core shareholders	51%	46%	52%
Concerned about/active in doing something about community welfare	41%	35%	36%

Base: Regional 06: 1050, Regional 05: 912, Regional 04: 541

Good and Responsible (Notable Deviations)



- Transparency as a driver in China grew from 36% to 50% since 2005
- Offering top quality products and services reigns in India with a 72% top rating
- Service quality and standing behind products when something goes wrong rates highest in Australia at 92%
- Concern for community welfare grew from 48% to 62% since 2005

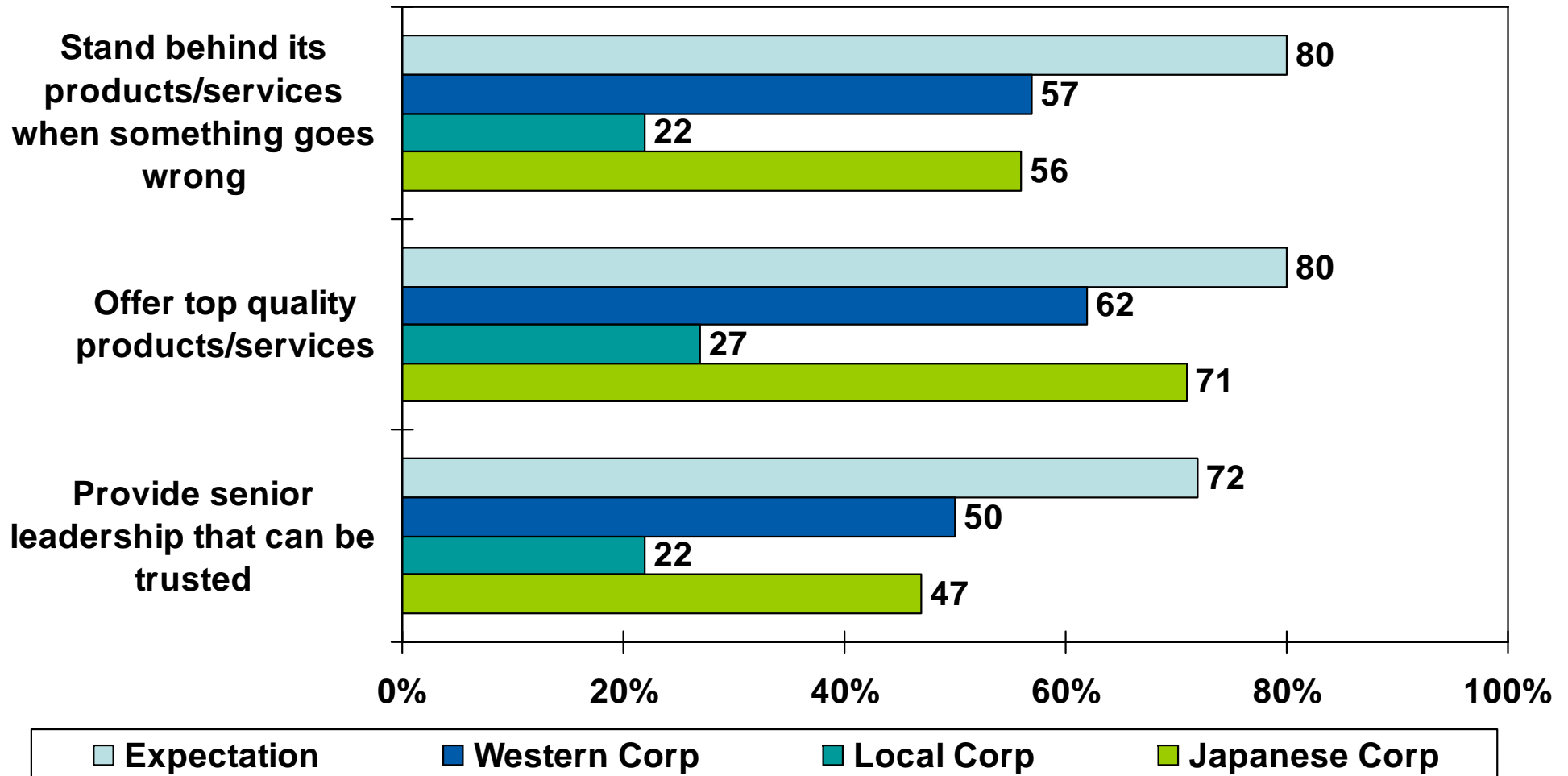
Are Companies
Measuring Up?



Responsible Corporation (Regional)



*What degree do you believe different types of corporations live up to that characteristics?
(Percentage equals top three box score for each characteristic)*

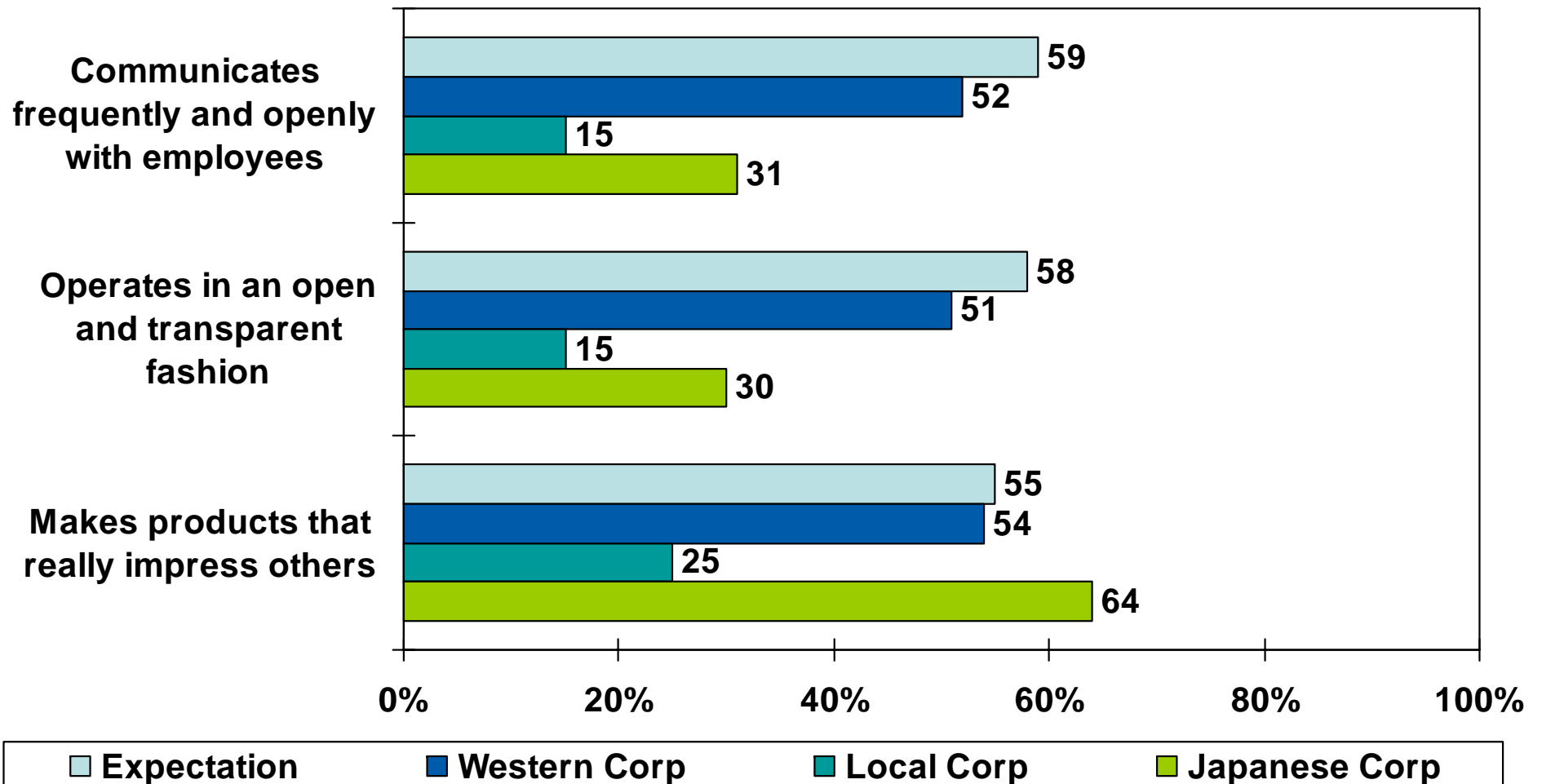


Base: 1050

Responsible Corporation (Regional)



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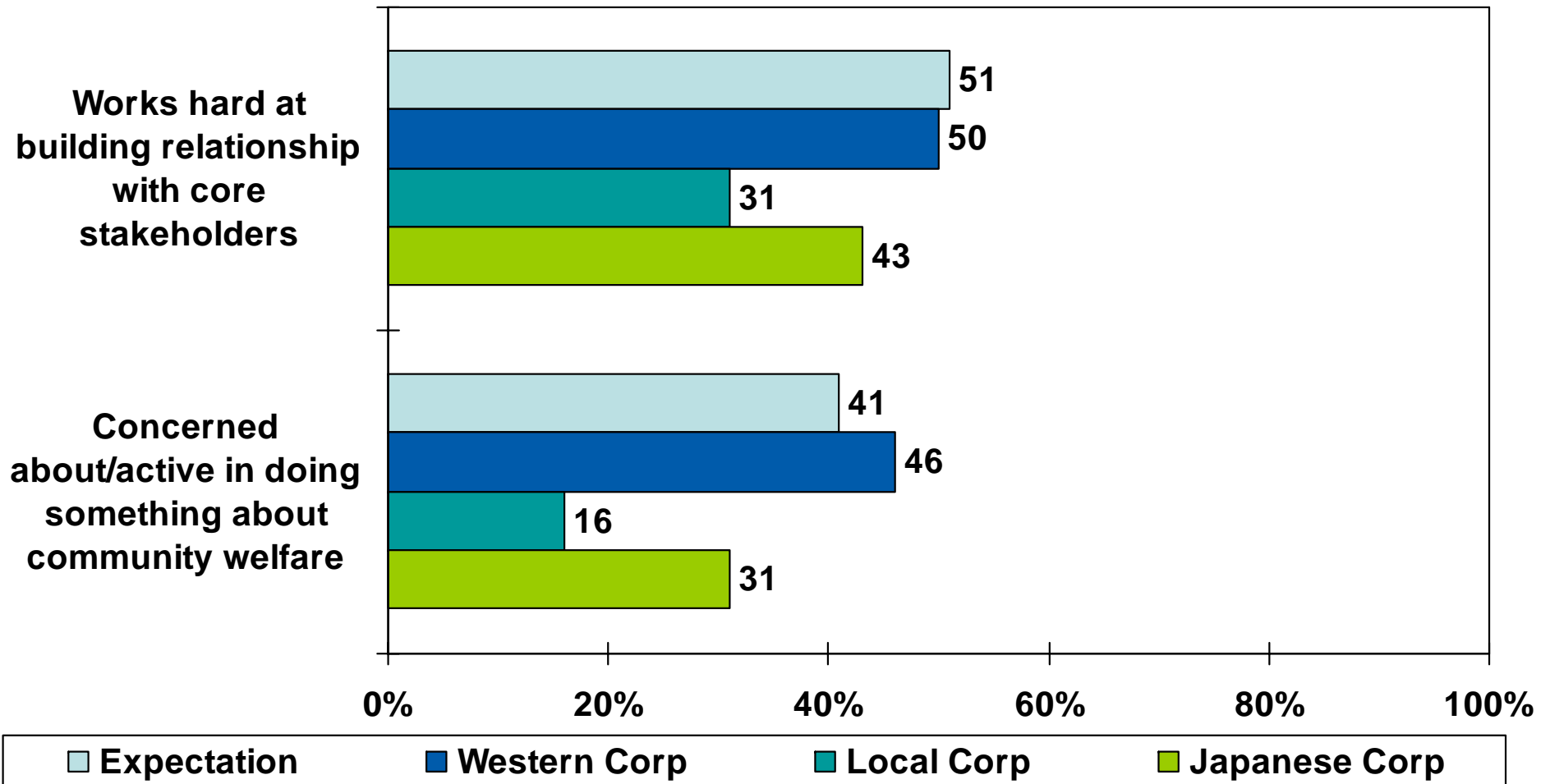


Base: 1050

Responsible Corporation (Regional)



*What degree do you believe different types of corporations live up to that characteristics?
(Percentage equals top three box score for each characteristic)*



Base: 1050

Responsible Behavior: Points to Ponder

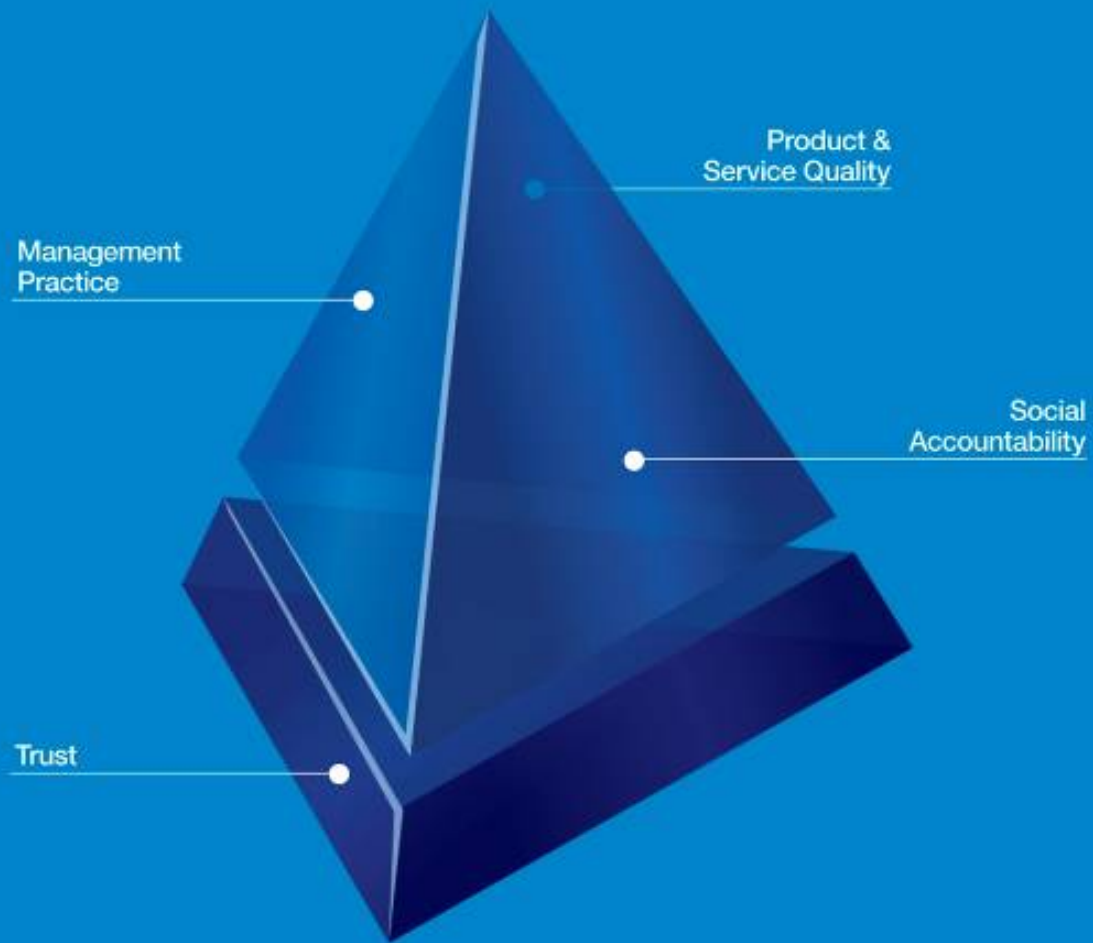




So, what does this mean?

Asia Pacific Edelman Reputation Pyramid

Corporate Reputation Management
Driving Business Outcomes

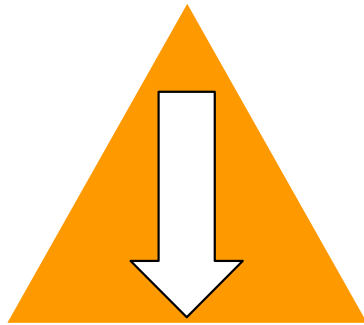




Pyramid of Authority vs. Sphere of Cross Influence

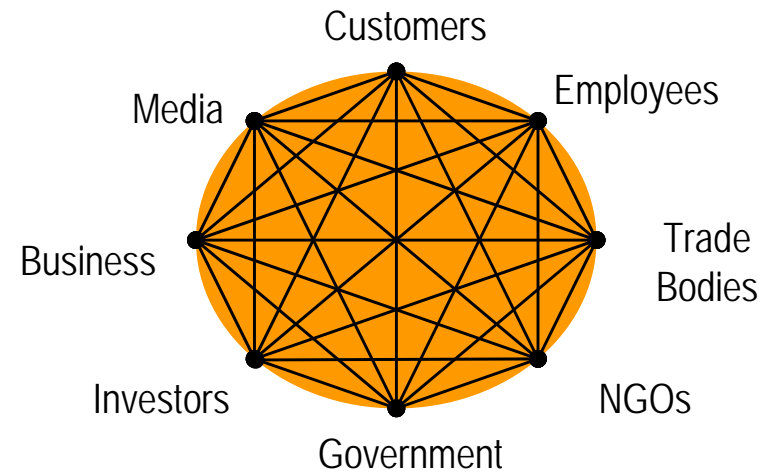
OLD MODEL

EXPERTS



MASS AUDIENCE

NEW MODEL



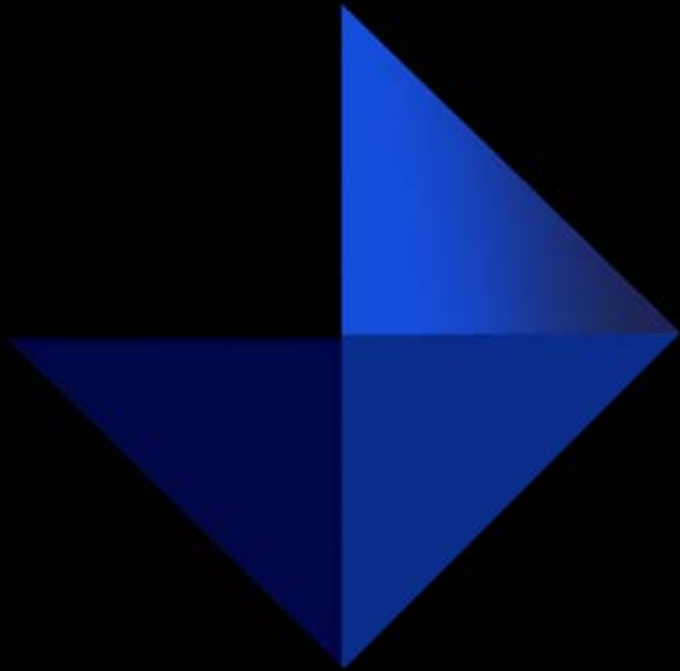
For Business...



**Disciplined Reputation
and Relationship Management**



**Expert and Insightful
Source and Channel Management**



Edelman