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DESPITE PROLONGED GLOBAL RECESSION, AN INCREASING NUMBER OF PEOPLE ARE SPENDING ON BRANDS THAT HAVE SOCIAL PURPOSE
According to the 2009 Global Edelman goodpurpose™ Study

- 61% have purchased a brand that supports a good cause even if it wasn't the cheapest brand –
- 83% willing to change consumption habits if it can help make the world a better place to live –

New York (Oct. 21, 2009) – Despite the recession, consumers are still spending with companies and brands which have a social purpose. New findings released today from the 3rd annual Edelman goodpurpose™ Consumer Study, a survey of 6,000 people in 10 countries, revealed that during this recession, 57 percent globally say a company or brand has earned their business because it has been doing its part to support good causes (with Asian countries coming in highest with China [85 percent] and India [84 percent]). Two out of three (67 percent) globally also say they would switch brands if another brand of similar quality supported a good cause, peaking in Brazil (83 percent) and Italy (74 percent).

AS CONSUMER VALUES EVOLVE, SO DO BUSINESS OPPORTUNITIES

The study also found that 83 percent of people are willing to change consumption habits if it can help make the world a better place to live, indicating a startling consumer shift and trend away from traditional status markers like big houses and luxury cars and toward identification with social purpose brands. The findings overall show that today more than twice as many people (67 percent) would rather drive a hybrid car than a luxury car (33 percent), with Japan (89 percent) and France (84 percent) preferring hybrid cars most.

Globally, the study found that considerably more people (70 percent) would prefer to live in an eco-friendly house than merely a big house (30 percent), and 68 percent also now feel that it's becoming more unacceptable not to make noticeable efforts to show concern for the environment (rising to 82% in China) and live a healthy lifestyle (87 percent in China). While 69 percent globally would rather have a brand that supports the livelihood of local producers than a designer brand (31 percent), North American and most European countries in the study, as well as Brazil, overwhelmingly prefer supporting the livelihood of local producers, with each indicating more than 80 percent preference.

“People all over the world are now wearing, driving, eating, and living their social purpose as sustained engagement with good causes becomes a new criterion for social status and good social behavior,” said Mitch Markson, Edelman’s chief creative officer, president of its brand consulting group and founder of goodpurpose. “This gives companies and brands associated with a worthy cause an opportunity to build long-term relationships with consumers that, in turn, allow them to feel valuable within their communities.”

The study results suggest that in both harsh and rebounding economies, brands will continue to benefit from identifying and contributing to a positive social purpose that makes sense for their business, with 64 percent of people globally saying they would *recommend* a brand that supports a good cause (up from 52 percent in 2008, and in the U.S., up 16 points from 47 percent in 2008 to 63 percent this year). In addition, 63 percent of all respondents are looking to brands and companies to make it easier for them to make a difference, with Brazil having the highest expectations at 86 percent.

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“People are demanding social purpose, and brands are recognizing it as an area where they can differentiate themselves and in many parts of the world, not only meet governmental compliance requirements, but also build brand equity,” said Markson. “This year’s study shows that if companies respond intelligently to the sea change in consumer attitudes, brand loyalty among consumers – even during seriously challenging economic times – will actually grow. Even better, consumers will *want* to share their support for these brands with others.”

COUNTRY COMPARISONS INDICATE REGIONAL DIFFERENCES

Some interesting country and regional differences emerged in this year's findings. Brazil proved to have the highest expectations on brands with 89 percent expecting brands today to do something to support a good cause, and Brazilians (61 percent) are most likely to say they are more involved in good causes this year (the U.S. follows second with 36 percent indicating greater involvement this year).

Consumers in India and China also have strong opinions about doing good and are significantly more likely to say they are aware of any brands that currently support good causes. More than seven in 10 in each of those countries say they would switch brands if a different brand of similar quality supported a good cause. Unlike its Asian counterparts, Japan fell short of many of the global results, with the exception of choosing social purpose over social status – as respondents overwhelmingly preferred hybrid cars (89 percent), eco-friendly houses (87 percent), and brands that support the livelihood of local producers (76 percent). While Europeans are least likely to think that product brands support good causes nowadays, they indicate that supporting good causes in their everyday lives is important. More than three out of four people in the UK, France, Germany and Italy were willing to change their own consumption habits if it can help make tomorrow's world a better place to live. Though the economic downturn has made Americans most likely to give less money to good causes, they too overwhelmingly indicate they are willing to change consumption habits to make the world a better place to live (85 percent) and are looking to companies and brands to make it easier for them to make a difference (65 percent).

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CONSUMERS GIVE MORE TIME, PRESENTING BRANDS AN OPPORTUNITY TO DELIVER ON SOCIAL PURPOSE

While the global recession has created limitations, with 70 percent of consumers saying their ability to give money to community causes has been limited, people are still giving of their time. Thirty-three percent have given less financial support due to the current economic downturn (rising to 51 percent among U.S. respondents), but 31 percent are more involved in good causes than a year ago – and 53 percent have given more time in support of good causes this year because they have not been able to give as much

BIGGEST GLOBAL CHANGES SINCE 2008

- **71%** think brands and companies spend too much on advertising and marketing and should put more into good causes – up almost 10 percentage points
- **64%** would recommend a brand that supports a good cause – up from 52% last year globally
- **59%** would *help* a brand promote its products if there was a good cause behind it – up from 53% last year
- **44%** are aware of brands that actively support good causes through their products and services – up from 33%
- **16%** find contentment from shopping – down from 25%

KEY 2009 GLOBAL DATA HIGHLIGHTS

- **83%** willing to change consumption habits if it can help make the world a better place to live
- **70%** prefer an eco-friendly house to a big house (30%)
- **68%** feel that it is becoming more unacceptable not to make efforts to show concern for the environment and live a healthy lifestyle
- **67%** would switch brands if another brand of similar quality supported a good cause
- **67%** prefer a hybrid car to a luxury car (33%)
- **64%** would recommend a brand that supports a good cause
- **64%** *expect* brands today to support a good cause
- **63%** are looking toward brands and companies to make it easier for them to make a difference
- **61%** have bought a brand that supports a good cause even if it wasn't the cheapest brand
- **59%** have a better opinion of corporations that integrate good causes *into* their business *no matter why they do so* (61% in the U.S., 51% in Germany, 58% in Italy, 64% in India, 65% in China and 52% in Japan)
- **57%** say a company or brand has earned their business because it has done its part to support good causes
- **56%** believe societal and corporate interest should have *equal* weight in business decisions

Source: 2009 Edelman goodpurpose™ Study

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money. In addition, 56 percent have tried to do more to support good causes in the past year because charities and other nonprofit organizations have suffered in this economic environment – underscoring both consumers' desire to increase their social purpose activities, as well as the opportunity for companies and brands to develop initiatives that enlist consumers to help them work to effect positive change.

AN AUTHENTIC SOCIAL PURPOSE IS KEY

While the study reveals that social purpose is becoming increasingly crucial to a brand's success, a brand purpose must be authentic and true to the core values of the brand itself, and brands must look beyond traditional corporate social responsibility programs in which they simply donate money to a good cause. As the study notes, 66 percent of people believe that it's no longer enough for corporations to merely give money away, but that they must integrate good causes into their day-to-day business.

"Companies that become catalysts for social change and respond to rising consumer expectations that they and their brands help make the world a better place will not only survive, but also thrive, in ways their competitors will not," said Markson. "Mutual social responsibility provides that opportunity, as people today are more passionately involved and supportive than ever, yet more demanding and unforgiving, as well."

Continue the social purpose conversation at www.goodpurposecommunity.com, on Facebook at www.facebook.com/goodpurpose and on Twitter at www.twitter.com/LIVEgoodpurpose.

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About the Edelman goodpurpose™ Consumer Study

The 2009 goodpurpose™ survey was fielded among consumers ages 18-64 across ten countries from July to August 2009. The research firm StrategyOne conducted an online survey in all countries except India and China, where the survey was conducted face-to-face. The survey sampled 6026 adults in the U.S., China, Canada, U.K., Germany, Italy, France, Brazil, Japan and India. The study was representative of the country population.

About Edelman

Edelman is the world's leading independent public relations firm, with 3,200 employees in 51 offices worldwide. Edelman was named PRWeek's "2009 Agency of the Year," PRWeek's "Large Agency of the Year" (for the third time in the last four years), and Holmes Report's "2009 Best Large Agency to Work For" and was listed as a top-10 firm by Advertising Age in 2007 and 2008. Edelman owns specialty firms Blue (advertising), StrategyOne (research), and BioScience Communications (medical education and publishing). Visit www.edelman.com for more information.