

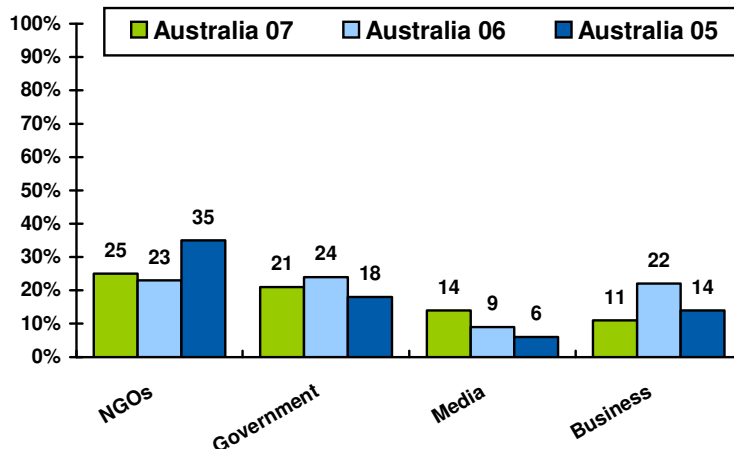
## 2007 'Edelman Stakeholder Study: Trust at the Crossroads in Australia'

### Key Findings

#### Trust in Australian Institutions

- Trust in Australian institutions is shifting. Australian opinion influencers no longer trust business and government the most to 'do what is right'. The shift removes Government as Australia's most trusted institution when compared to last year with NGOs reclaiming the top spot (25%). Business received the lowest rating of 11 percent (a 50 percent drop) and Government a 21 percent rating. Media continued to gain trust at 14 percent.

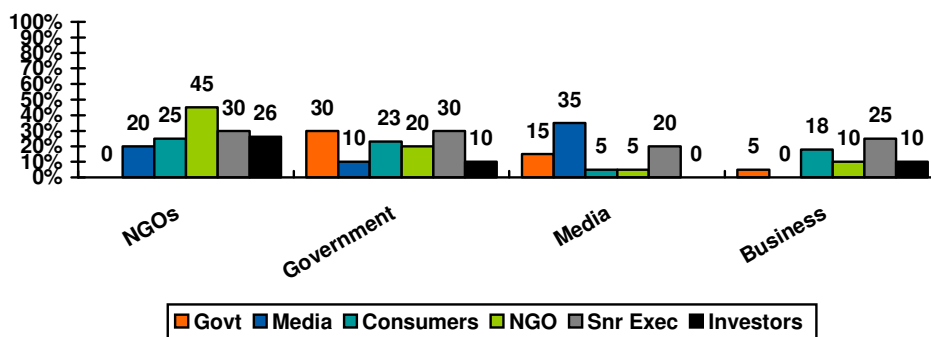
Trust in institutions to do what is right



#### Trust in Business

- Trust levels of business and government in Australia are generally down across the board.
- All groups trust themselves the most.

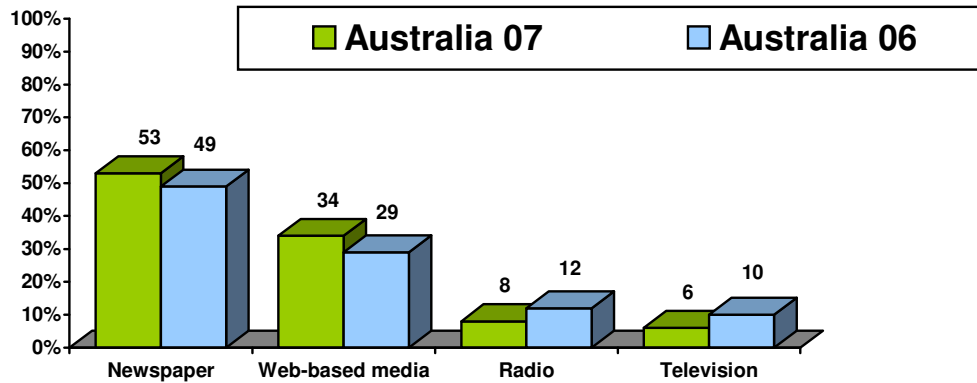
Trust in institutions to do what is right



## Sources and Channels

- Trust in newspapers and web-based media continues to grow at the expense of broadcast media.
- Overall trust in media has increased again for the third year in a row.
- Newspapers remain the most trusted mainstream media with 53 percent of respondents turning to them first and web-based media second at 34 percent, radio 8 percent, and just 6 percent for television.

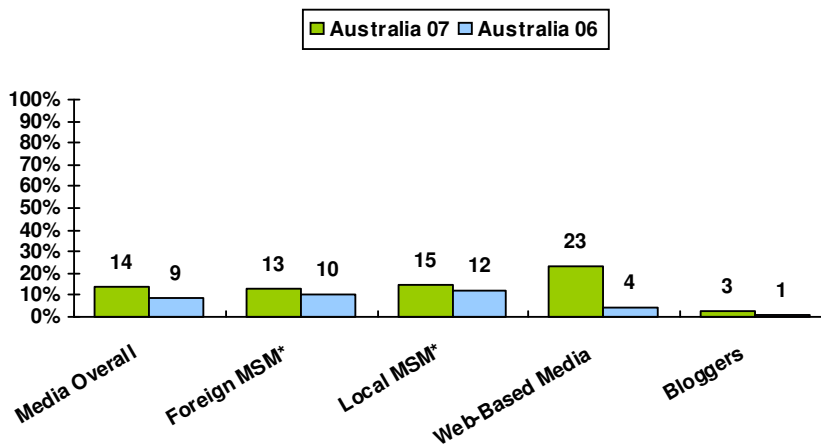
Trusted sources of information / news



## Blogs

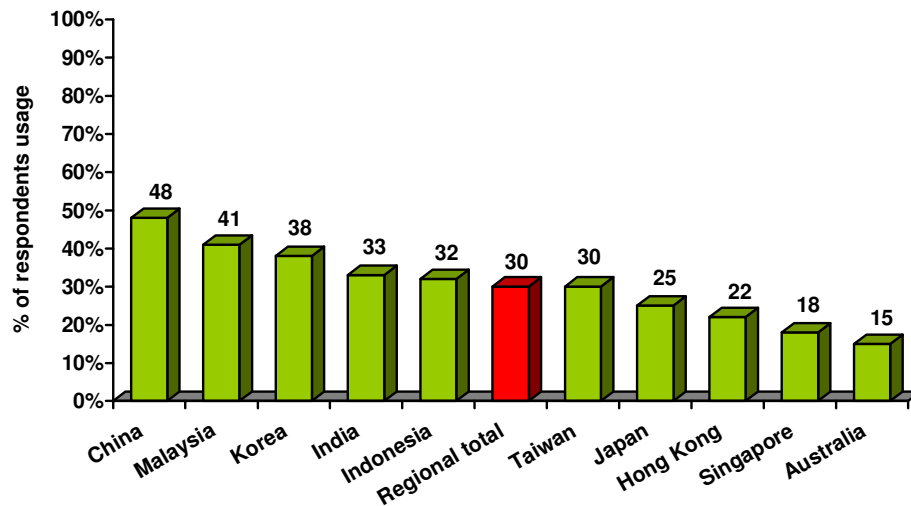
- Bloggers in Australia are the least trusted information sources with a rating of only 3 percent.

Usage of "Blogs"



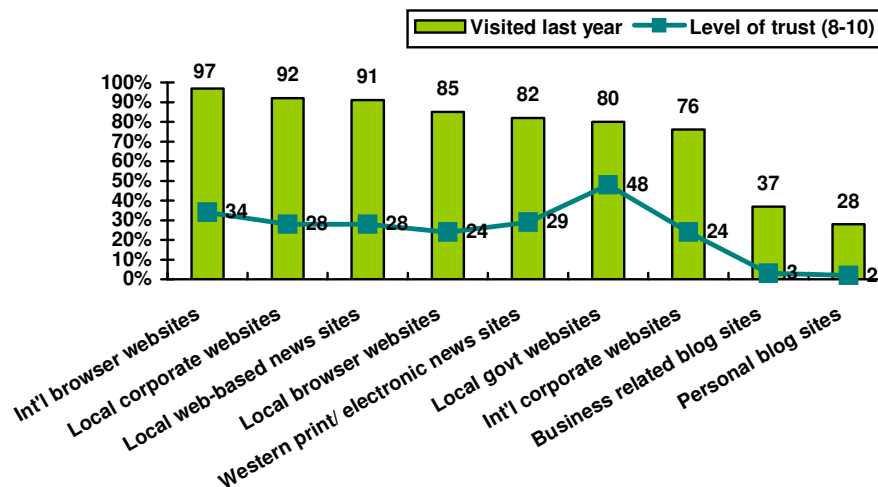
- Australians reported the lowest levels of participation in the Asia-Pacific region in the blogging phenomenon with only 15 per cent actively engaging in the blogosphere. This is despite research in 2006 showing 85 percent being familiar with the concept.

Usage of "Blogs"



- When it comes to an organisations website, Australians both visit and trust a corporate website over other portals.
- Australians tend to use the web in a more functional than personal way.

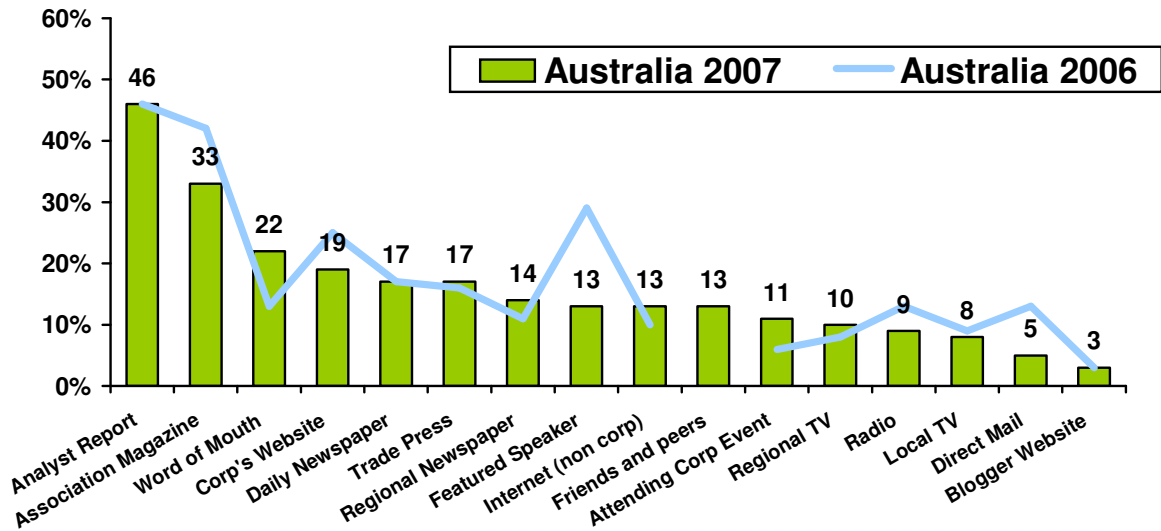
Website usage and trust



## Communications vehicles: Trust and believability

- Stakeholders in Australia trust ‘experts’ the most when passing along information about a corporation. The three most trusted sources of information about a company are analyst reports at 46 percent followed by 33 percent for association magazines. Word of Mouth is again on the rise taking its place as the third most trusted source of information.
- The least trusted communication vehicles are blogger websites with a top rating of 3 percent, direct mail with 5 percent and local and regional TV with 8 percent.

Trusted sources of information



## What makes companies stand out from the rest?

- The importance of quality products and service are key standout characteristics for a ‘good’ company and leads the rise of ‘tangible’ actions in this list.
- The importance of employee development / employee benefits cannot again be underestimated at 21 percent.
- Having a positive ‘corporate image or reputation’ was the leading requirement for companies with standout characteristics in 2005, but has dropped to fifth in importance in 2006 and ninth in 2007.

### Standout Characteristics

Stand Out Characteristics of a Corporation	Aus 07	Aus 06
Brand/Product quality	29%	14%
Good after-sale service/Good service	28%	5%
High profit/Profitable	26%	27%
Management/Leadership	25%	22%
Employee development/Employee benefits	21%	27%
Active promotion/Advertising	20%	11%
Ethical/Integrity	16%	18%
Corporate citizenship/Socially responsible	16%	16%
Corporate image/Reputation	15%	16%
Environmental protection	12%	0%
Innovation	8%	14%
Global vs local company	6%	1%

## Characteristics of ‘Good and Responsible’ Corporations

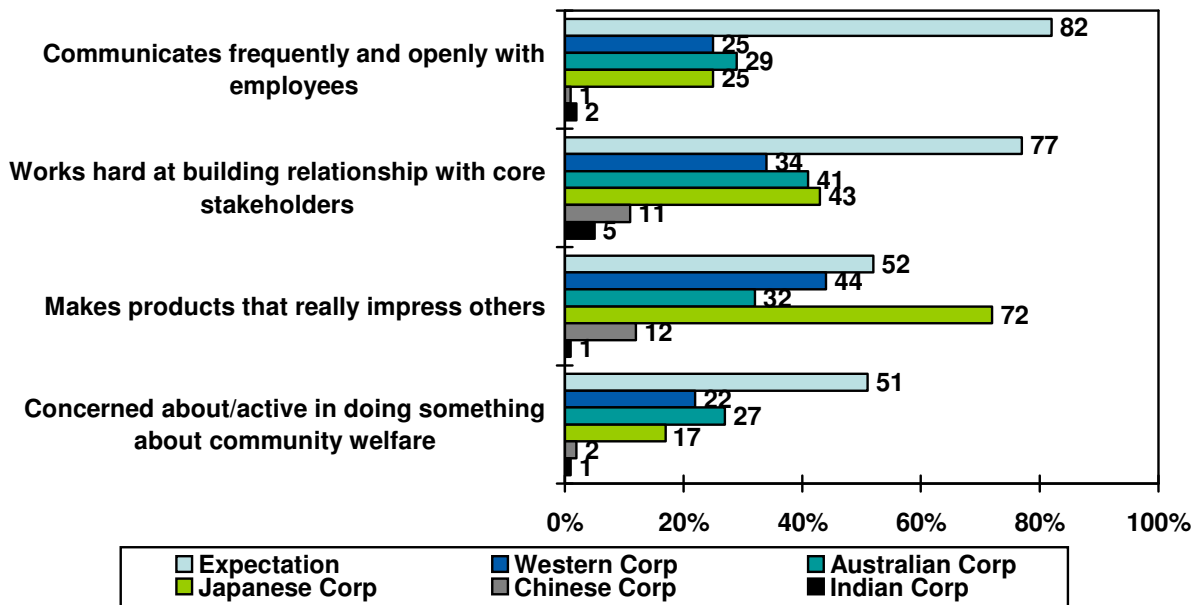
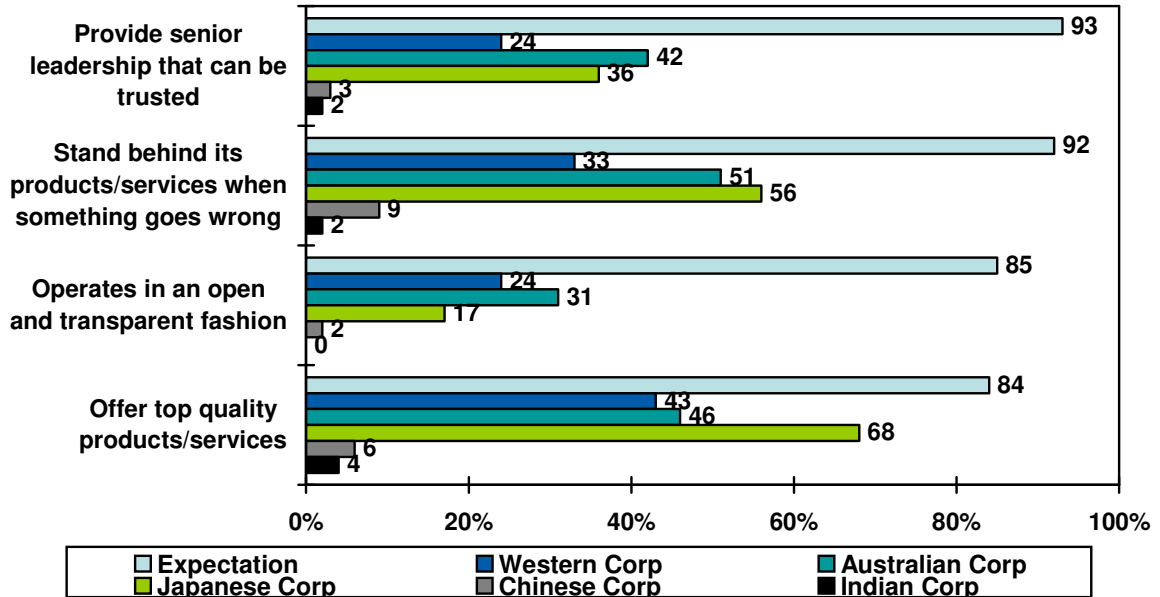
- All characteristics have risen as the importance of CSR increases.
- ‘Standing behind products / services when something goes wrong’ continues to dominate, as they did in 2006 (over 90 percent ratings).
- The importance of senior leadership that can be trusted is imperative. This is in contrast to trust in CEOs declining in 2007.
- ‘Transparency is key’ at 85 per cent.

Characteristics of a Responsible Corporation	Aus 07	Aus 06
Provides senior leadership that can be trusted	93%	91%
Stand behind its products/services when something goes wrong	92%	92%
Operate in an open an transparent fashion	85%	76%
Offers top quality products/services	84%	73%
Communicates frequently and openly with employees	82%	80%
Works hard at building relationship with core stakeholders	77%	75%
Makes products that really impress other people	52%	41%
Concerned about/active in doing something about community welfare	51%	37%

## Are Companies Measuring Up?

- While there is an expectation gap across the board, Australia continues to lead the way in providing senior leadership that can be trusted, with 42 percent of stakeholders believing that Australian corporations live up to that characteristic.
- While Australian stakeholders expect Australian corporations to operate in an open and transparent fashion, only 31 percent of stakeholders believe Australian corporations live up to that characteristic.

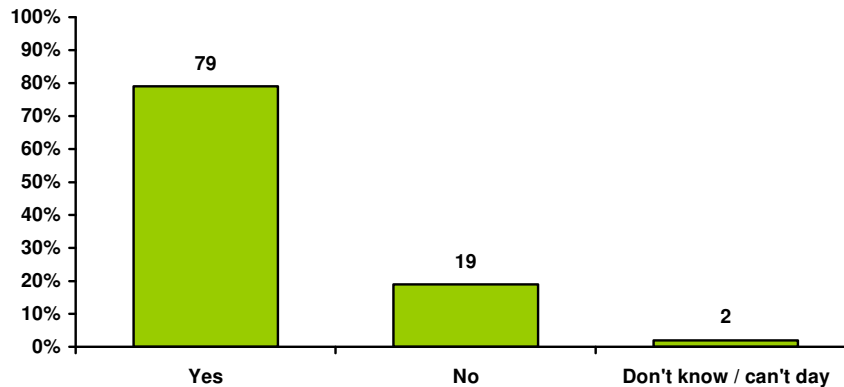
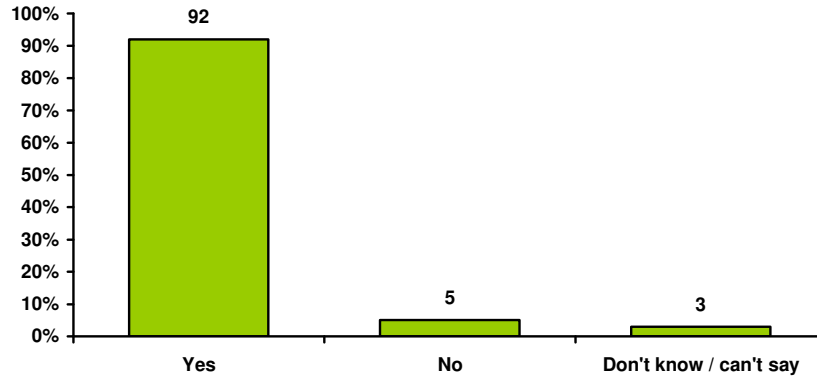
Responsible Corporations



## On sustainability?

- Australian stakeholders are demanding more action on climate change with 92 per cent believing business 'can do more' to reduce its impact.
- Taking action on climate change also makes good business sense with 79 per cent of respondents saying they will pay more for products or services from a company that publicly commits to climate change.

### Responsibility on Climate Change



**For information or to arrange an interview, please contact:**

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## **About the Edelman Survey**

This was Edelman's fifth 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 behaviour / Corporate Social Responsibility

The regional respondents represented six 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: 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

## **About Edelman**

Edelman helps build the world's leading companies and brands by understanding and mastering the "Relationship Imperative". As the world's largest independent public relations firm, Edelman has some 2,800 professionals in 49 offices.

In Asia Pacific, we have 16 offices. In both 2005 and 2006, Edelman was a Gold Award winner in the 'Asia-Pacific Network' category of Media Magazine's 'Asia-Pacific PR Awards', and both our Regional President and our Hong Kong Chairman were awarded the 'Public Relations Professional of the Year' in 2005 and 2006 respectively. For more information visit [www.edelman.com.au](http://www.edelman.com.au) and [www.edelmanapac.com](http://www.edelmanapac.com).