



UK TRUST IN ENTERTAINMENT INDUSTRY PAYS DIVIDENDS FOR THE SECTOR

- UK consumer trust in the entertainment industry higher than US
 - Increase in consumer spend over the past year

London, 7 July 2009. Research launched today by Edelman, the world's largest independent PR agency, reveals that UK adults aged 18-34 are more trusting in the entertainment industry than those in the US. UK trust in the sector remains stable at 29% compared to last year, whereas the US has seen a sharp decline of 15 points to 17%.

With trust in the entertainment industry linked to an increased willingness to buy a company's products¹, the differences between the two countries is further highlighted by consumers' purchasing habits: 66% of consumers in the UK say they are spending the same or more on digital entertainment compared with last year, versus 56% in the US.

For the fourth year running, the *Trust in the Entertainment Industry* survey explores attitudes toward entertainment companies in the UK and US. It examines the impact trust has on behaviours such as purchase, recommendation, file downloading and sharing. *Trust in the Entertainment Industry 2009* follows Edelman's tenth *Trust Barometer*, published in January 2009, which ranks the entertainment industry as the fifth most trusted (50%), following technology, healthcare, food and biotech, among UK opinion formers aged 35-64. In the US, trust in the entertainment industry is ranked 3rd from the bottom (33%), sharing its position with the automotive industry and just topping insurance and media companies.

Gail Becker, President of the US Western Region and global head of Edelman's Digital Entertainment & Technology practice, explains:

"Sixty-six per cent of consumers in the UK say they are spending the same or more on digital entertainment as last year and we found a correlation between trust in the industry and entertainment spending. Those who say they have a lot of trust in the entertainment industry are more likely to be spending the same or more on entertainment as they did the prior year. Those who do not trust the entertainment industry say they will be spending less money on entertainment. Trust affects every company's bottom line. People will buy from companies they trust and refuse to buy from companies they distrust."

Consumer spending

Price is the most important consideration for 3 in 5 adults when paying for entertainment (music, movies, television, games).

¹ Findings from Edelman's *Trust in the Entertainment Industry* research link trust in entertainment to an increased willingness to buy a company's products (60%), to recommend the company to a friend (49%), to share positive experiences with others online (30%), and to pay a premium for a company's products (24%).

The research findings link trust in entertainment to an increased willingness to buy: over the past year, 60% say they have bought products from a trusted company and 24% have paid a premium for them.

“We found that cost and quality are consumers’ top considerations when paying for entertainment,” continues Becker. “While cost is the most important factor in today’s economic environment, quality still remains comparatively high. What’s also interesting is the relatively low ranking respondents gave other considerations that the industry has struggled with during the transition to digital. For example, only 4% of consumers in the UK rank the number of devices they can use to watch or listen to content as paramount, and only 1% say that the ability to make a copy of a file is a top concern.”

A third of consumers (35%) cite quality as their biggest consideration when paying for entertainment.

Capturing mindshare

Despite overall stability, the UK landscape shows signs of a shift as entertainment companies compete for consumer mindshare.

Consumer recall shows television companies (52%) to be the source of entertainment youthful consumers turn to most often, followed by companies in the movie (30%), Internet (24%), music (18%), radio (8%) and videogames (7%) categories. Whilst broadcast companies rate highly, their hold on consumer mindshare appears to be slipping in comparison to last year.

“The broadcast and media industries face a similar dilemma,” explains Jonathan Hargreaves, head of Edelman’s European Technology practice. “The Internet has given consumers enormous choice fuelling the trend from broadcast to narrowcast, particularly for this age group. Narrowcasting delivers content tailored to a particular type of audience. The upshot is that narrowcasting attracts passionate sets of people – who trust these products and services, are loyal and also willing to pay for them.”

Downloading habits

A quarter of the 18-34 year olds questioned have downloaded files illegally, a similar figure to 2008’s research. The number of people making copies without paying for them (19%) or sharing files illegally (12%) has dropped 5 and 6 points from last year respectively. Unlike the US where one in five respondents have been vocal about their rights to get content free, only 12% have done so in the UK, a similar figure to last year.

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Notes to Editors

About *Trust in the Entertainment Industry 2009*

The Edelman *Trust in the Entertainment Industry* survey is an annual survey in the UK and US, conducted by StrategyOne, a Daniel J Edelman company . The online survey among 18 to 34 year old consumers was conducted between 26th January – 6th February 2009. The sample comprised 1000 adults, 500 from each country.

For more information about the Edelman Trust Barometer, please visit:

www.edelman.co.uk/trustbarometer

About Edelman

Founded in 1952, Edelman is the world's largest independent Public Relations company, with over 3,200 employees in 51 offices worldwide.

Edelman employs 260 people in the UK across all key Practice Areas (Consumer, Health, Technology, Financial, Corporate, Public Affairs) and includes consumer brand specialists JCPR, research company Strategy One, and Strategic Consultancy First&42nd - plus a Strategic Media Unit and Edelman Digital. The agency is a multiple-award winner in the UK for a broad range of clients - including Mars, Pfizer, Microsoft and Shell. Edelman is European Consumer Agency of the Year, Holmes Report 2009, and Number One in the 2009 PR Week league tables of independent agencies. Edelman was named Agency of the Year 2009 and, for the third year running, Large Agency of the Year 2009 by PR Week, and Public Affairs News UK Consultancy of the Year 2008. Edelman is the Number One Technology Agency 2009 in the PR Week league tables.

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