



The Changing Nature of Trust

The Web's Impact on
Transparency and Responsibility

Edelman Regional Stakeholder Study 2007

September 24, 2007 Hong Kong

Our Starting Point



Macro...

“Call Me AI”



China Syndrome



Changing Face Of Nationalism

Micro...



Democratic Media



Responsibility Defined

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

Implications

For Business...



Socially Engaging



The Ultimate in Co-Creation

Enabling Dialogue

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The Asia Pacific Edelman Study: Regional Results

Research Objectives- to examine and understand:

- Trust in institutions and information sources
- The drivers of stakeholder opinions of corporations
- The drivers of responsible corporate behavior

Edelman's Asia Pacific Stakeholder Research



- **Fifth 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

Six stakeholder groups:

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

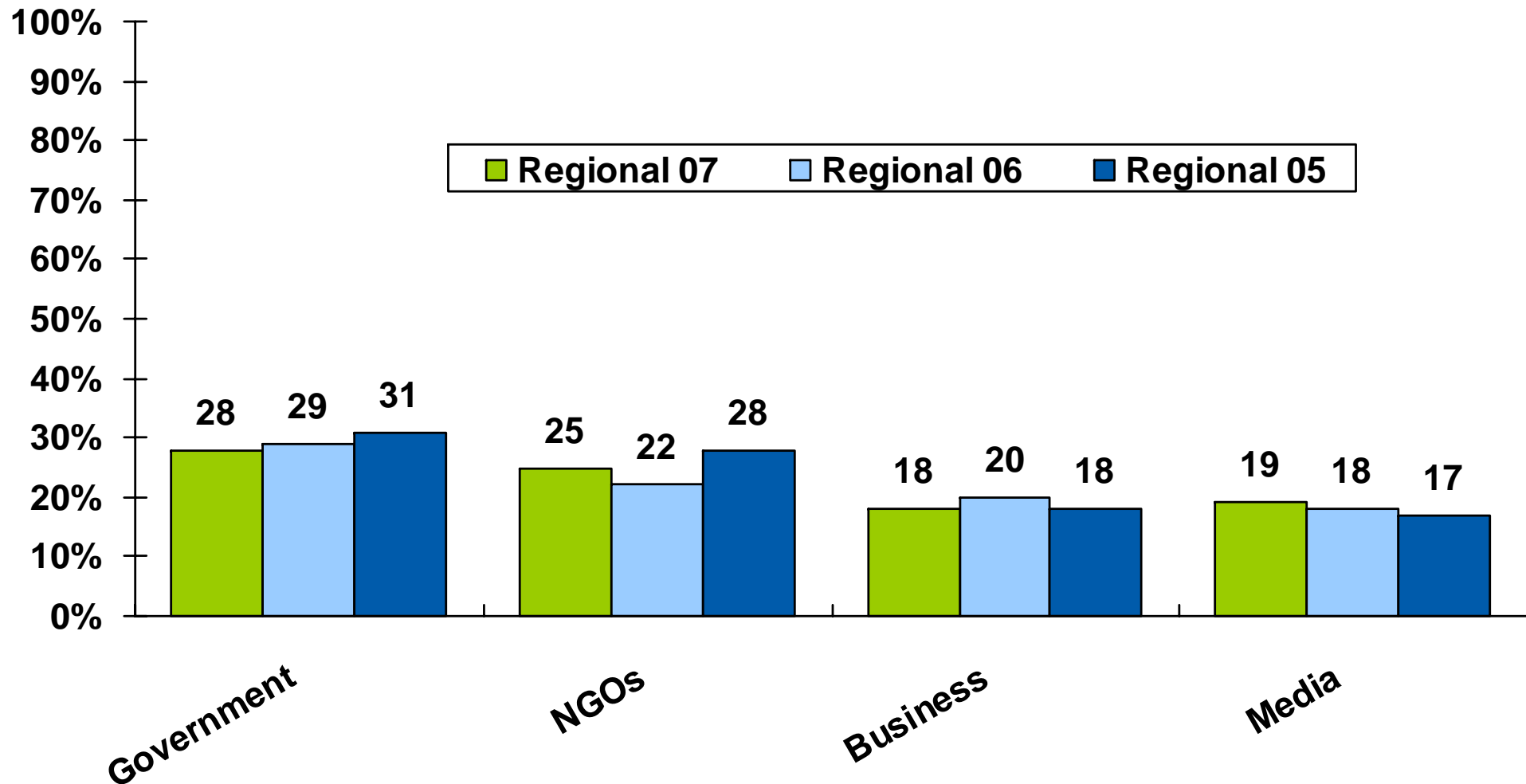
The State of Trust

A large blue arrow pointing to the right, containing the text 'The State of Trust' in white. The arrow has a 3D effect with a darker blue shadow on its right side.

Trust in Institutions (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)

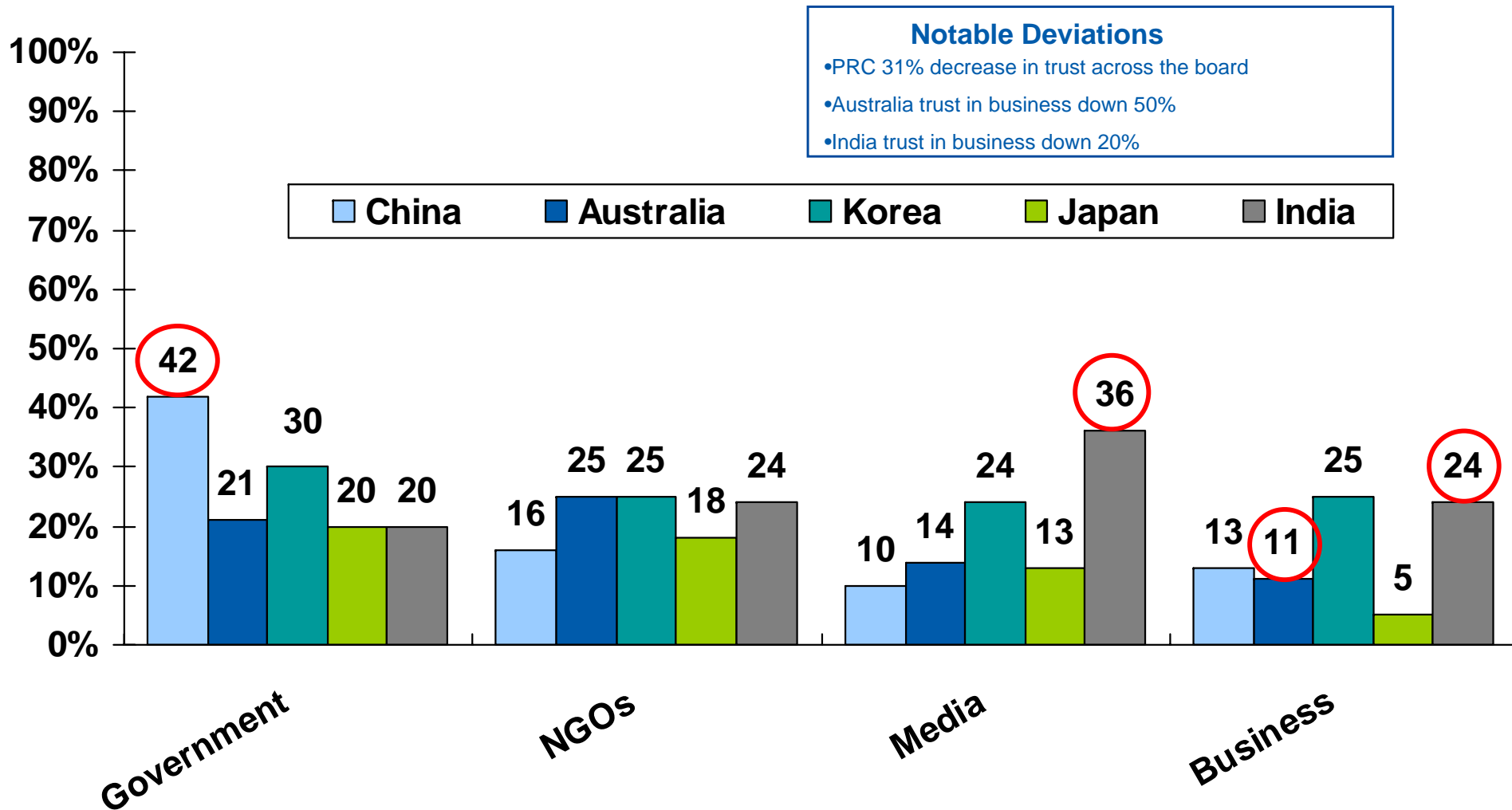


Base: Regional 07 & 06: 1050, Regional 05: 912

Trust in Institutions (Quantitative Studies)

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

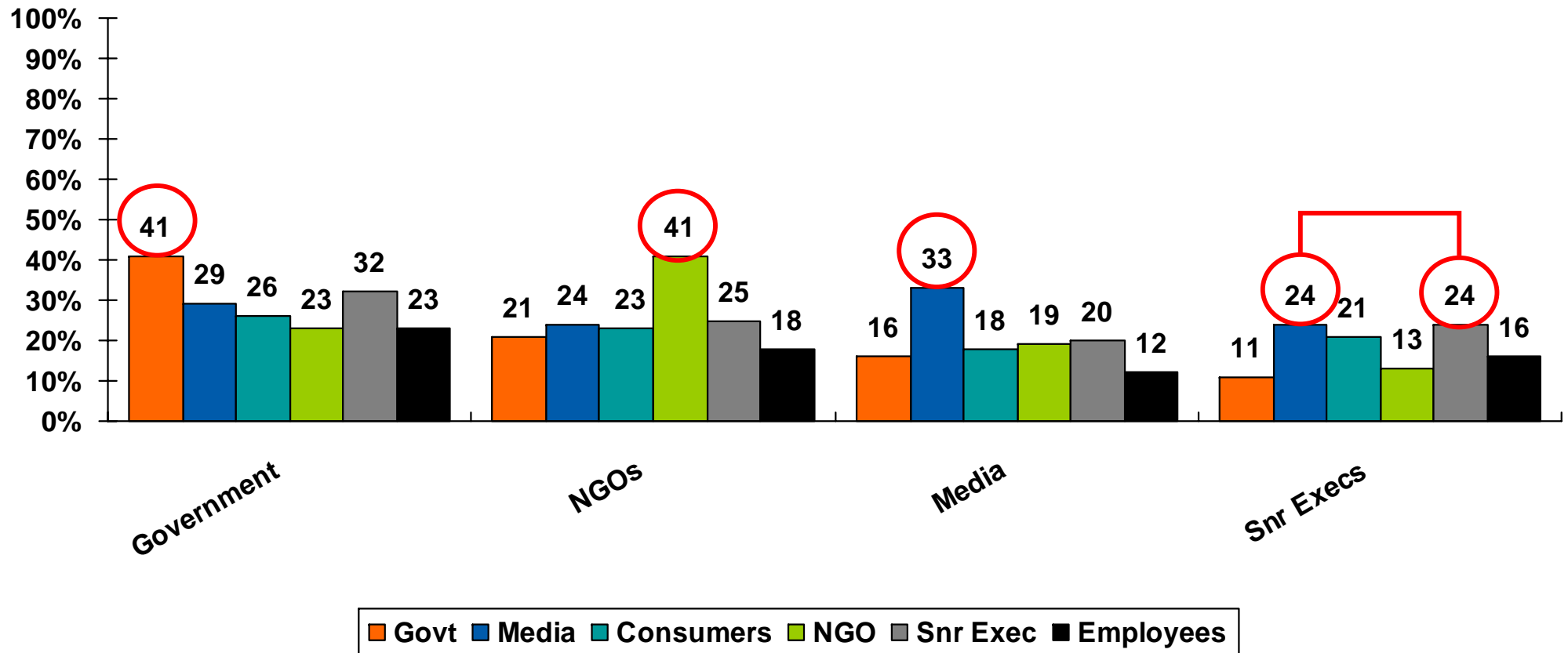
(Percentage equals top three box score for each institution)



Base: 700

Trust in Institutions by Stakeholder (Regional)

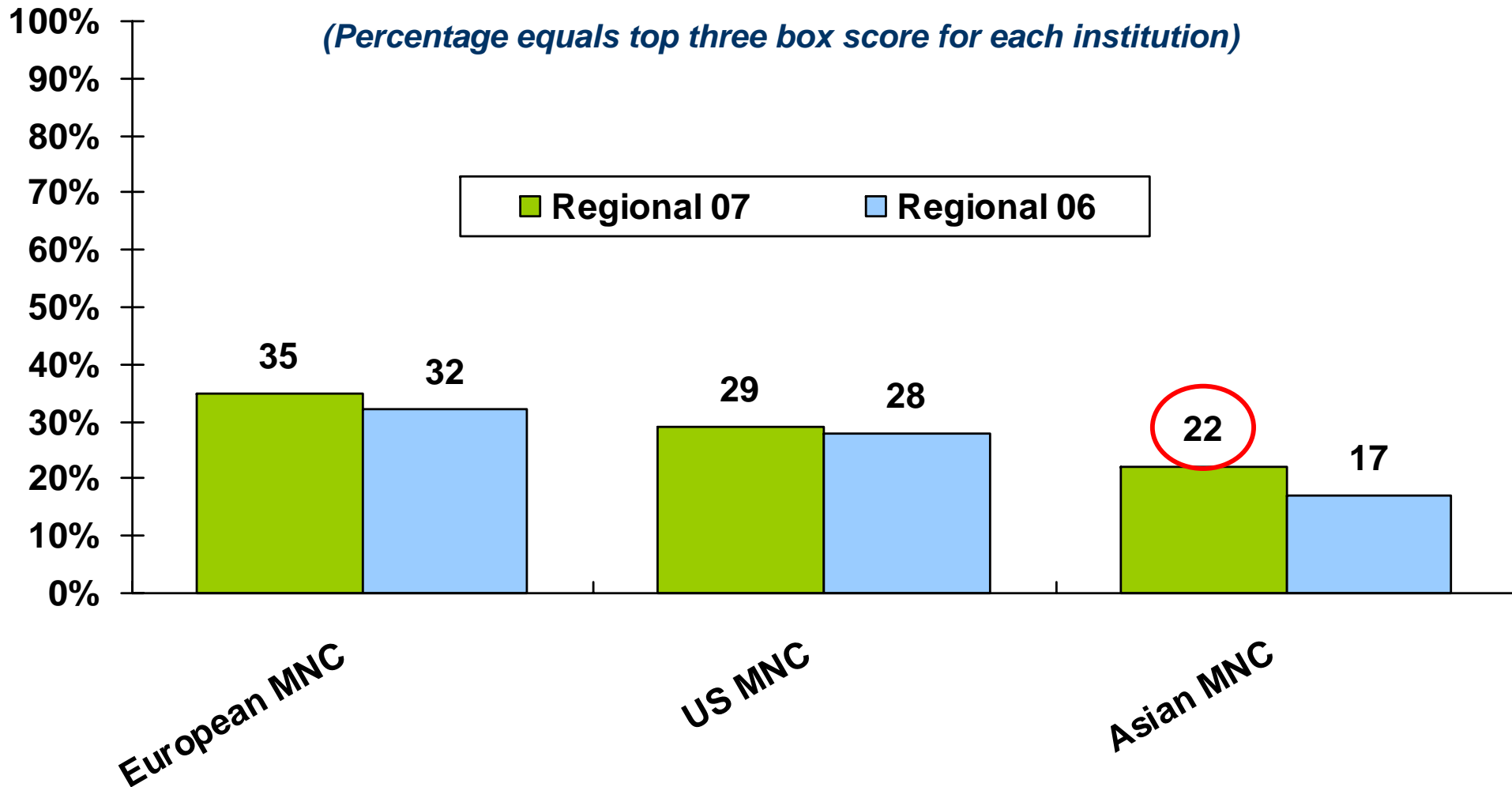
How much do you trust each of the following institutions to do what is right?



Base: 1050

Trust in Business (Regional)

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

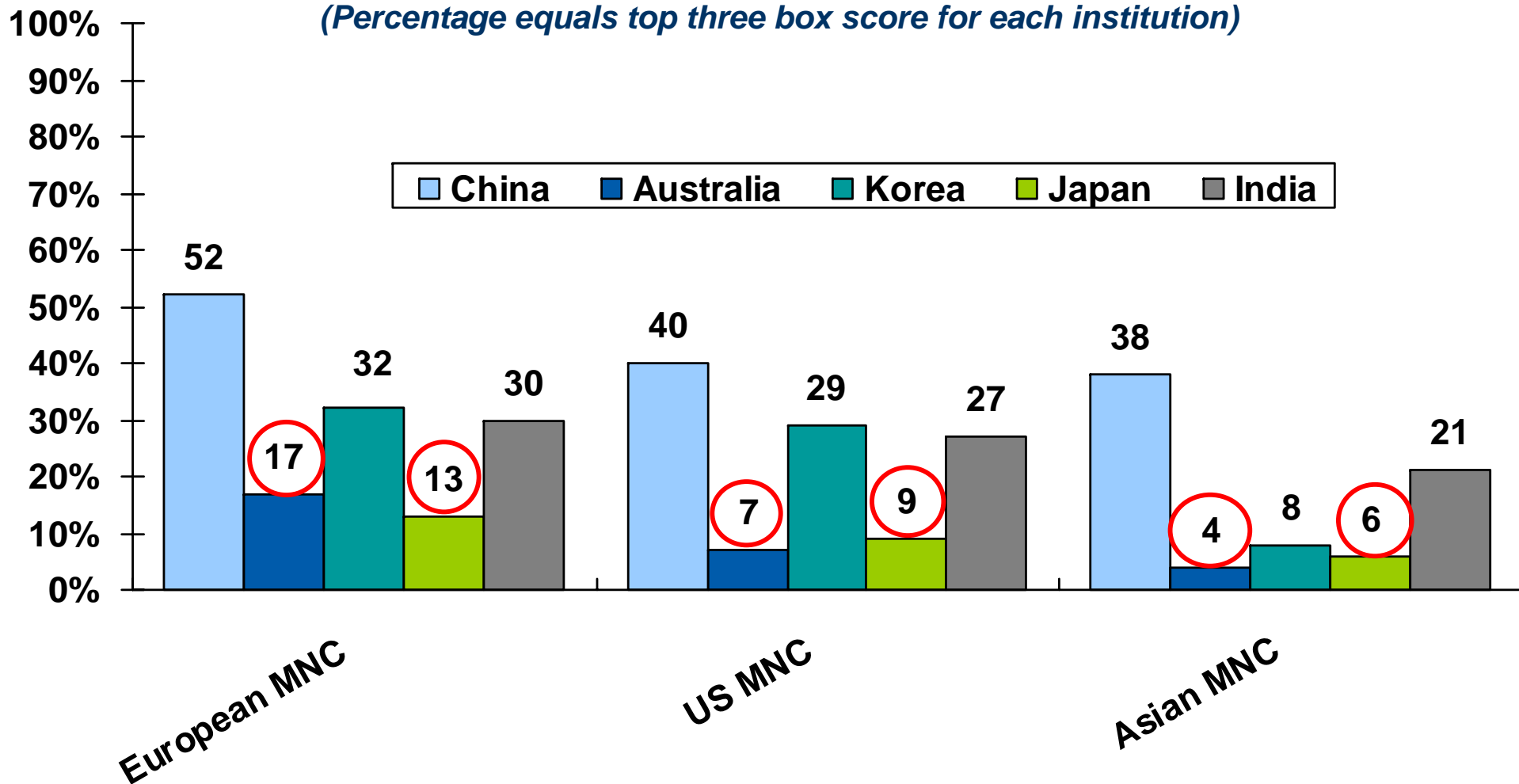


Base: 1050

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

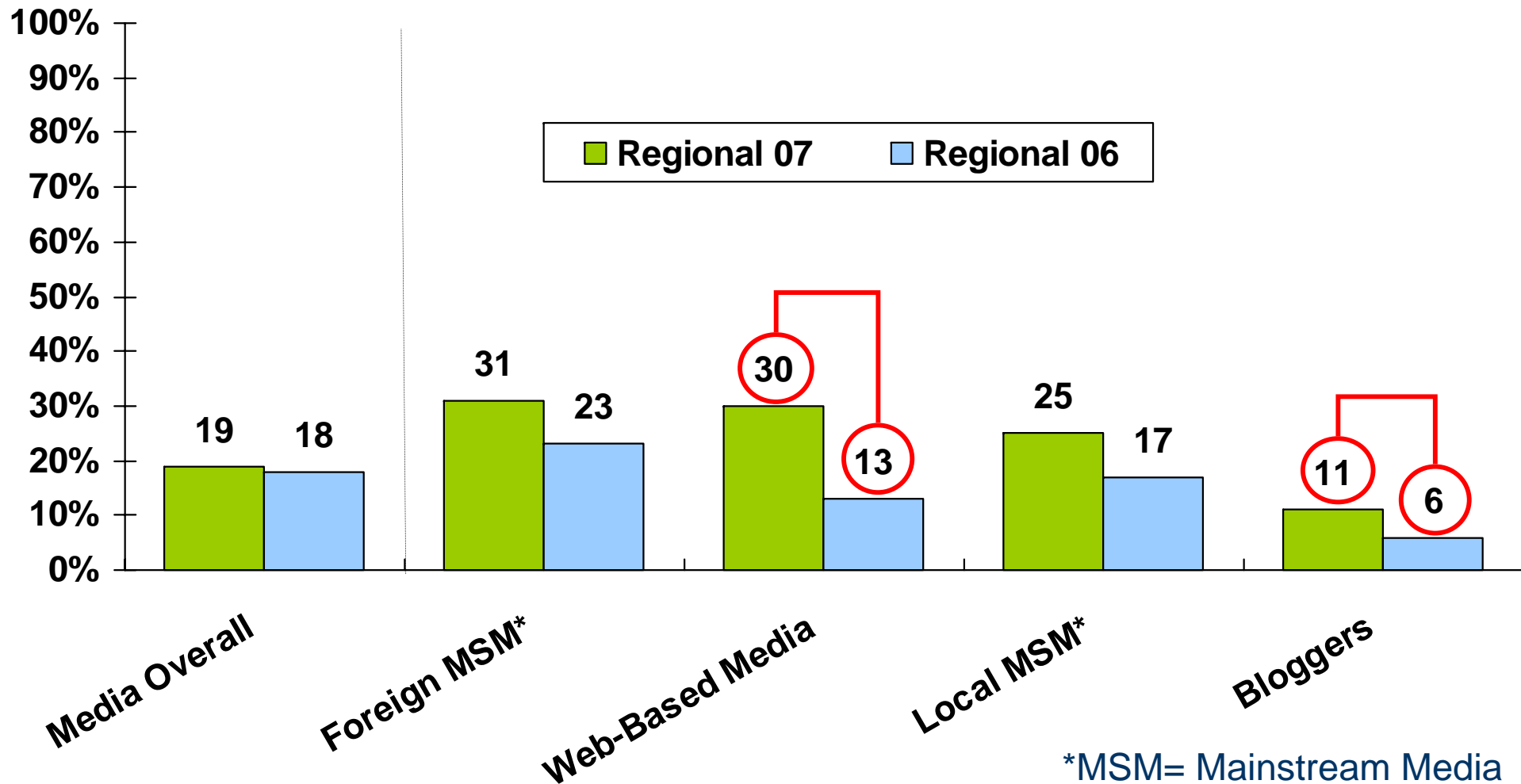


Sources and Channels

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)



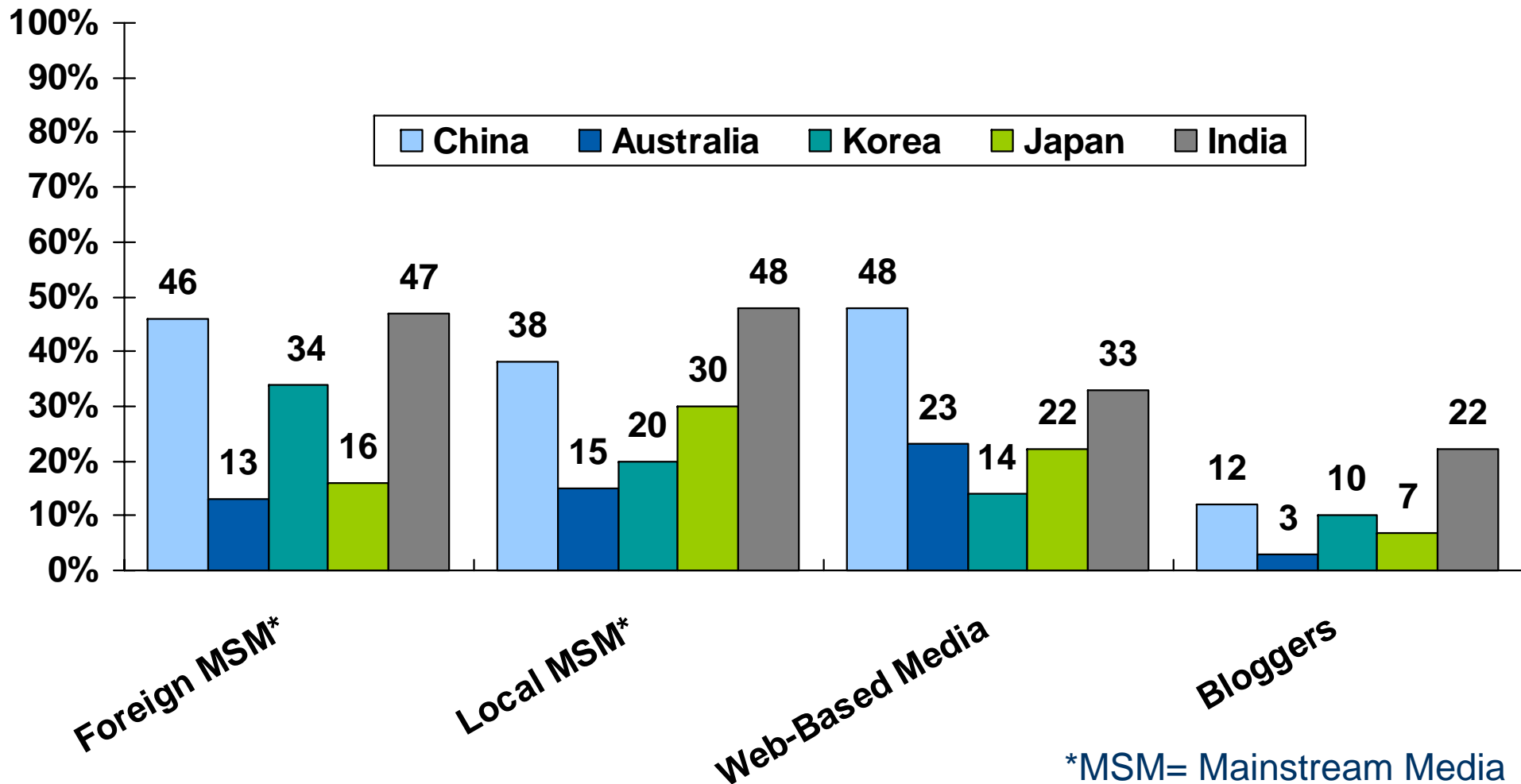
Base: 1050

*MSM= Mainstream Media

Trust in Media (Quantitative Studies)

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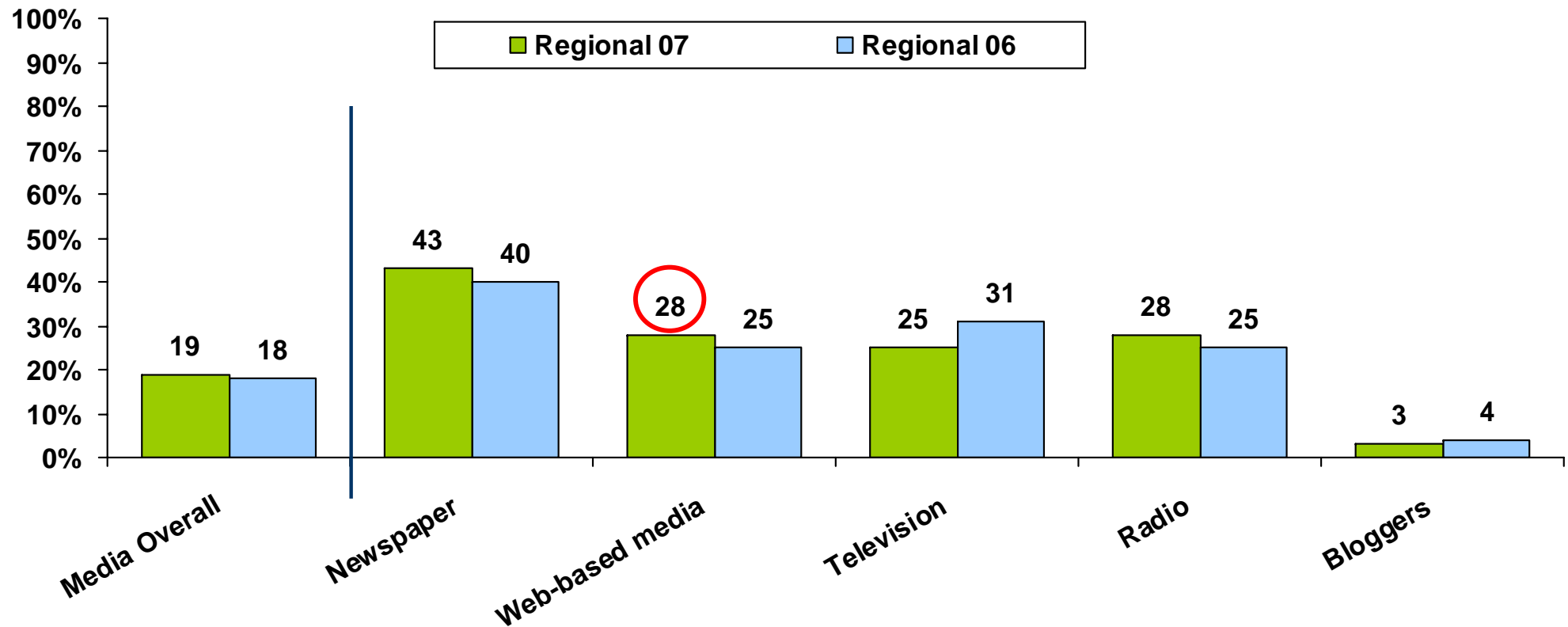
Base: 700

*MSM= Mainstream Media

Media Trust (Regional)

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

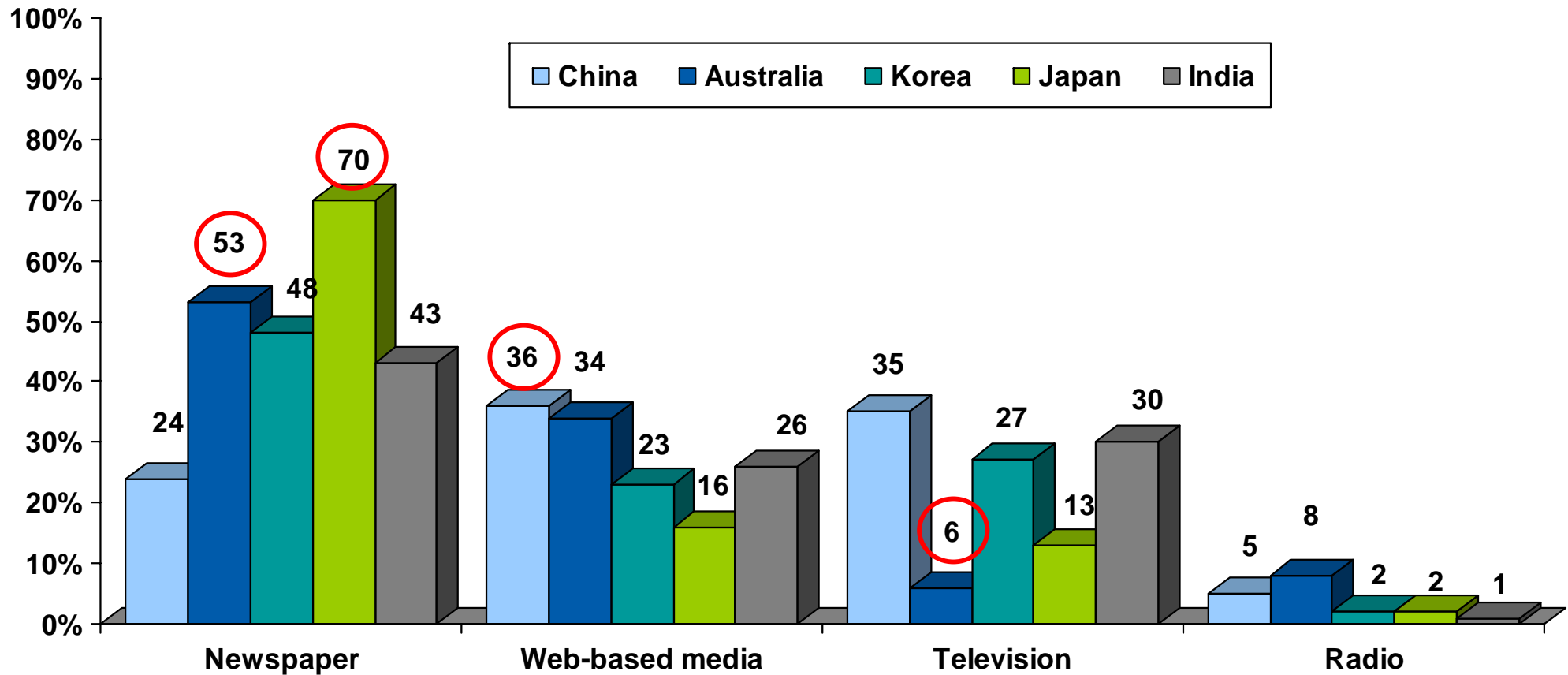
Web-based media overtakes TV as most trustworthy information source



Base: Regional 07: 1050, Regional 06: 1049

Media Trust (Quantitative Studies)

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

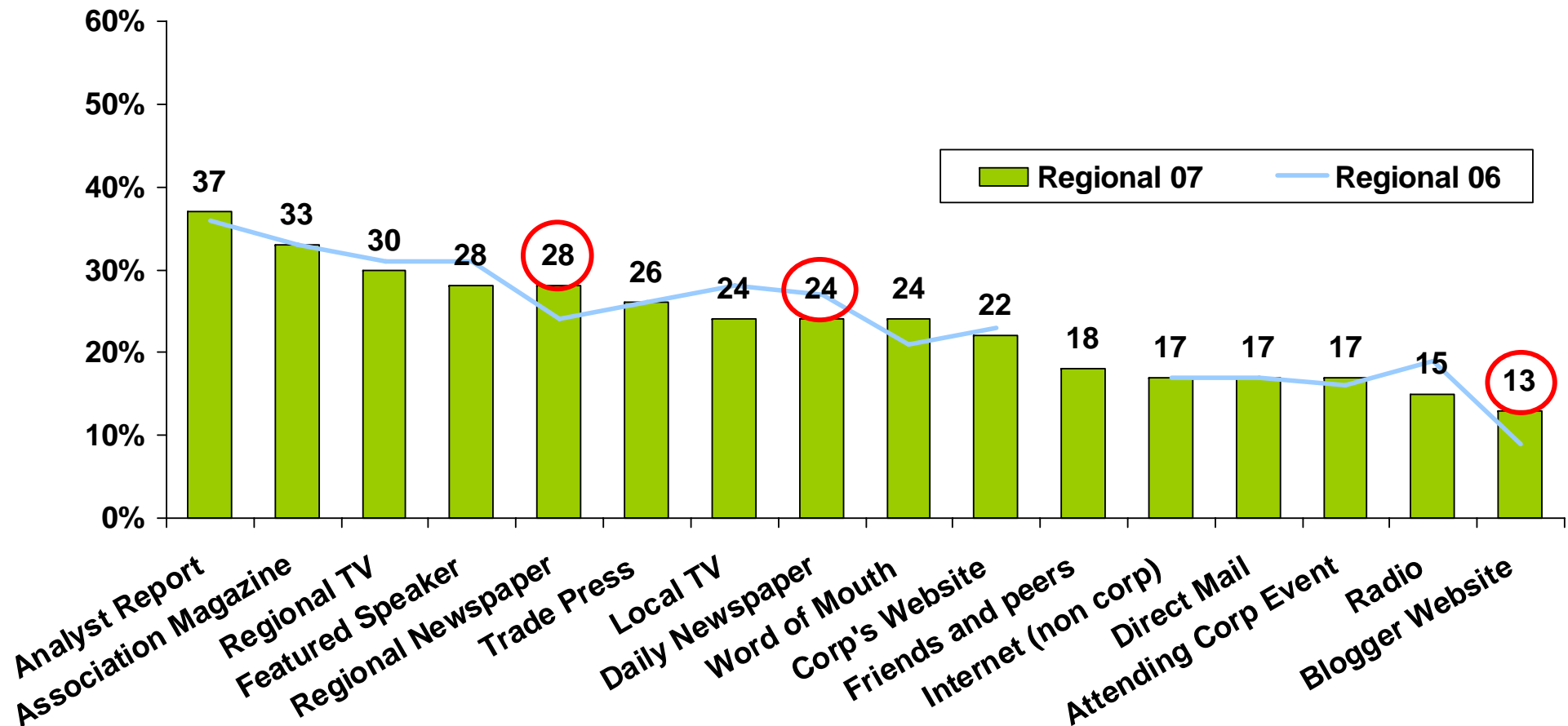


Base: 700

Trusted Communication Vehicles (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)

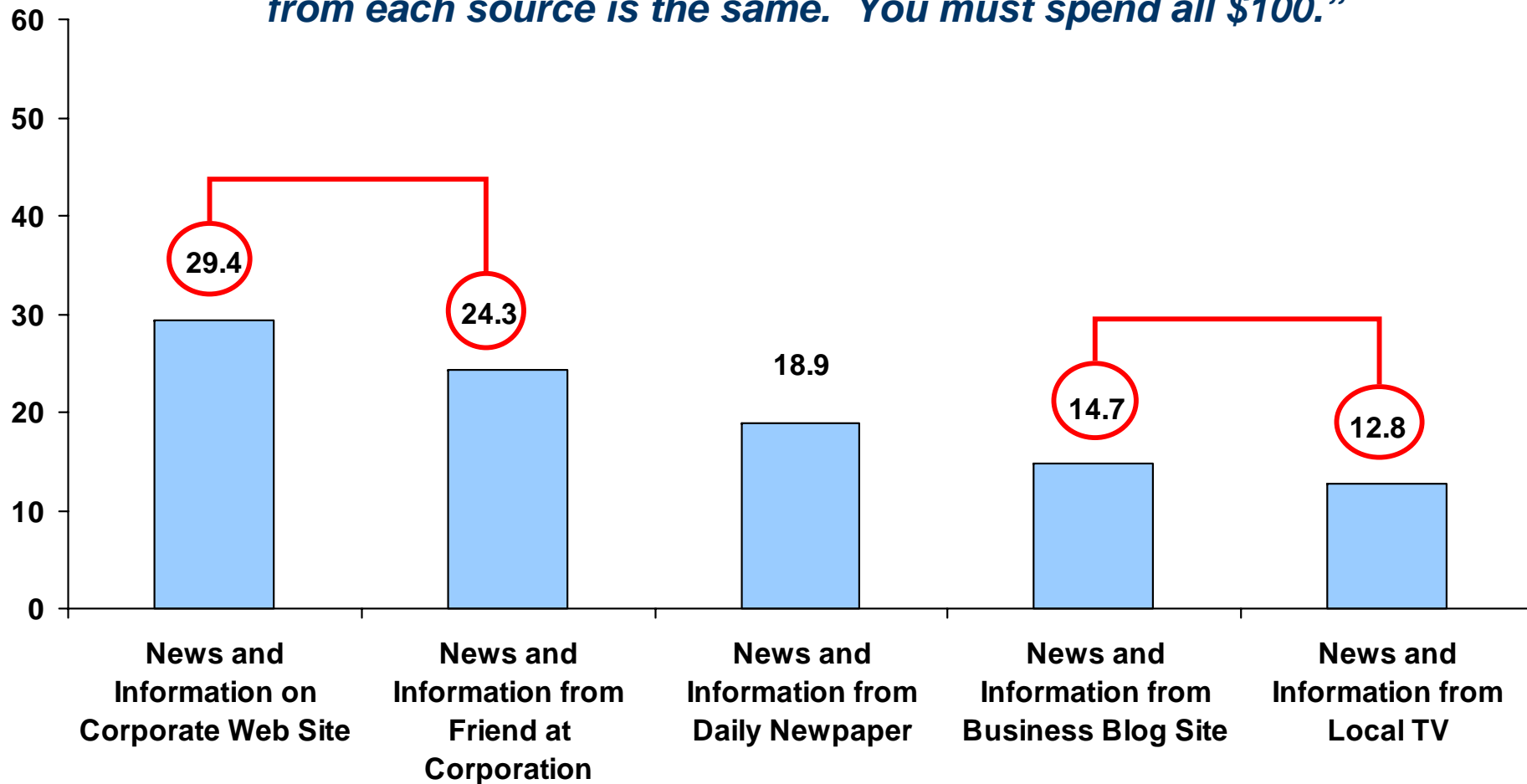


Base: 1050

Assessing Value (Regional)



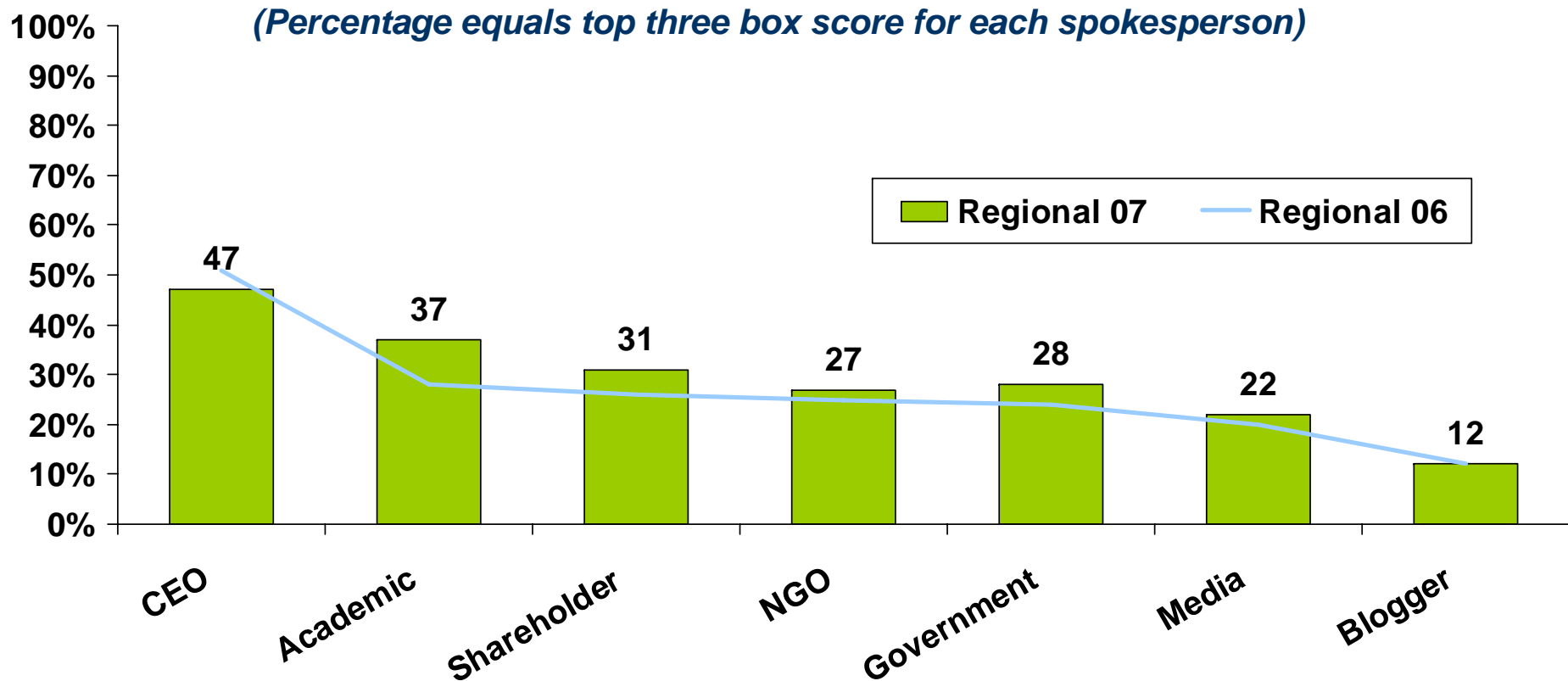
“You have \$100 to purchase information on a corporation. Allocate this on how you would spend it for the information. Assume that the price of information from each source is the same. You must spend all \$100.”



Base: 1050

Trust in Spokespeople (Regional)

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



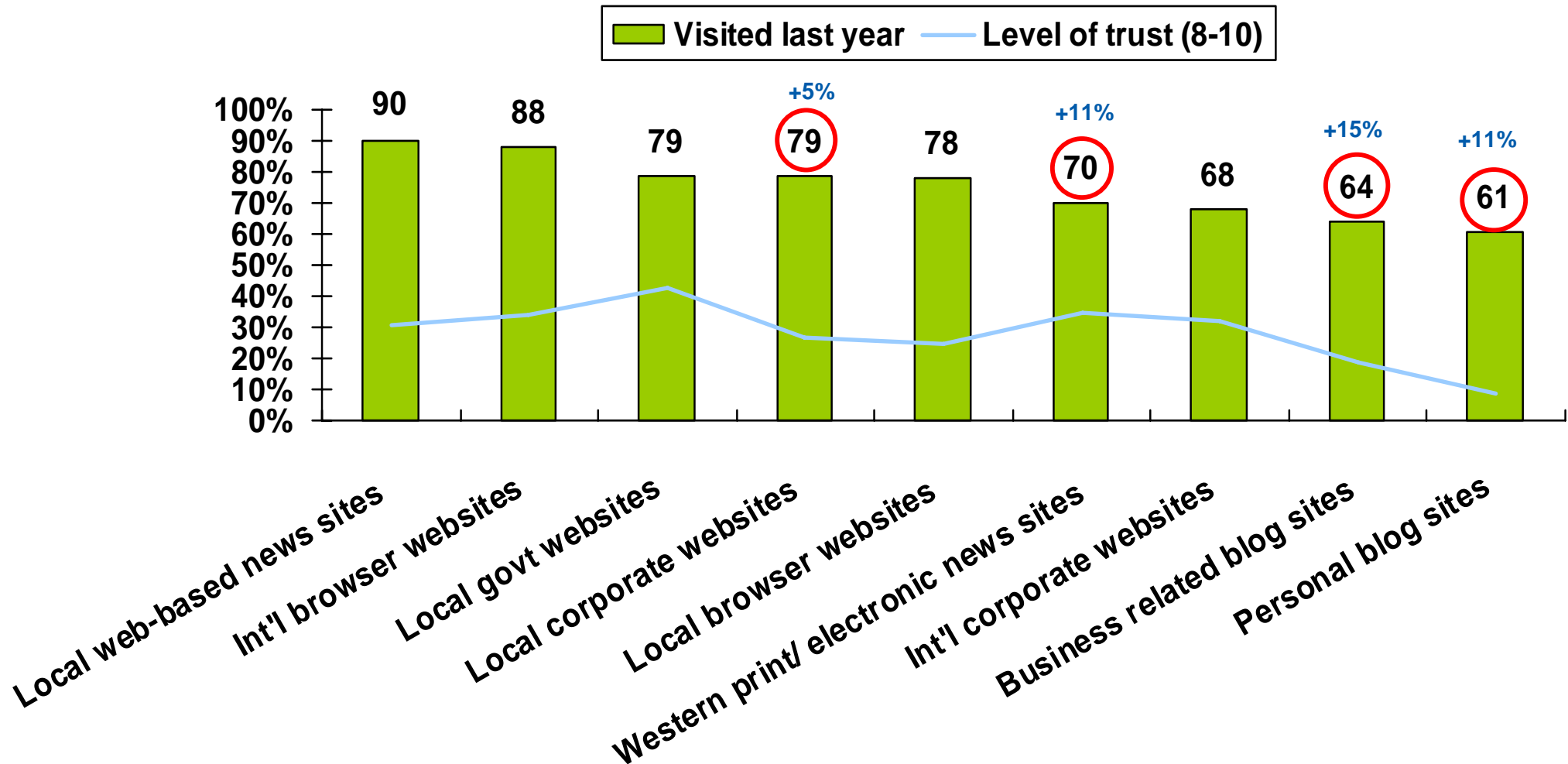
Base: 1050

The Web and Blogs

A large blue arrow pointing to the right, containing the text 'The Web and Blogs' in white. The arrow has a 3D effect with a darker blue shadow on its right side.

Website Usage and Trust (Regional)

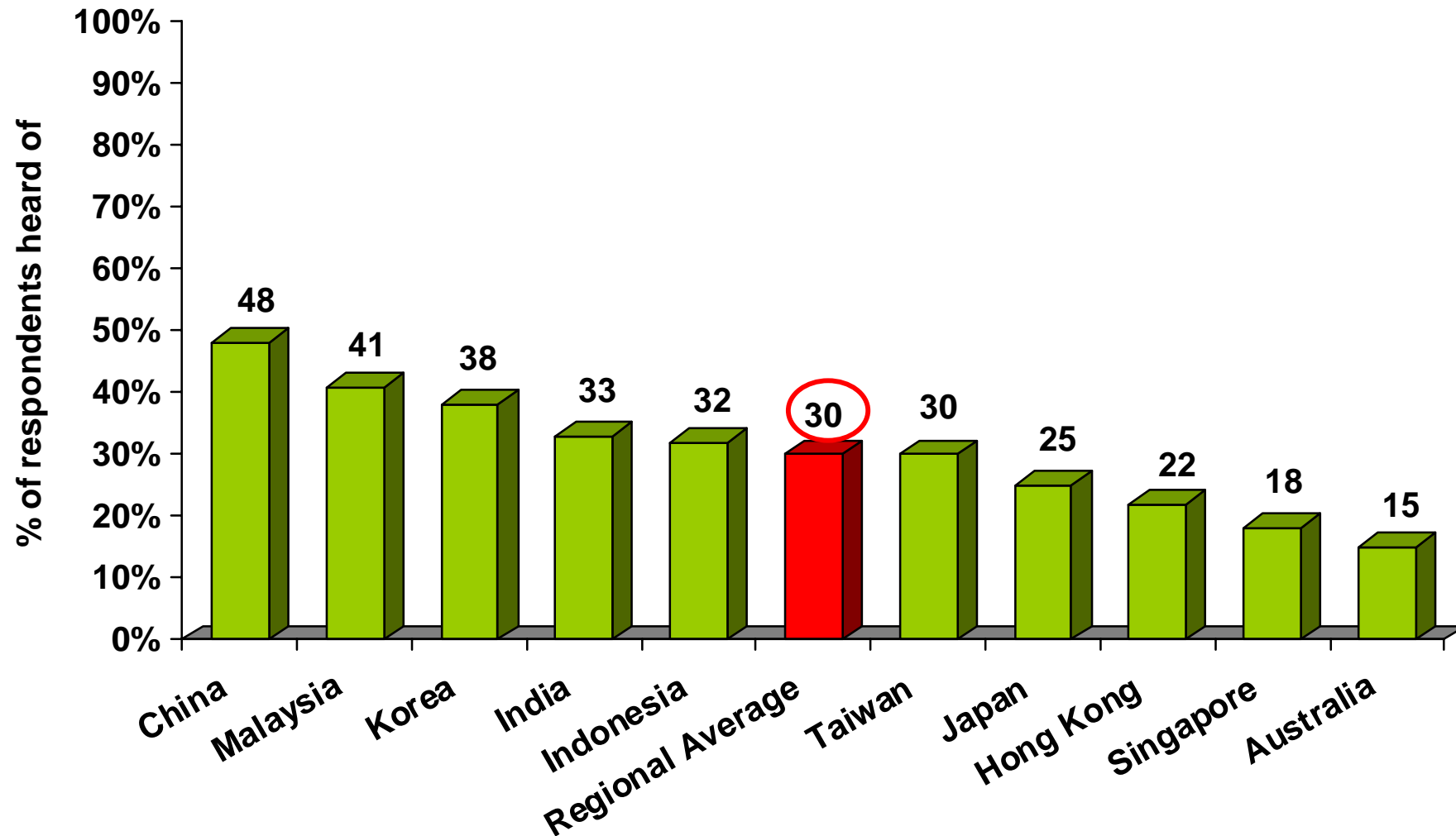
Which websites have you visited in the last year?



Base: 1050

Usage of “Blogging” (Regional)

Have you ever done any “blogging” yourself, that is, written and posted news or information on a website?



Base: 1050

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Opinion Drivers and Drivers of Good and Responsible

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 07</u>	<u>Reg 06</u>	<u>Reg 05</u>
Management/Leadership	26%	21%	17%
Brand/Product quality	24%	23%	26%
Employee development/Employee benefits	14%	15%	10%
High profit/Profitable	12%	14%	13%
Ethical/integrity	10%	6%	4%
Company image/Reputation	10%	11%	8%
Good after-sale service/good service	9%	12%	8%
Active promotion/Advertising	9%	8%	7%
Corporate citizenship/Socially responsible	8%	7%	7%
Production efficiency/workflow	7%	6%	4%
Sales/Marketing strategy	6%	7%	4%
Corporate culture	6%	4%	6%

Base: Regional data 05: 912 , 06 &07: 1050

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 07</u>	<u>Reg 06</u>	<u>Reg 05</u>
Offers top quality products/services	86%	80%	81%
Stands behind its products/services when something goes wrong	86%	80%	78%
Provides senior leadership that can be trusted	78%	72%	70%
Communicates frequently and openly with employees	73%	59%	52%
Operates in an open an transparent fashion	67%	58%	54%
Makes products that really impress other people	63%	55%	45%
Works hard at building relationship with core shareholders	62%	51%	46%
Concerned about/active in doing something about community welfare	54%	41%	35%

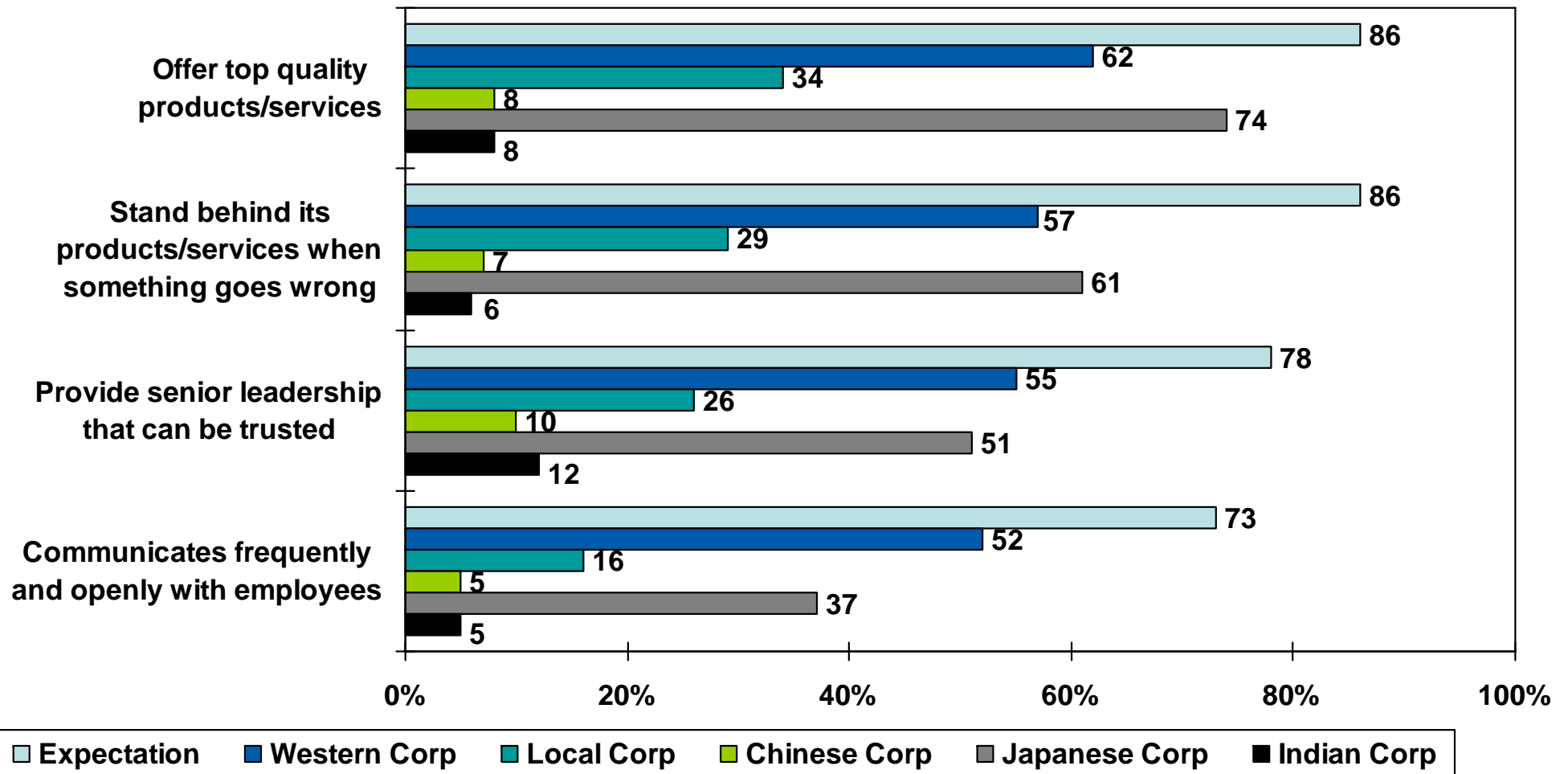
Base: Regional 06 & 07: 1050, Regional 05: 912

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)*

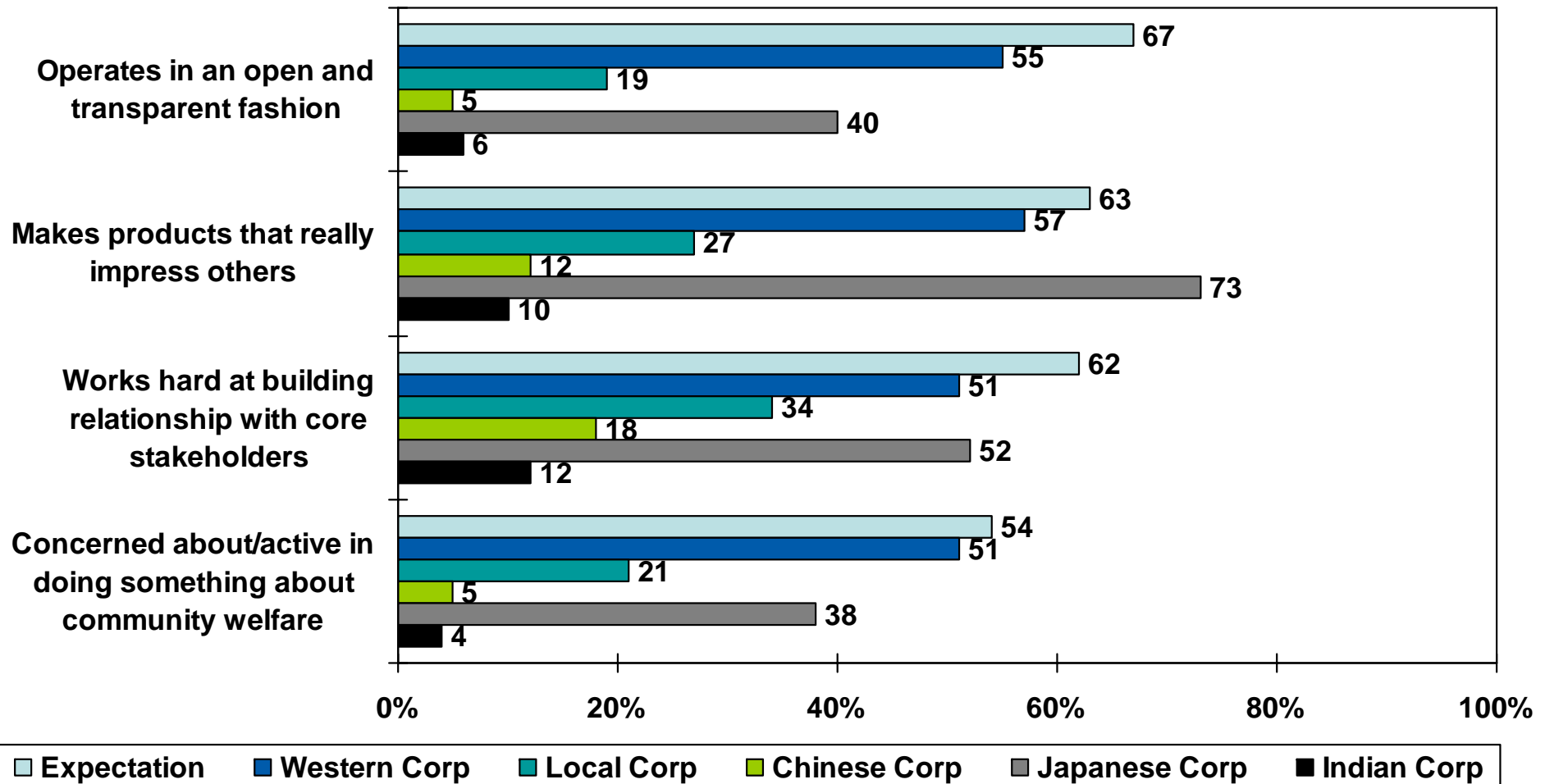


Base: 910 - 1050

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: 910 - 1050



So, what does this mean?

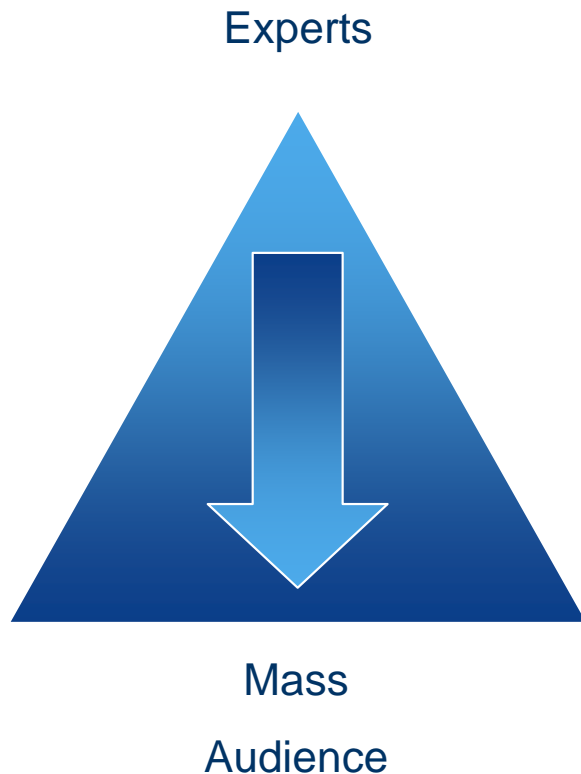


Dialogue Not Monologue

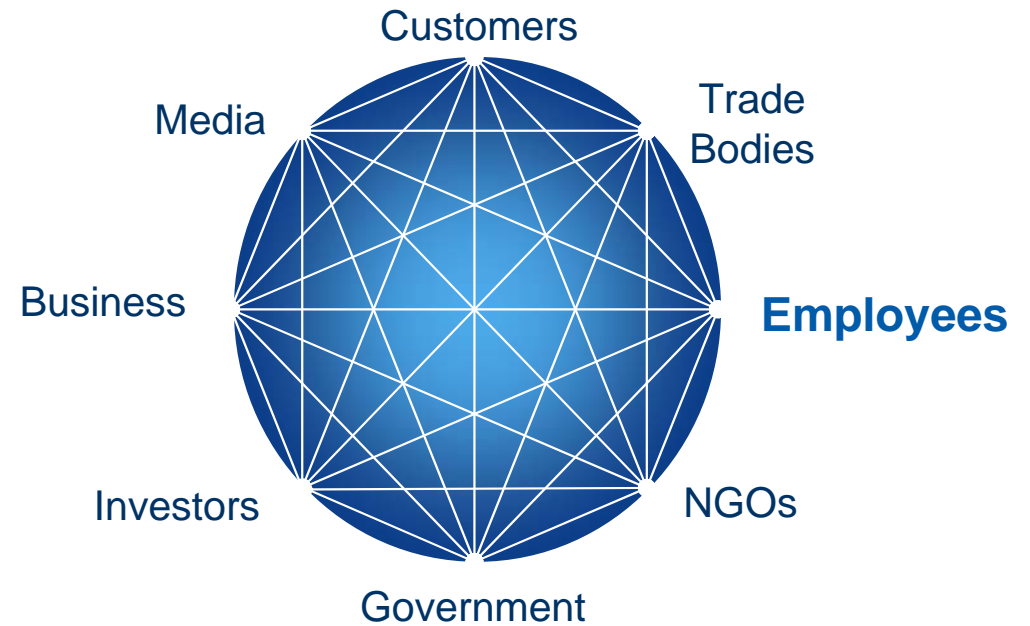


Pyramid of Authority vs. Sphere of Cross Influence

OLD MODEL



NEW MODEL

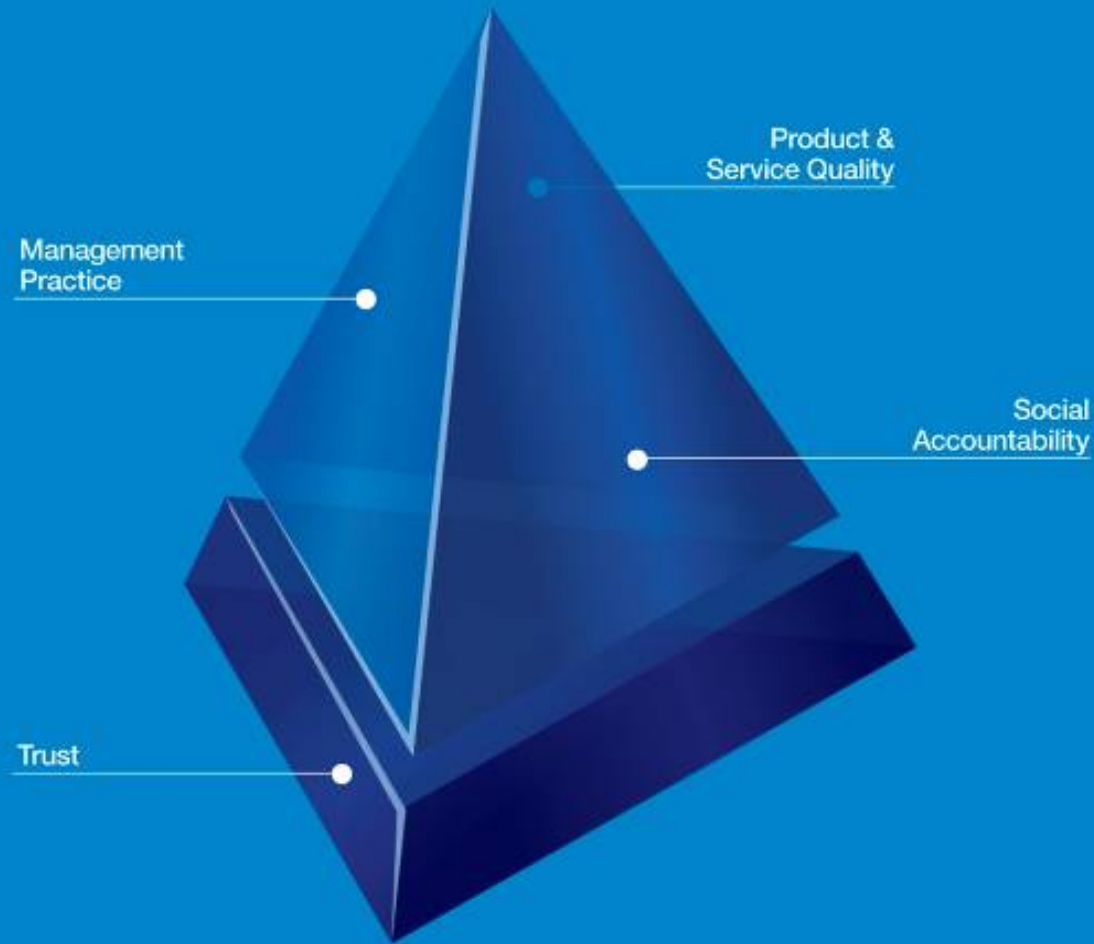


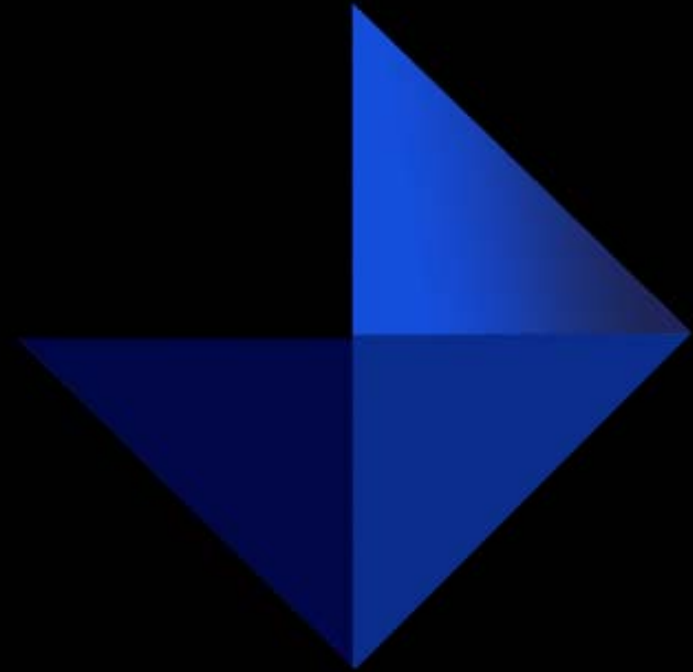


Rebalancing of Reputation

Asia Pacific Edelman Reputation Pyramid

Corporate Reputation Management
Driving Business Outcomes





Edelman