



2016 Edelman Trust Barometer

Leadership in a Divided World



Methodology

Online Survey in 28 Countries

- ▶ 16 years of data
- ▶ 33,000+ respondents total
- ▶ All fieldwork was conducted between October 13th and November 16th, 2015



General Online Population

- ▶ 5 years in 25+ markets
- ▶ Ages 18+
- ▶ 1,150 respondents per country



Informed Public

- ▶ 8 years in 20+ markets
- ▶ Represents 15% of total global population
- ▶ 500 respondents in U.S. and China; 200 in all other countries

Must meet 4 criteria:

- ▶ Ages 25-64
- ▶ College educated
- ▶ In top 25% of household income per age group in each country
- ▶ Report significant media consumption and engagement in business news



Mass Population

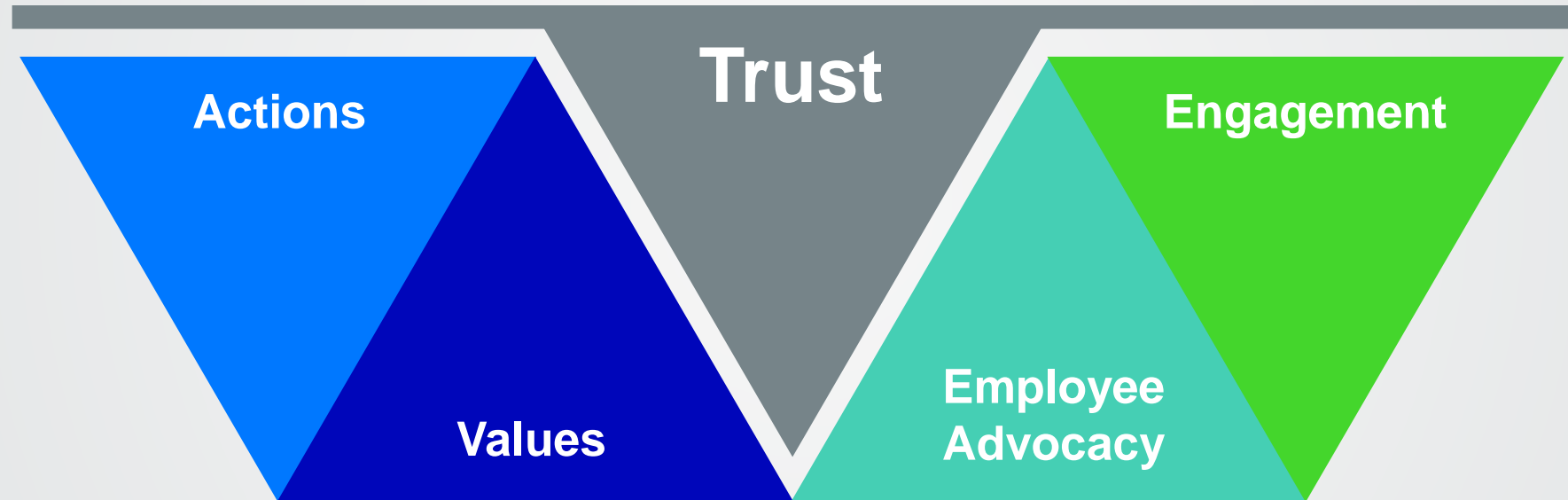
- ▶ All population not including Informed Public
- ▶ Represents 85% of total global population

28-country global data margin of error: General Population +/-0.6% (N=32,200), Informed Public +/- 1.2% (N=6,200), Mass Population +/- 0.6% (26,000). Country-specific data margin of error: General Population +/- 2.9 (N=1,150), Informed Public +/- 6.9% (N = min 200, varies by country), China and U.S. +/- 4.4% (N=500), Mass Population +/- 3.0 to 3.6 (N =min 740, varies by country), half sample Global General Online Population +/- 0.8 (N=16,100).

A black and white photograph of a woman with short, light-colored hair, looking out of a window. The window frame is visible, and the background outside is dark with some blurred lights. The text "Leadership in a Divided World" is overlaid on the left side of the image in a large, white, sans-serif font.

Leadership in a Divided World

Addressing Trust Inequality



A photograph of two men in safety gear (hard hats and high-visibility vests) walking through a field of solar panels. They are looking at a tablet held by the younger man. The background shows rows of solar panels stretching into the distance under a clear sky.

Leadership in a Divided World:

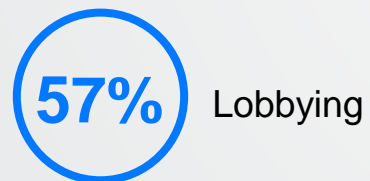
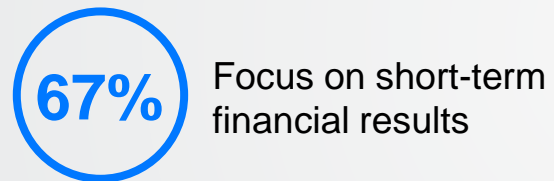
Actions

CEO Focus Misplaced

Percent who agree with each statement about CEOs

 General Population

Too Much



Not Enough



Source: 2016 Edelman Trust Barometer Q451-461. Thinking about CEOs, how strongly do you agree or disagree with the following statements? General Population. ['CEOs do too much lobbying,' 'Given that the average tenure of CEOs is just four years, CEOs aren't in their role long enough to make a positive impact,' 'CEOs are too focused on short-term financial results' (Top 4 Box, Agree), 'CEOs can be trusted to create jobs' (Bottom 5 Box, Do Not Agree)], 28 country global total.

Purpose and Profits Matter

Percent who agree that CEOs should be personally visible in discussing...

▲ General Population



Source: 2016 Edelman Trust Barometer Q496-506. How visible do you think a CEO should personally be in these different types of business situations? Please use a 9-point scale where one means that it is “not visible at all” and nine means that it is “extremely visible”. (Top 4 Box, Visible) General Population, 28-country global total, question asked of half the sample.

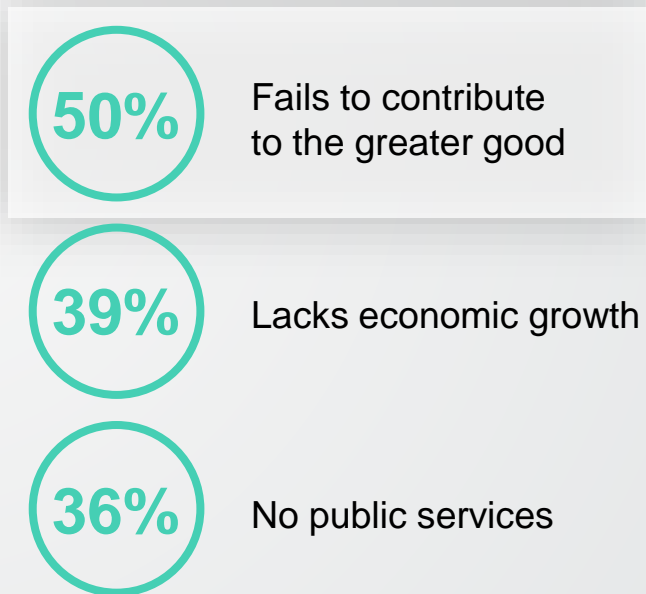
Purpose Impacts Trust

Percent who cite each as a reason for why their trust in business has increased or decreased

Reasons Trust in Business Has Increased



Reasons Trust in Business Has Decreased



Source: 2016 Edelman Trust Barometer Q328-329. For which of the following reasons, if any, has your trust in each institution listed below increased over the past year? Q330-331. For which of the following reasons, if any, has your trust in each institution listed below decreased over the past year? General Population, 28-country global total.

A grayscale photograph of a woman with a shaved head sitting in the driver's seat of a car. She is looking out the window to her right with a thoughtful expression. The car's interior, including the headrest and seatbelt, is visible. The background outside the car is blurred.

Leadership in a Divided World:

Values

Leaders Seen As Underperforming

Importance vs. performance of 16 trust-building leadership attributes

	% Importance	% Performance	Gap
Integrity	51	27	24
Exhibits highly ethical behaviors	50	24	26
Takes responsible actions to address an issue or crisis	53	33	20
Behaves in a way that is transparent and open	50	24	26
Engagement	49	24	25
Treats employees well	52	25	27
Listens to customer needs and feedback	50	25	25
Places customer ahead of profits	47	23	24
Communicates frequently and honestly on the state of their company	46	23	23
Products	45	33	12
Places a premium on offering high-quality products or services	48	34	14
Is focused on driving innovation and introducing new products/services/ideas	42	32	10
Purpose	40	25	15
Is dedicated to protecting and improving the environment	41	22	19
Ensures that the company creates programs that positively impact the local community in which it operates	42	28	14
Ensures that the company addresses society's needs in its everyday business	43	26	17
Ensures that the company partners with NGOs, government and third parties to address societal issues	33	24	9
Operations	37	28	9
Attracts and retains a highly regarded and widely admired top leadership team	40	29	11
Is ranked on a global list of top CEOs, such as "The Best Performing CEOs in The World"	29	25	4
Manages the company in a way that delivers consistent financial returns	41	29	12

Source: 2016 Edelman Trust Barometer. Q462-478 How important is each of the following attributes to building your trust in CEOs? (Top 2 Box, Important) Q479-495 Please rate CEOs 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." CEO questions use the same scales as the business questions. (Top 2 Box, Performance) General Population, 28-country global total.

Desired Leadership Qualities

Characteristics that make a CEO trustworthy, percent who selected each as one of the top five in each region

 General Population

60% of global respondents **cannot name any CEOs***



North America

Honest	59%
Ethical	48%
Competent	26%
Transparent	26%
Sincere	24%



Latin America

Ethical	47%
Honest	44%
Competent	36%
Visionary	34%
Innovative	33%



Europe

Honest	53%
Competent	43%
Experienced	28%
Ethical	27%
Transparent	27%



APAC

Honest	39%
Visionary	35%
Decisive	31%
Ethical	31%
Competent	26%

Source: 2016 Edelman Trust Barometer Q515. Which of the following personal characteristics make a CEO trustworthy? Please select the five most important characteristics that make a CEO trustworthy. General Population, 28-country global total, question asked of half the sample.

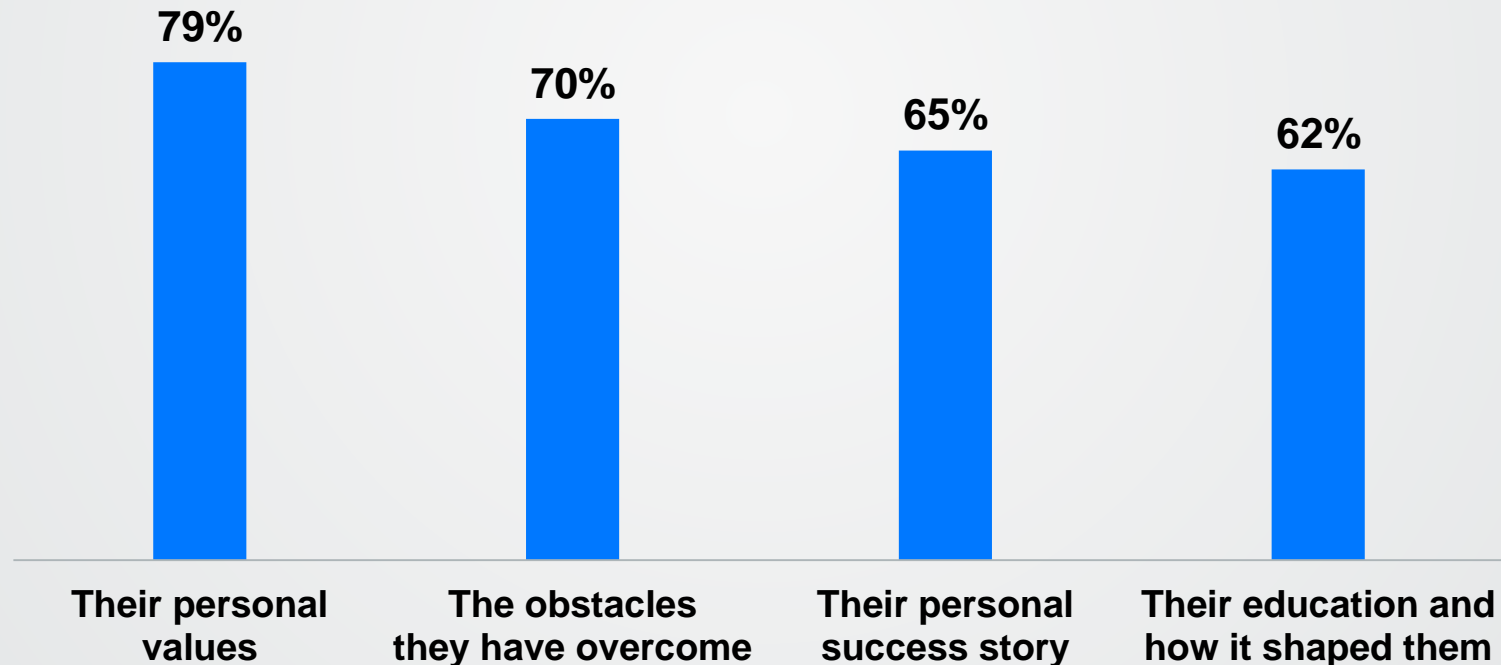
* Source: 2016 Edelman Trust Barometer CEO Supplement Q1. Thinking about company CEOs in general, how many CEOs could you name in full? General Population, 10-country global total.

Personal Values and History Matter

Percent who agree that each type of information is important in building trust in a CEO

CEOs must engage

both directly (86%)
and via media (75%)



Source: 2016 Edelman Trust Barometer Q507-514. Thinking about how a CEO communicates with a variety of groups and individuals, how important are each of the following activities a CEO could engage in? Please use a nine-point scale where one means that attribute is “not at all important to building your trust” and nine means it is “extremely important to building your trust”. [Media Engagement net = Q507 ‘Interviews with the media,’ and ‘Q512 ‘Sharing their views on a blog or on social media.’ Direct Engagement net = Q508 ‘Communications with employees,’ and ‘Participation in industry conferences.’] Q516-524. For you to trust a CEO, how important is it that you have information on each of the following aspects of the CEO’s personal life outside of their business? Please use a nine-point scale where one means that attribute is “not at all important to building your trust” and nine means it is “extremely important to building your trust”. (Top 4 Box, Important) General Population, 28-country global total, question asked of half the sample.

A man with a beard and glasses, wearing a suit jacket and a patterned shirt, is leaning on a table in a meeting room. He is looking towards the camera with a slight smile. The room has a whiteboard and a window in the background.

Leadership in a Divided World:



Employee Advocacy

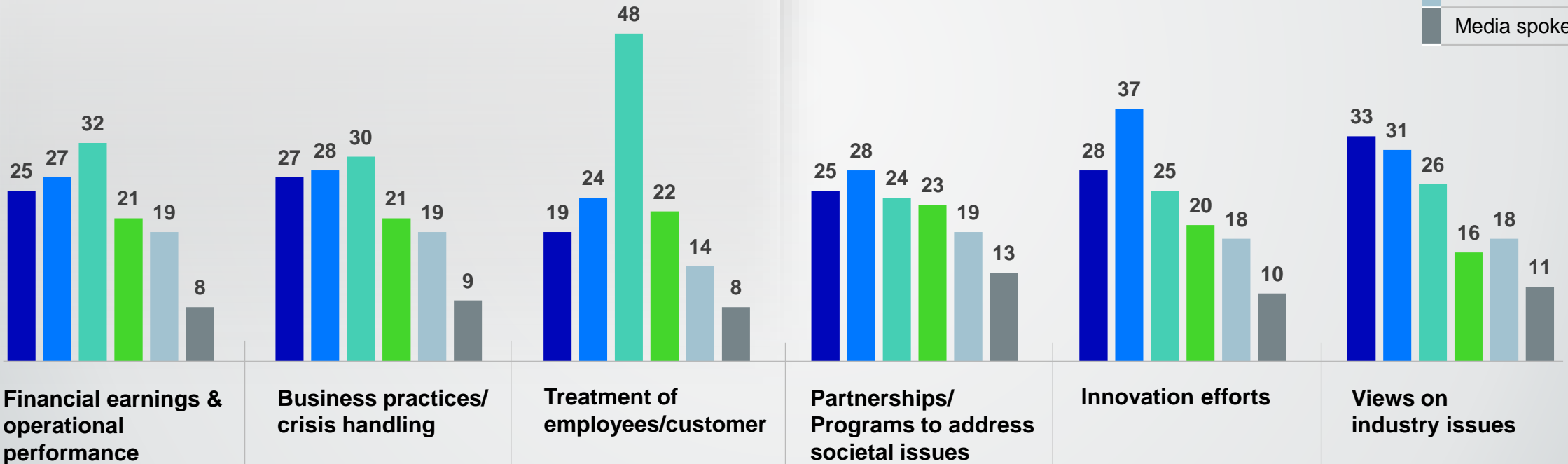
Employees are Essential Advocates

Most trusted spokesperson to communicate each topic

▲ General Population



Employees Most Trusted



Source: 2016 Edelman Trust Q610 Who do you trust MOST to provide you with credible and honest information about a company's financial earnings and operational performance, and top leadership's accomplishments? Q611 a company's business practices, both positive and negative, and its handling of a crisis? Q612 a company's employee programs, benefits and working conditions, and how a company serves its customers and prioritizes customer needs ahead of company profits? Q613 a company's partnerships with NGOs and effort to address societal issues, including those to positively impact the local community? Q614 a company's innovation efforts and new product development? Q615 Who do you trust MOST to provide you with credible and honest information about a company's stand on issues related to the industry in which it operates? General Population, 28-country global total.

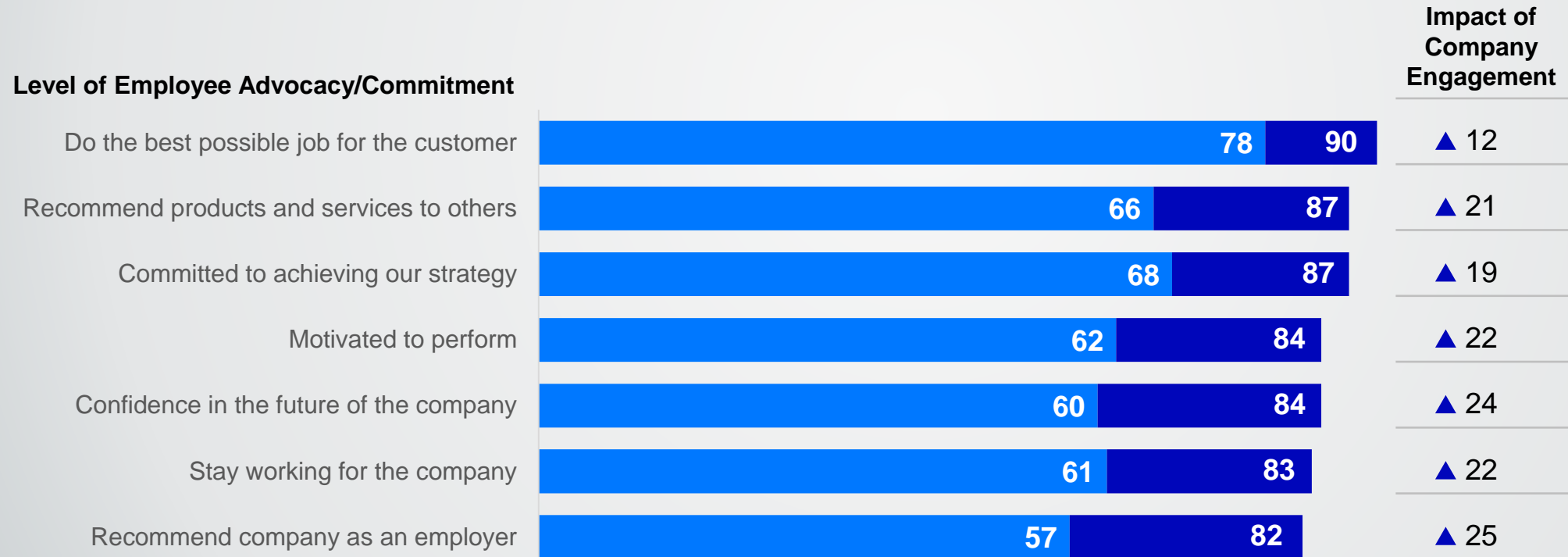
Employee Advocacy Increases With Societal Issue Engagement

Percent who agree with each statement, comparing those who work at companies involved in addressing broader societal issues vs. those who do not

▲ General Population

Employees of companies NOT engaged in societal issues

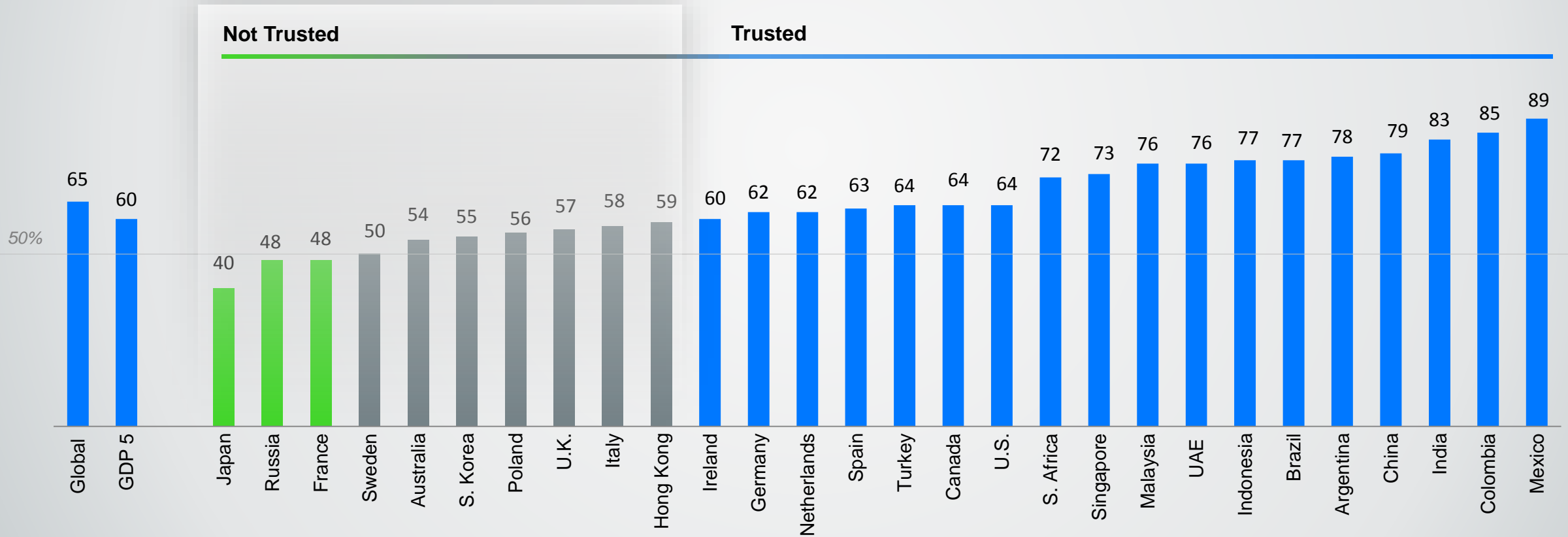
Employees of companies engaged in societal issues



Source: 2016 Edelman Trust Barometer Q527-529 Does your company get involved in addressing broader societal issues beyond the core business, through programs or relationships with other companies? Q530-536. Thinking about your current company, please indicate how much you agree with each of the following statements using a nine-point scale where one means that you “strongly disagree” and nine means that you “strongly agree”. (Top 4 Box, Agree) General Population, 28-country global total, question was asked of half the sample.


Significant Employee Lack of Trust

Percent who trust the company for which they work



Source: 2016 Edelman Trust Barometer Q525-526. Thinking about your own company and other companies in your industry, please indicate how much you trust each to do what is right using a nine-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, 28-country global total.

GDP 5 = U.S., China, Japan, Germany, U.K.

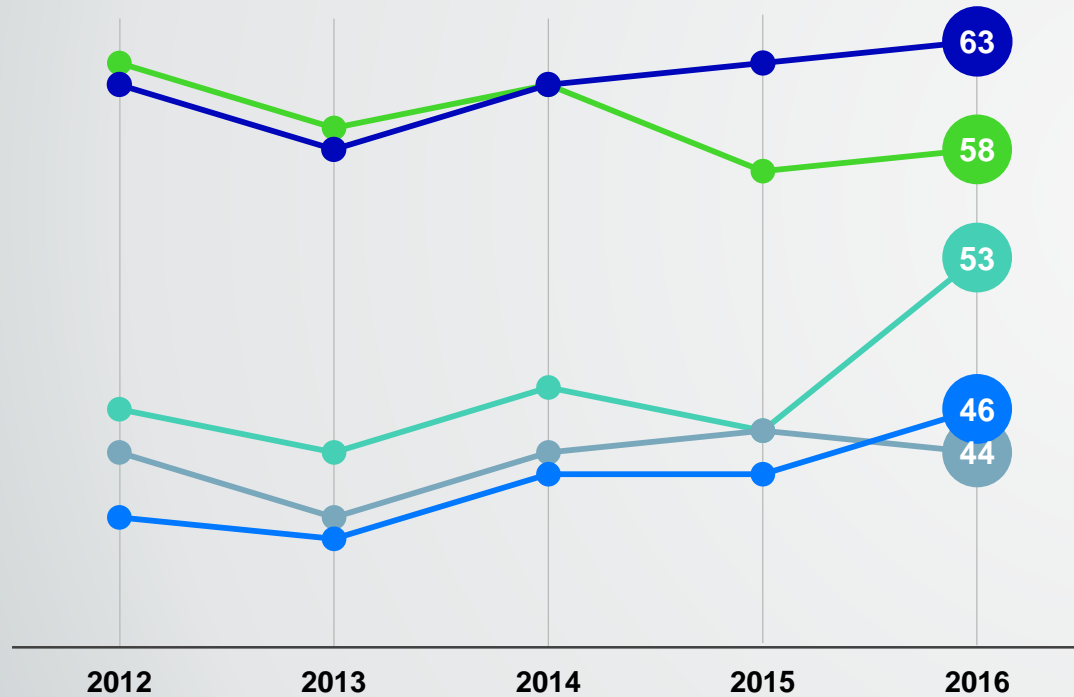


Leadership in a Divided World:

Engagement

Transformed Media Landscape

Percent trust in each source for general news and information



Industry	2012	2013	2014	2015	2016	Millennials	Gap
Search engines*	61	58	61	62	63	66	▲ 3
Traditional media	62	59	61	57	58	58	0
Online-only media**	46	44	47	45	53	58	▲ 5
Owned media	41	40	43	43	46	51	▲ 5
Social media	44	41	44	45	44	51	▲ 7

Millennials

even more trusting of digital media than general population

Source: 2016 Edelman Trust Barometer Q178-182. When looking for general news and information, how much would you trust each type of source for general news and information? Please use a nine-point scale where one means that you “do not trust it at all” and nine means that you “trust it a great deal.” (Top 4 Box, Trust) General Population and Millennials, 25-country global total.

*From 2012-2015, “Online Search Engines” were included as a media type. In 2016, this was changed to “Search Engines.”

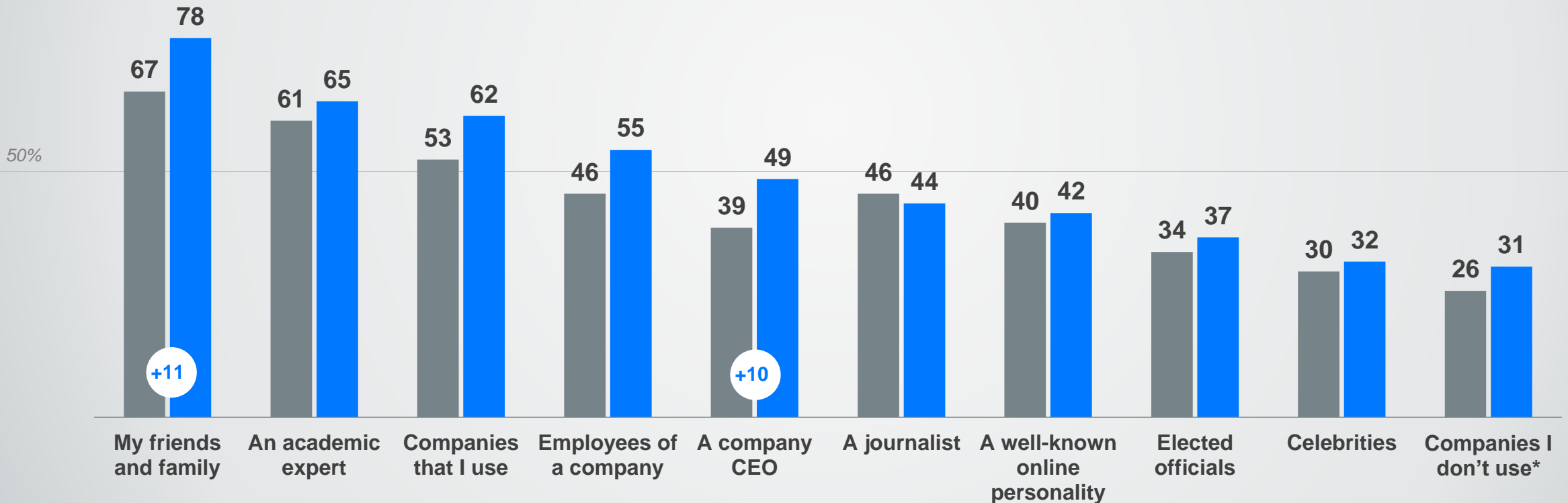
**From 2012-2015, “Hybrid Media” was included as a media type. In 2016, this was changed to “Online-Only media.”

Every Voice Matters

Percent who trust information created by each author on social networking sites, content sharing sites and online-only information sources, 2015 vs. 2016

▲ General Population

2015 2016



Source: 2016 Edelman Trust Barometer Q598-609. Thinking about the information you consume, how much do you trust the information from each of the following authors or content creators? (Top 4 Box, Trust) General Population, 27-country global total, question asked of half the sample.

* Asked as "Brands I don't use" in 2015.

Peers Influence Purchase

The impact of online and offline conversations about brands with friends and other people like me

Build Inspiration	%
They give me a sense of community	16
They get me	17

Push Consideration	%
They push me to try new things	25
They suggest products/services	27
They make me trust the brand more	29

Moment of Truth	%
They help me overcome concerns	37
They help me make decisions	44
They warn me about the risks	45

75% peers influence purchase decisions at the moment of truth

Source: 2015 Earned Brand Study of Global Consumers

Source: The Edelman Earned Brand study 2015, Q41: Thinking about the conversations you have online and offline with friends and other people like you about brands, products and services you purchase, what impact do they have on you?

The Inversion of Influence

Old Model

- ▶ Elites have access to more/better information
- ▶ Elites' interests interconnected with those of mass
- ▶ Becoming an "elite" open to all

**Influence
& Authority**

New Reality

- ▶ Peer-to-peer influence more powerful than top-down
- ▶ Increasing distrust among mass population
- ▶ Mass movements based on dissatisfaction and urgency

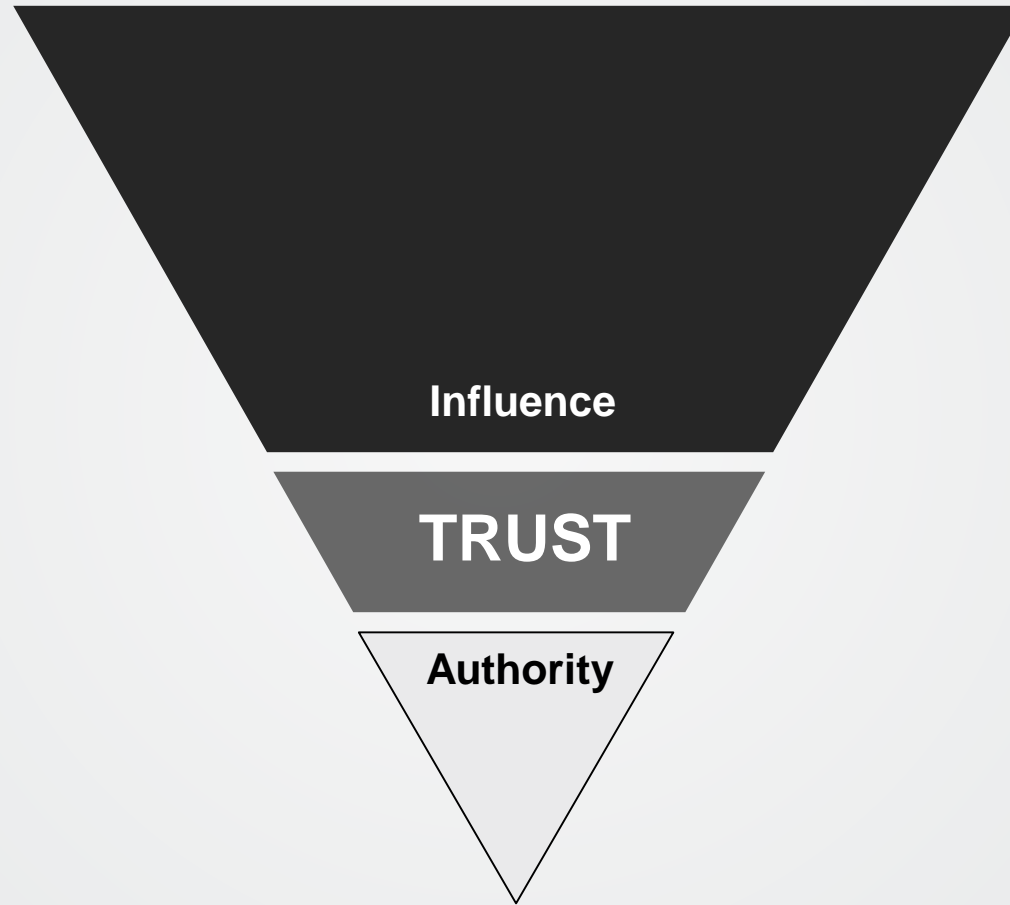
The Divide

- ▶ Democratization of information and more information
- ▶ High-profile revelations of greed and misbehavior
- ▶ Income inequality

Influence

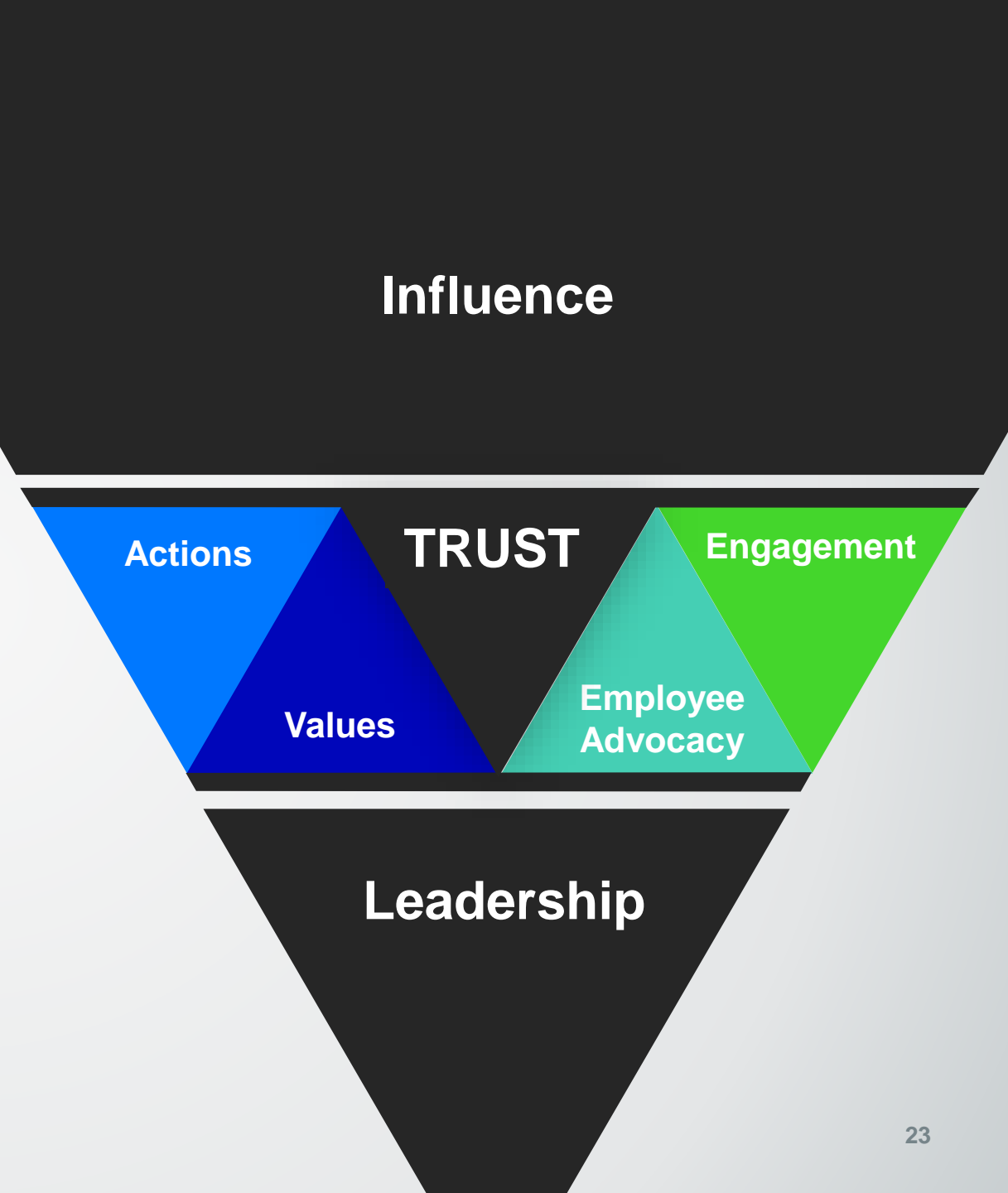
Authority

Addressing Trust Inequality



Embracing the New Reality of Influence to Address Trust Inequality

- ▶ Create societal impact in addition to profits through purposeful action
- ▶ Express your values through honest, ethical engagement in which you share your story
- ▶ Ignite your most powerful advocate, your employees
- ▶ Engage cross channel to meet stakeholders, where they are, about what most interests/concerns them



A man with a beard and mustache, wearing a dark suit, white shirt, and dark tie, is smiling broadly while holding a tablet computer. He is standing in an office environment with large windows in the background. To his left is a computer monitor. On a desk to his right, there is a pen holder, a spiral notebook, and a calendar.

Thank You

View the full results at www.edelman.com/trust2016