



Burson·Marsteller

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Europeans voice dramatic loss (-51%) of trust in governments across Europe after two years of economic crisis – but trust in the European Commission and European Parliament falls by much less

Steep decline in trust in national governments over the past two years, with the biggest decline showing in countries where the economic and financial crisis has hit hardest (Portugal, Greece and Spain)

Brussels 22 June 2011 – Burson-Marsteller, a leading global public relations and communications firm, today launched the first European Trust & Purpose survey which reveals that the economic crisis and banking excesses continue to significantly undermine trust in governments, businesses and their CEOs. Trust in multinational companies has decreased by 36% over the past two years and trust in CEOs has decreased by almost 50% during the same period.

The survey reveals that loss of trust in national governments across Europe is in the order of a 51% decline in trust over the past 2 years, with the biggest losses felt in Portugal (-84%), Greece (-78%) and Spain (-77%).

In industry the most trusted sectors are computer technology and online services, supermarkets, food and beverage and automotive. The least trusted sectors are energy providers, social media and financial services. Close to 80% of the public say they would rather pay more for products and services that are delivered and produced responsibly and fairly.

The survey was conducted by the strategic research firm Penn Schoen & Berland which completed 3,161 online interviews among the general population from 5 to 16 May 2011 in the following 14 countries: Belgium, Denmark, Estonia, France, Germany, Greece, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and United Kingdom.

Key findings:

- National governments have lost trust much more than the European Union institutions
- The biggest decline in governments is shown in countries where the economic and financial crisis has hit hardest (Portugal, Greece and Spain)
- Among EU countries, trust in the European Parliament has decreased the most in the UK (-51%), Sweden (-44%) and Denmark (-41%)
- The same EU countries have experienced the biggest loss of trust in the European Commission: UK (-52%), Sweden (-47%) and Denmark (-42%)
- Least trusting of central governments are Portugal, Greece and Spain.

Many industry groups are more trusted than traditional thought leaders. Trust in computer technology (71%), supermarkets (64%) and automotive (55%) is higher than in the media (38%), central government (24%), religious leaders (24%) and politicians (13%); religious leaders and politicians are even less trusted than the financial services sector (28%).

Europeans are highly cynical about the motivations of business and CEOs – 60% believe they are less trustworthy than the average employee and nearly half believe their motivation is personal profit. Trust in CEOs over the past 2 years has decreased the most in Spain (68%), Portugal (64%) and Sweden (59%).

Trust in business varies enormously and depends on a number of factors, including:

- Provenance – 66% are less likely to trust companies that are foreign-owned. Europeans trust companies from Australia (56%), Japan (55%) and America (48%) much more than those from the BRIC countries (China 18%, India 14%, Brazil 14%, Russia 12%)
- Core values – honesty and trustworthiness (40%), good value (39%) and treatment of employees (28%) are key reputation builders – more so than what companies say about their support for the community (11%) and environment (19%)
- Trust by sector – finance (29%) and energy (40%) are less trusted than computer (71%), food (63%) and beverage (57%)

Over two thirds of people believe that a strong company 'Corporate Purpose' is important and almost 80% would rather pay more for products and services that are produced responsibly

- People prefer realistic, down-to-earth messages over grandiose statements
- Consumers want to hear about a company's values from the front-line teams (80%)
- Many feel that companies have become more dishonest over time (72%)
- People prefer to seek out information about companies when they want it – through Google searches (22%) or traditional media (16%) – rather than receive incoming updates through Facebook (3%) or Twitter (1%). Many feel companies only communicate to sell them things (82%)

The survey is available here <http://burson-marsteller.be/2011/06/trust-and-purpose/>

Previous Research

In 2010 Burson-Marsteller carried out the first Corporate Purpose Impact Ranking together with IMD business school. The study ranked 213 European companies in 10 industries according to the effectiveness of their Corporate Purpose. The research also showed that a strong and well communicated Corporate Purpose significantly impacts financial performance, enhances trust with stakeholders and builds competitive advantage for a company (add link).

In 2008 Burson-Marsteller conducted a proprietary survey on the theme of Purpose & Performance in cooperation with Penn Schoen Berland in 11 European countries amongst 200 leading corporate executives and opinion-makers (CEOs, presidents, government officials, financial analysts, academics, NGOs, journalists, and communications heads / managers). The research evidenced that 40 % of a company's reputation is determined by its purpose and 60 % by its performance. Striking a balance between substance and responsibility in a world where corporations are expected to deliver on profit and ethics is imperative. The research concluded that companies who deliver on purpose and performance are viewed as role models and are also more trusted. However, there is an in-built tension between the two objectives, and management must find a way to strike the right balance (add link).

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About Burson-Marsteller

Burson-Marsteller (www.burson-marsteller.com , www.burson-marsteller.eu), established in 1953, is a leading global public relations and communications firm. It provides clients with strategic thinking and program execution across a full range of public relations, public affairs, advertising and web-related services. The firm's seamless worldwide network consists of 71 wholly-owned offices and 58 affiliate offices, together operating in 83 countries across six continents. Burson-Marsteller is a part of Young & Rubicam Brands, a subsidiary of WPP (NASDAQ: WPPGY), one of the world's leading communications services networks.

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