

NobletMedia CIS

SURVEY OF PROSPEROUS CONSUMERS' TRUST:
KAZAKHSTAN

PR  NobletMedia CIS
&Communications Guide

2010

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Why investigate trust?

- All over the world, successful business is based on trust. According to the data provided by Edelman Trust Barometer, higher trust in business is typical for countries with the most thriving economy (India, Brazil, China).
- In the post-crisis year of 2010, Kazakhstan saw the increase of nominal individual income, but the actual income remains at the 2009 level. Under the conditions of absence of positive changes, trust in public authorities and specific business areas is reducing. Regaining trust is the key to the economy revival.

Why investigate prosperous consumers?

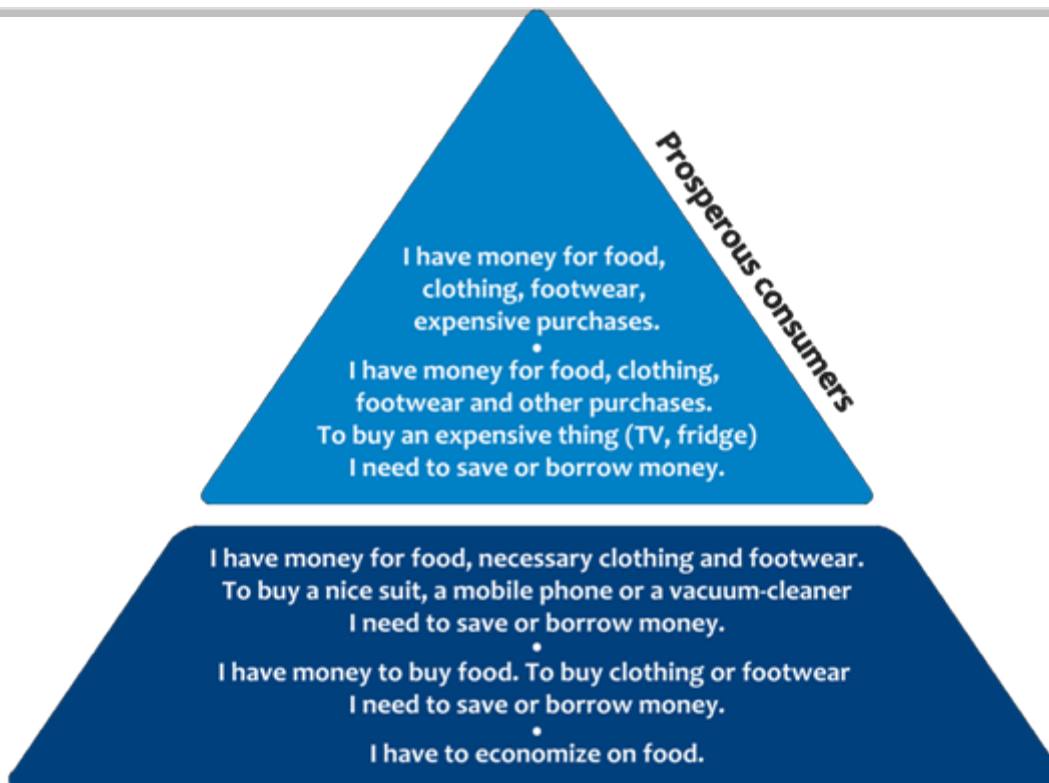
Prosperous consumers:

- Make crucial decisions on major purchases/investments
- Are, as a rule, well educated and informed, occupy managerial positions at companies/organizations
- Represent a reference group and are opinion leaders for the rest of the population as the most active, informed, and honored element

THAT IS, GIVE TONE TO THE ECONOMIC LIFE OF THE COUNTRY

Defining prosperous consumers

During interviews, respondents are inclined to understate and disguise their actual income, this is why we use the scale of subjective evaluation of prosperity to define the living standards: According to this scale, in 2010, prosperous consumers constitute 29% of the population of Kazakhstan's big cities, the same as in 2009:



Survey methodology

The idea of the survey was prompted by Edelman Trust Barometer

- **Method:** Computer-aided telephone interviews (CATI)
- **Selection:** 100 interviews with prosperous consumers aged 24 to 55, who are major earners in the family. Maximum possible error for the criteria share of 50% is 9.8%
- **Contractor:** "Comcon-2 Eurasia" Research Company
- **Survey geography:** Almaty, Shimkent, Astana, Karaganda, Pavlodar, Ust Kamenogorsk, Aktobe
- **Time of interview:** September 04 – 09, 2009
August 26 – September 11, 2010
- **Project manager:** Inna Volosevich, Senior Analyst of the Services Market Research

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Main findings (1)

- In 2010, nominal income of prosperous consumers is increasing, which corresponds to the official government statistics, but the survey does not confirm the official information about the growth of actual income of the population – it remains at the 2009 level.
- In 2010, trust to the government reduced. Kazakhs trust the government as much as they do not trust public organizations, and only business retained a positive balance of trust (41% trust and 33% do not trust business). At the same time, the majority is paradoxically sure that the government should have a stricter control over business. The majority also believes that the government is creating favorable conditions for big business, and not for the medium or small.
- Among various industries, the most trusted are companies operating in the field of energy and communications, as well as banks, the least trusted are insurance, construction and medical companies. In 2010, trust in industrial production and production of bulk goods, insurance companies reduced. Certain growth of trust was registered only in banks (from 41% to 50%).
- Among international public organizations, the most trusted is UNO. Among religious organizations/personalities, the most trusted is the Kazakhstan Central Spiritual Governance for Muslims and Sheikh Derbisali, the least trusted is the Pope and Orthodox Patriarchs.

Main findings (2)

- 50% of prosperous consumers are not inclined to buy products/services of companies they do not trust, even if they are cheaper, than their analogues.
- The quality of products/services, creation of jobs, law abidance, attitude to own employees and environmental care are the most important factors of the company's image. At the same time, 61% of prosperous consumers are indifferent or skeptic to the general notion of "social responsibility".
- TV remains the most popular source of business information for prosperous consumers, the second place belongs to the Internet, which is used more often in 2010 (the higher the education and income, the more intensive the use). Besides, the Internet is often used by opinion leaders, which makes online communications more effective. The majority also regularly read business press. TV and press are trusted twice as much as the Internet.
- Scientists and friends remain the most reliable, while "celebrities" and public people - the least trustworthy sources of information.
- The main circle of contacts for people with higher income is their professional environment, for people with lower income – their family. To believe the information, the relative majority needs to see/hear it 2 to 3 times even from reliable sources.

Recommended strategies of communication with prosperous consumers: what to say?

More effective messages:

- High quality of products and services;
- Employee care; job creation;
- Law abidance, fair market play;
- Environmental care;
- Charity.

Less effective messages:

- Kazakh company;
- International company, foreign management;
- Innovative company;
- Industry leader;
- Social projects, socially responsible company.

It should be considered that:

- in case of governmental intrusion in business operation, the population will most likely be with the government;

Recommended strategies of communication with prosperous consumers: whose authority to be supported by?

Positive balance/high credibility:	Negative balance/low credibility:
<i>International organizations:</i>	
UNO, EU, World Bank	-
<i>Religious organizations:</i>	
Kazakhstan's Central Spiritual Governance for Muslims, Sheikh Absattar Derbisali	The Pope, Orthodox Patriarchs
<i>Business, areas of operation:</i>	
Communications, power economy, oil and gas, banks	Insurance companies, construction, medicine
<i>Personalities</i>	
Scientists, doctors, professional society, company employees and managers	Celebrities (show business and sport stars), officials, representatives of public organizations

Recommended strategies of communication with prosperous consumers: how to speak?

- It is recommended to use the Internet (especially to reach prosperous audience) and television (for mass audience) for dissemination of information. It is recommended to support the messages by TV spots and publications in business press, as the level of trust in TV and press is twice as high as in the Internet.
- Prosperous Kazakhs acquire information best in an analytical-publicistic format involving scientists and experts

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Main findings (1)

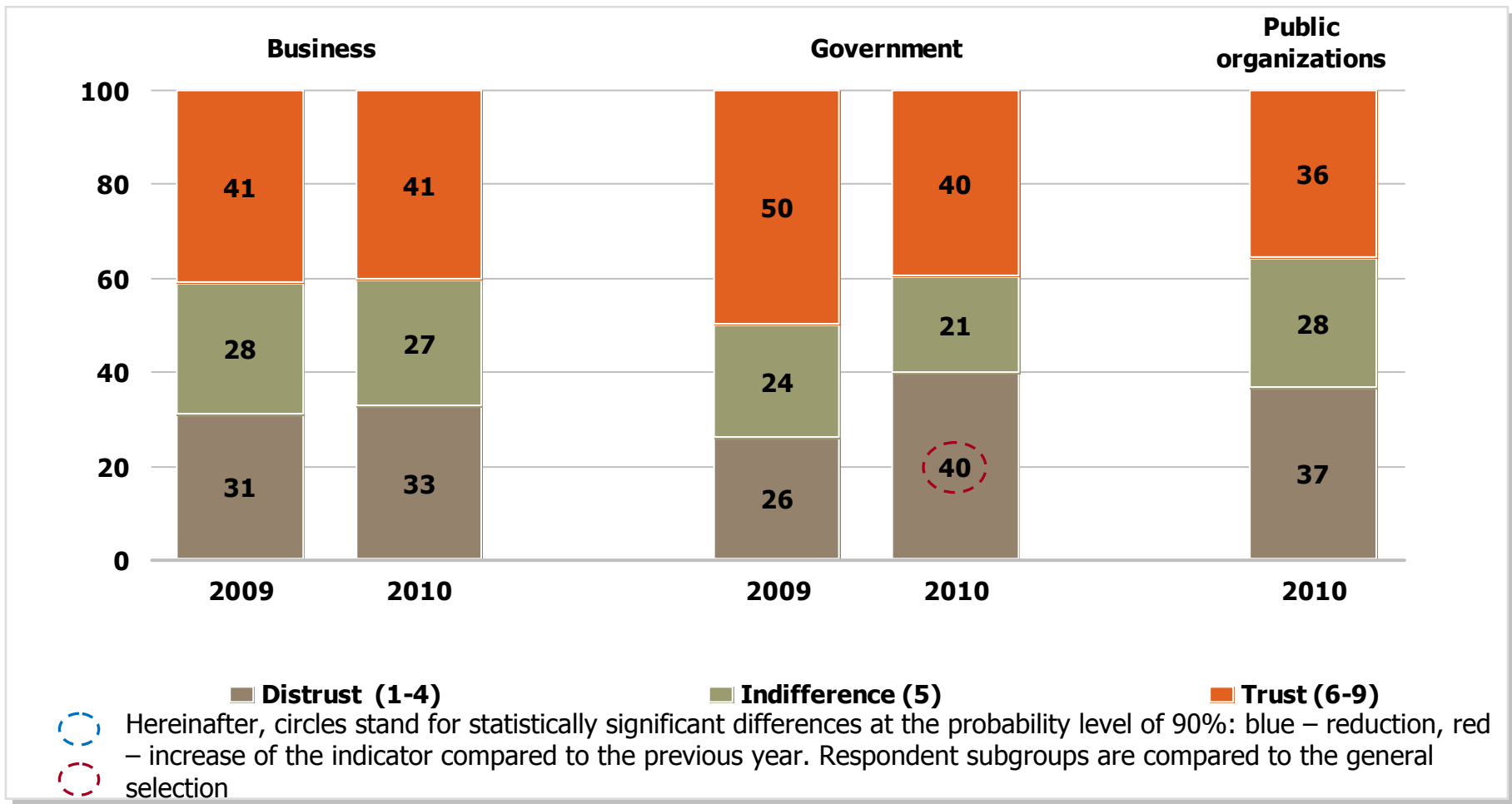
- An important trend of the second wave of the survey in Kazakhstan is the reduction of trust in governmental authorities from 50% to 40% and proportional increase of distrust from 26% up to 40%. In our opinion, this can be a response to absence of actual growth of income of the population at the post-crisis period, or may be to the declaration of N. Nazarbaev nation leader, which could offend educated people.
- The level of trust in public organizations is the same as in the government. Most Kazakhs trust in international organizations such as: UNO, EU, World Bank, OOH, IMF, EBRD, and CIS. Among religious organizations, the most trusted are the Kazakhstan Central Spiritual Governance for Muslims and Sheikh Derbisali, the relative majority also trust the local Orthodox church. Lower trust is shown to Orthodox Patriarchs Cyril and Bartholomew, the Pope.
- In 2010, business remained the only public institution with a positive balance of trust (41% trust and 33% do not trust it). As for specific business areas, trust increased only to banks (from 41% to 51%), which is followed by the increase of retail deposits by 11% since the first wave of the survey. Meanwhile, trust is reducing to companies producing industrial and bulk goods, insurance companies.

Main findings (2)

- Despite the reduction of trust in the government, 62% still believe that the government should have a stricter control over business in every area. In the world, such perception is usually typical of the countries, where trust in the government is higher than trust in business, as well as Russia and Ukraine (where trust in business is higher than in the government).
- The majority of prosperous consumers believe that the government is rather creating favorable conditions for the big business, is rather not creating them for the medium, and is creating them at the lowest level for the small business.

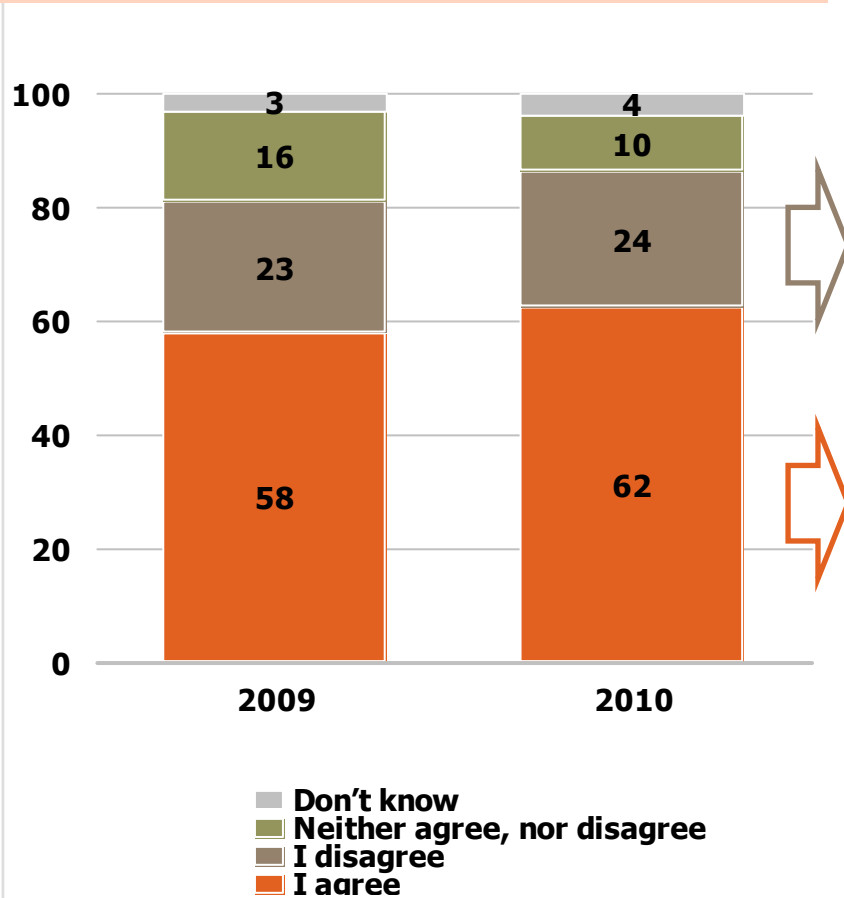
In 2010, the level of trust in business hasn't changed, while trust in governmental authorities has reduced compared to 2009

Q1, 2, 6. How much trust do you have in the governmental authorities/How much trust do you have in business/ How much do you trust public organizations in doing as they consider it right? [9-point scale, whereas 1 stands for "no trust at all" , and 9 – "absolutely trust"]

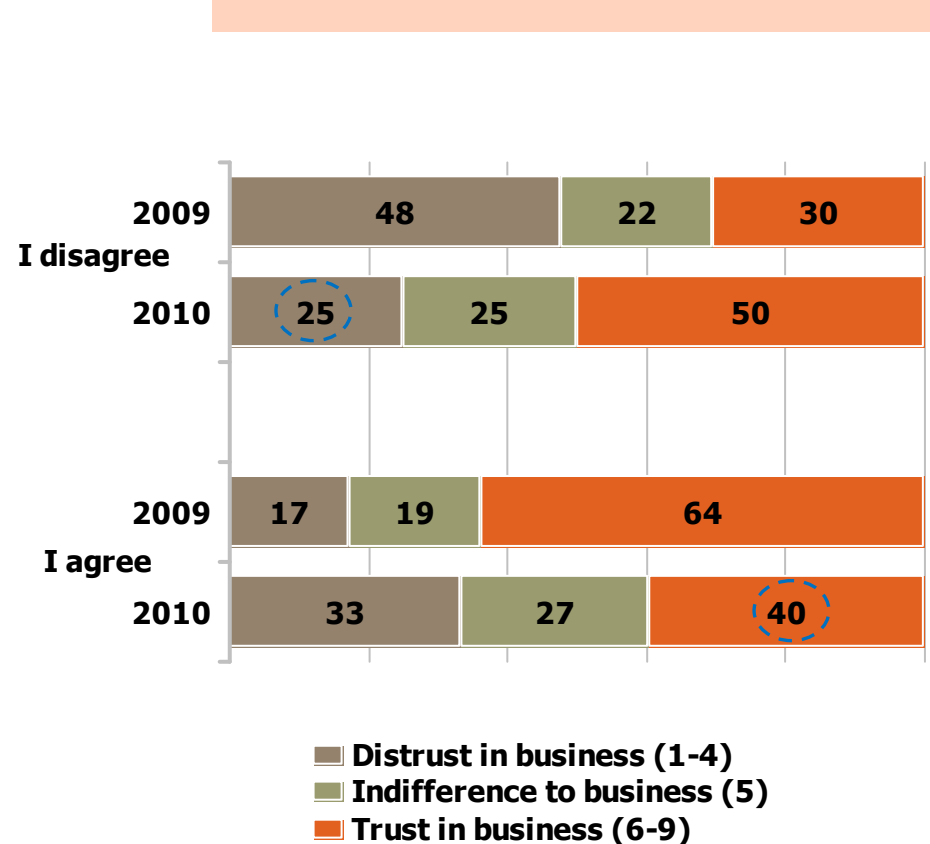


... however, the majority still believe that the government should have a stricter control over business

Q4. Do you agree or disagree with the statement: the government should have stricter control over business in all its areas?

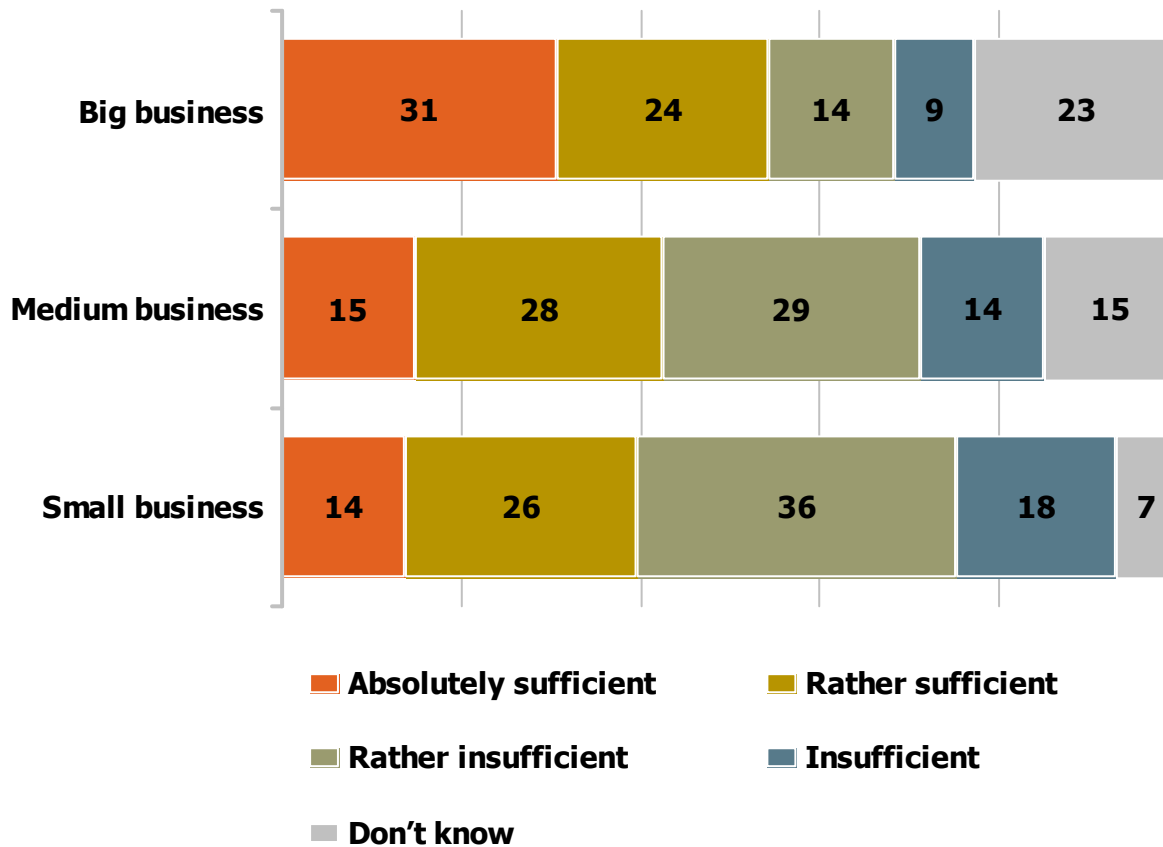


Q2. How much do you trust businesses in doing as they consider it right?



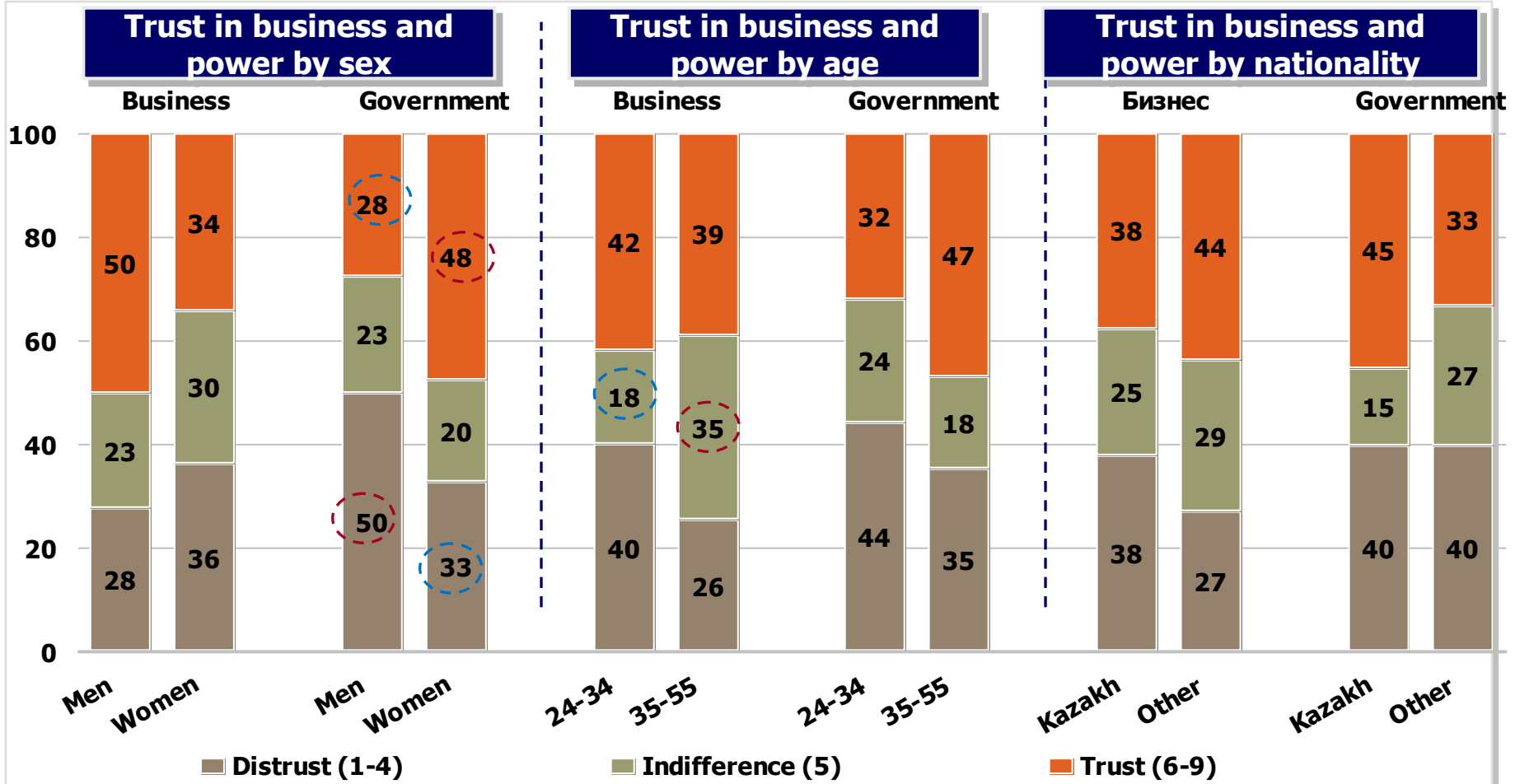
The government is creating favorable conditions for the big business, and not for the medium and small

Q5. Do you regard the efforts of the government in creating favorable conditions for the small business as sufficient? What about the medium business? And for the big business?



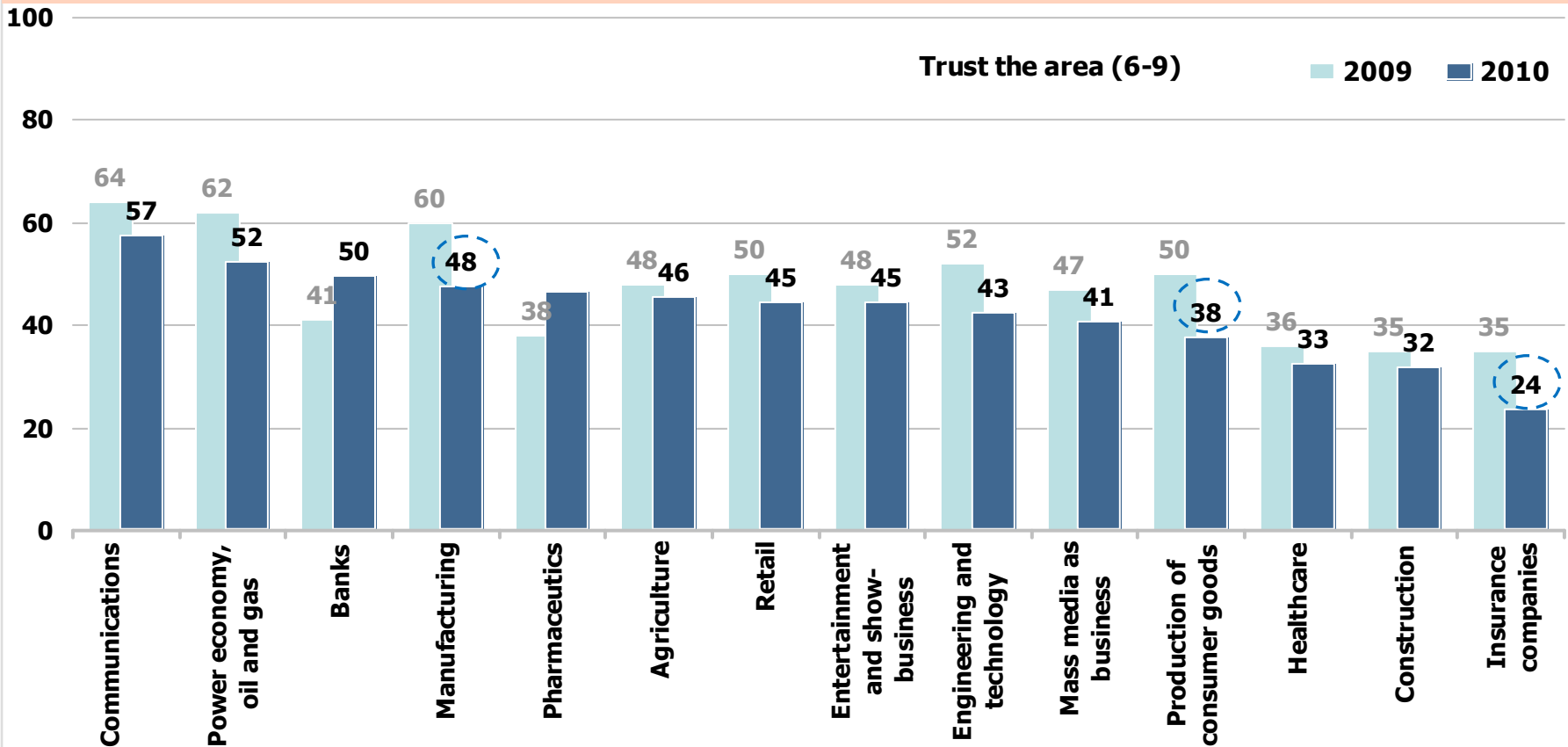
Men and non-Kazakh citizens have more trust in business, while women and Kazakhs have more trust in the government. Youth has less trust both in business and power

Q1. How much do you trust the business/governmental authorities in doing as the consider it right? [9-point scale, whereas 1 stands for "no trust at all", and 9 stands for "absolutely trust"]



In 2010, trust in production of industrial and consumer products, as well as insurance companies has reduced. The increase of trust in banks by 9% corresponds to the increase of the scope of retail deposits by 11% over the year.

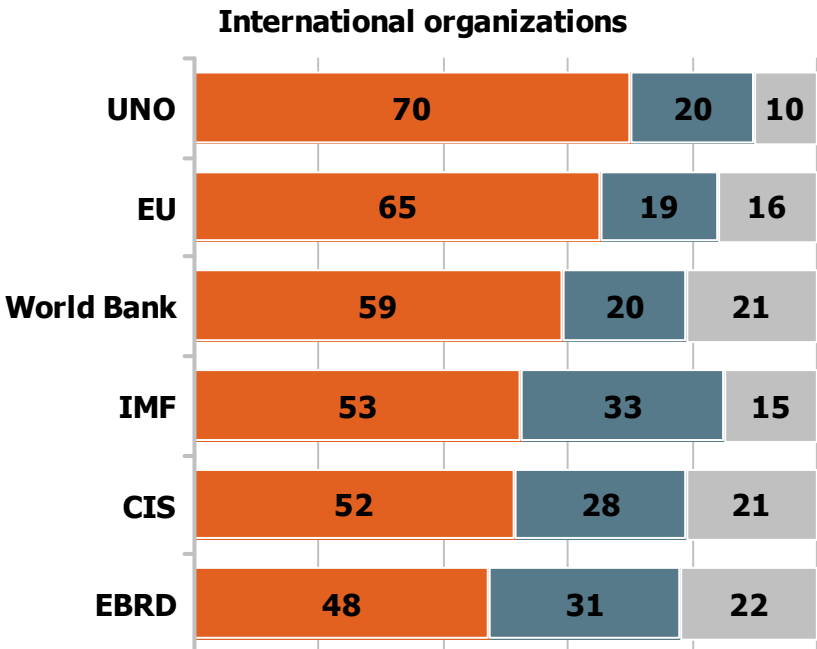
Q3. How much do you trust businesses in each of the listed areas in doing as they consider it right? [9-point scale, whereas 1 stands for "no trust at all", and 9 stands for "absolutely trust"]



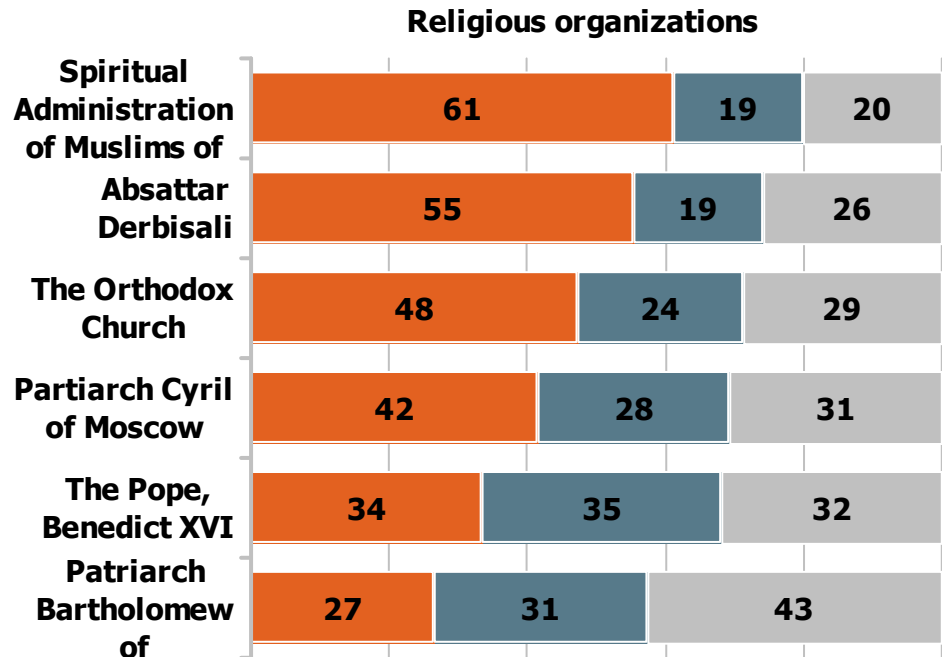
Among international organizations, the most trusted is UNO, among religious ones – the Kazakhstan’s Central Spiritual Governance for Muslims

Q7. I am going to read the list of international organizations, and you tell me if you rather trust or distrust their opinion

Q8. I am going to read the list of religious organizations and personalities, and you tell me if you rather trust or distrust their opinion



■ Rather trust
■ Rather distrust
■ Don't know



■ Rather trust
■ Rather distrust
■ Don't know

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Main findings

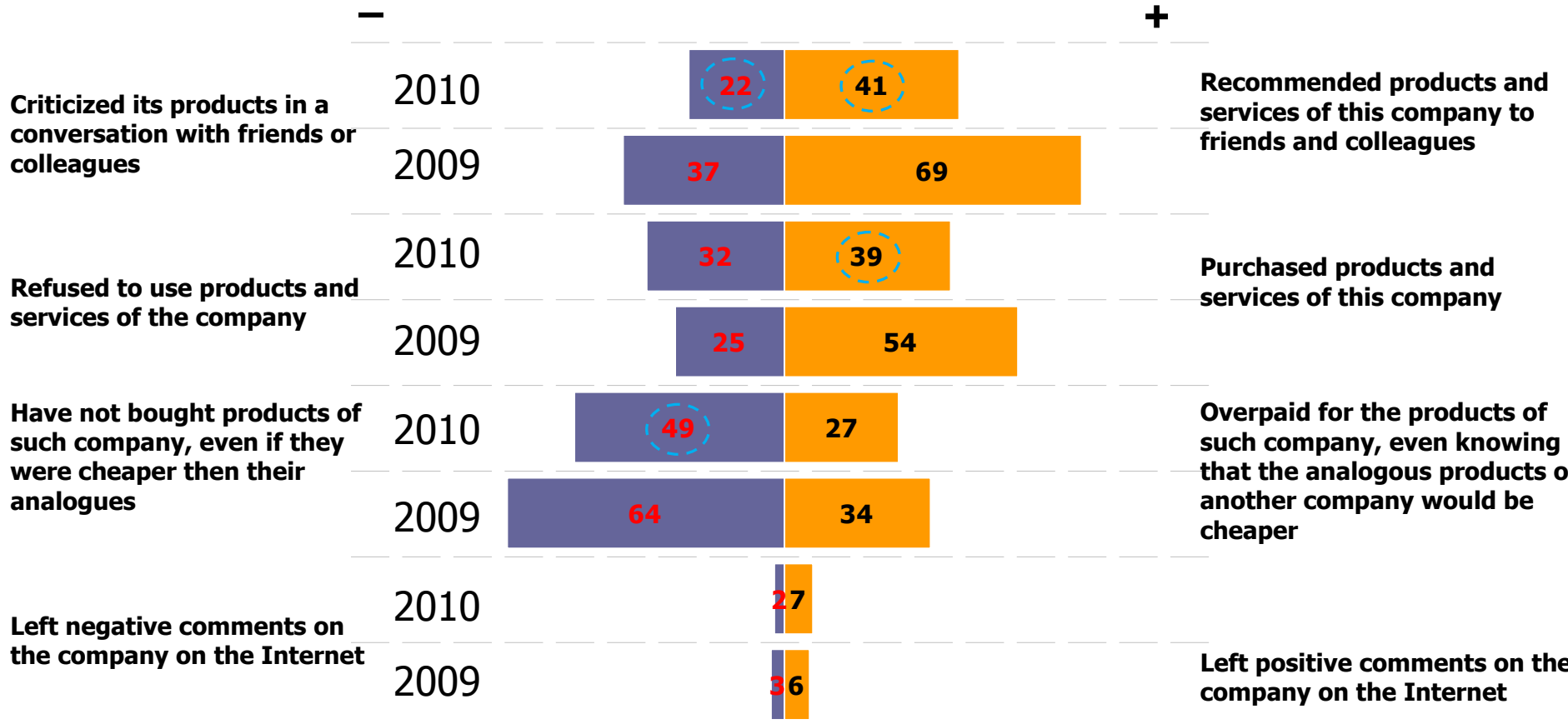
- In 2009, amidst the peak of the crisis, trust was more important for the consumer than in 2010: thus, in 2009, 69% recommended products/services of the companies they trust to friends and colleagues, and in 2010 – only 41%; in 2009, 54% bought products/services of the companies they trust, in 2010 – only 39%. In 2009, 64% refused to use products/services of the companies they do not trust, while in 2010 – 49%. Nevertheless, we can see that trust has a crucial effect on the behavior of 50% of prosperous consumers.
- The quality of products/services, creation of jobs, law abidance, attitude to own employees and environmental care are the most important factors of the company's image, while the adjectives "Kazakh", "foreign", "international" or "innovative" are less important. The notion of the company's "social responsibility" is not very familiar and does not have credibility with the majority of respondents: only 37% of prosperous consumers have more trust in socially responsible companies and tend to buy their products/services; another 43% do not care whether a company is socially responsible or not; 18% do not trust in social responsibility of the national companies.
- As we may see from this section, about 40% of the respondents consider company employees as a reliable source of information, that's why employee care is an effective means of dissemination of positive information about a company.

Trust determines consumer behavior, however in 2010 less than in 2009

Q20. Have you made any of the actions listed below towards the company you trust over the last 12 months?

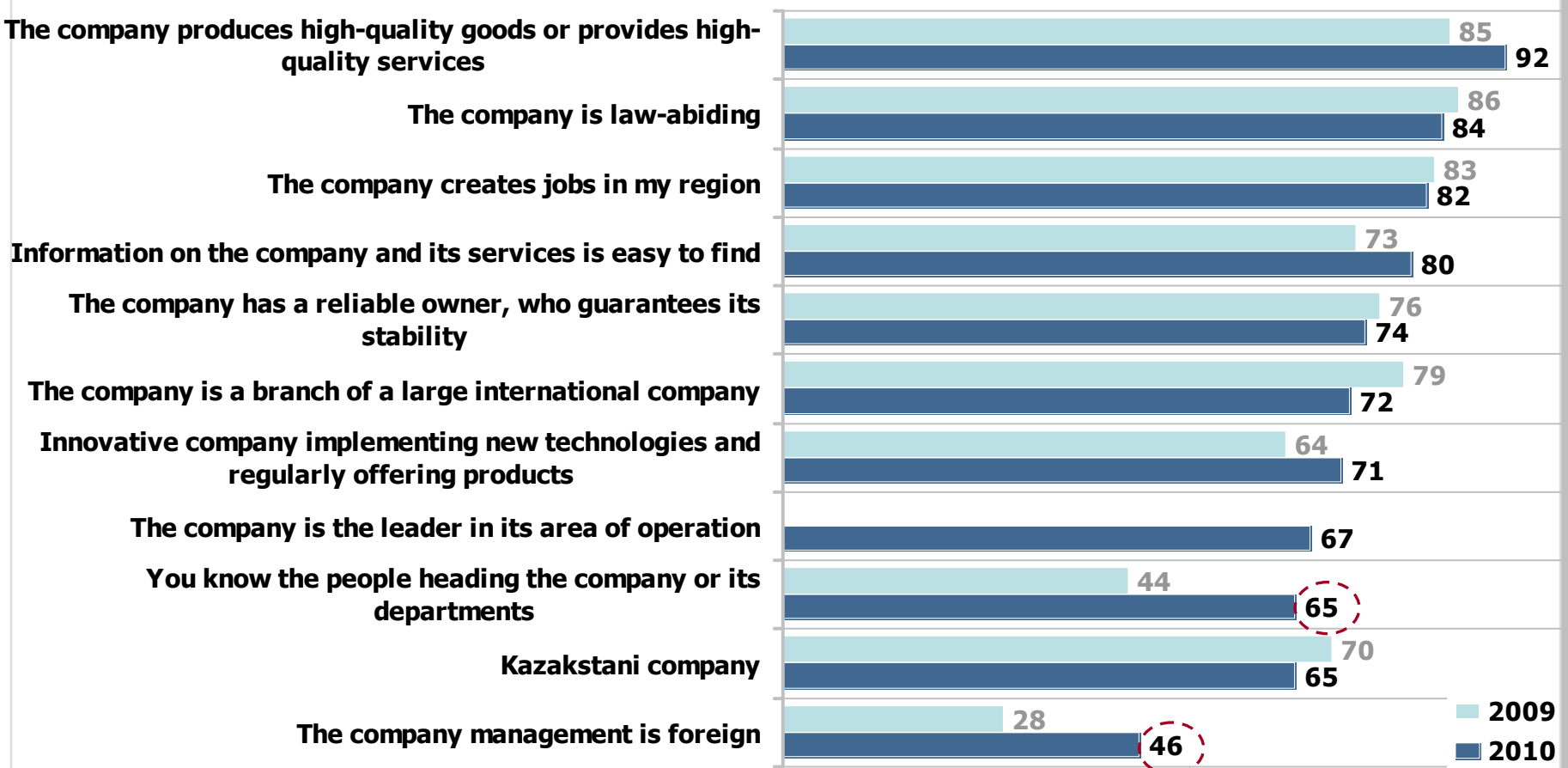
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Q21. Have you made any of the actions listed below towards the company you do not trust over the last 12 months?



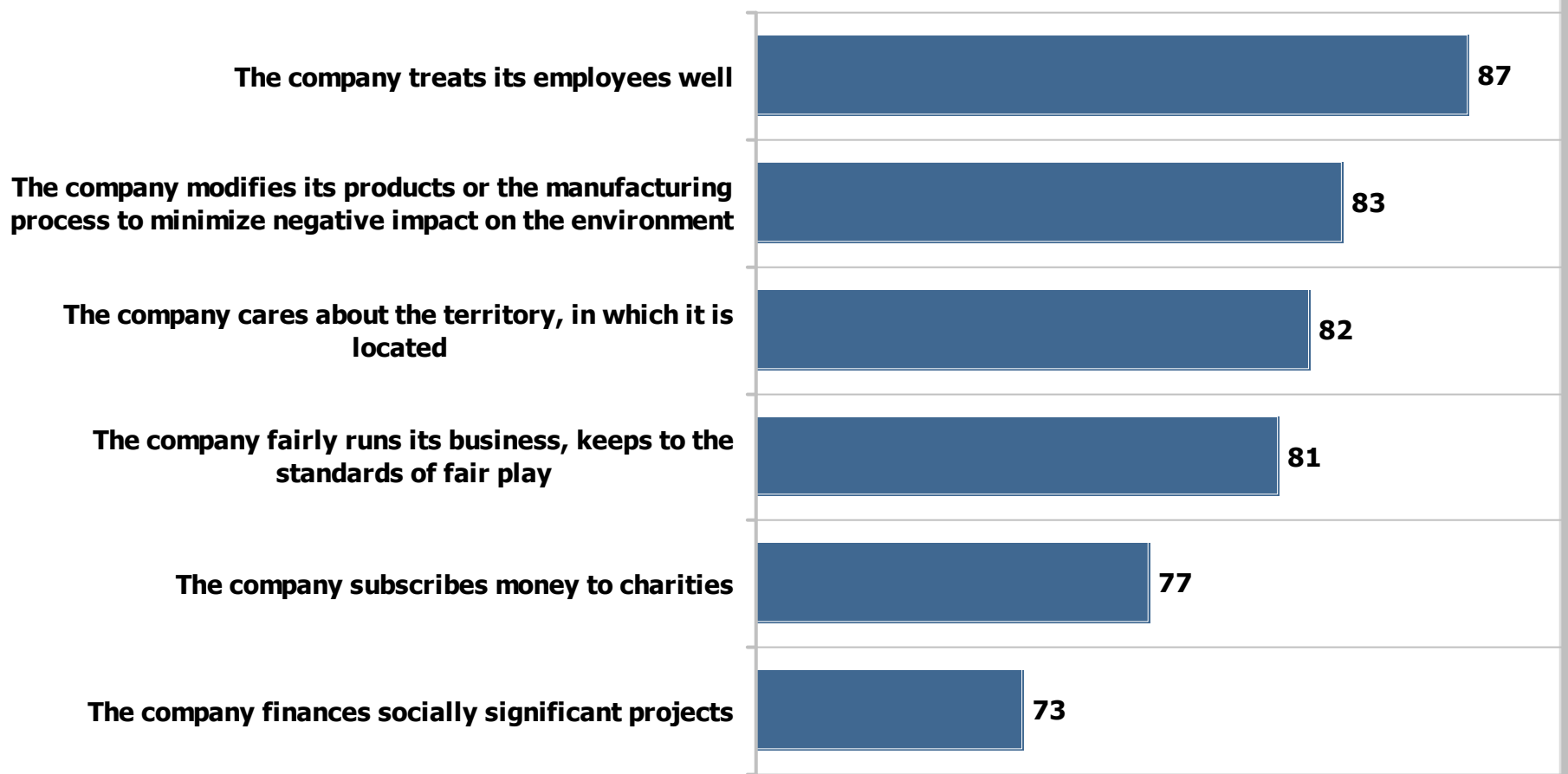
The quality of products/services, law abidance and creation of jobs are the most important factors of the company's image

Q18. How important to you is each of the factors of the company's image listed below? 9-point scale, whereas «1» stands for "absolutely unimportant", and «9» stands for "very important" [Alternatives 6 to 9 were considered as «Important»]



Employee care is the most important aspect of the company's image

Q19. And not please evaluate the importance of different factors of social responsibility of a company [Alternatives 6 to 9 were considered as «Important»]



61% of prosperous consumers are skeptic towards a general notion of companies' «social responsibility»

Q20. What is your general attitude to socially responsible companies?

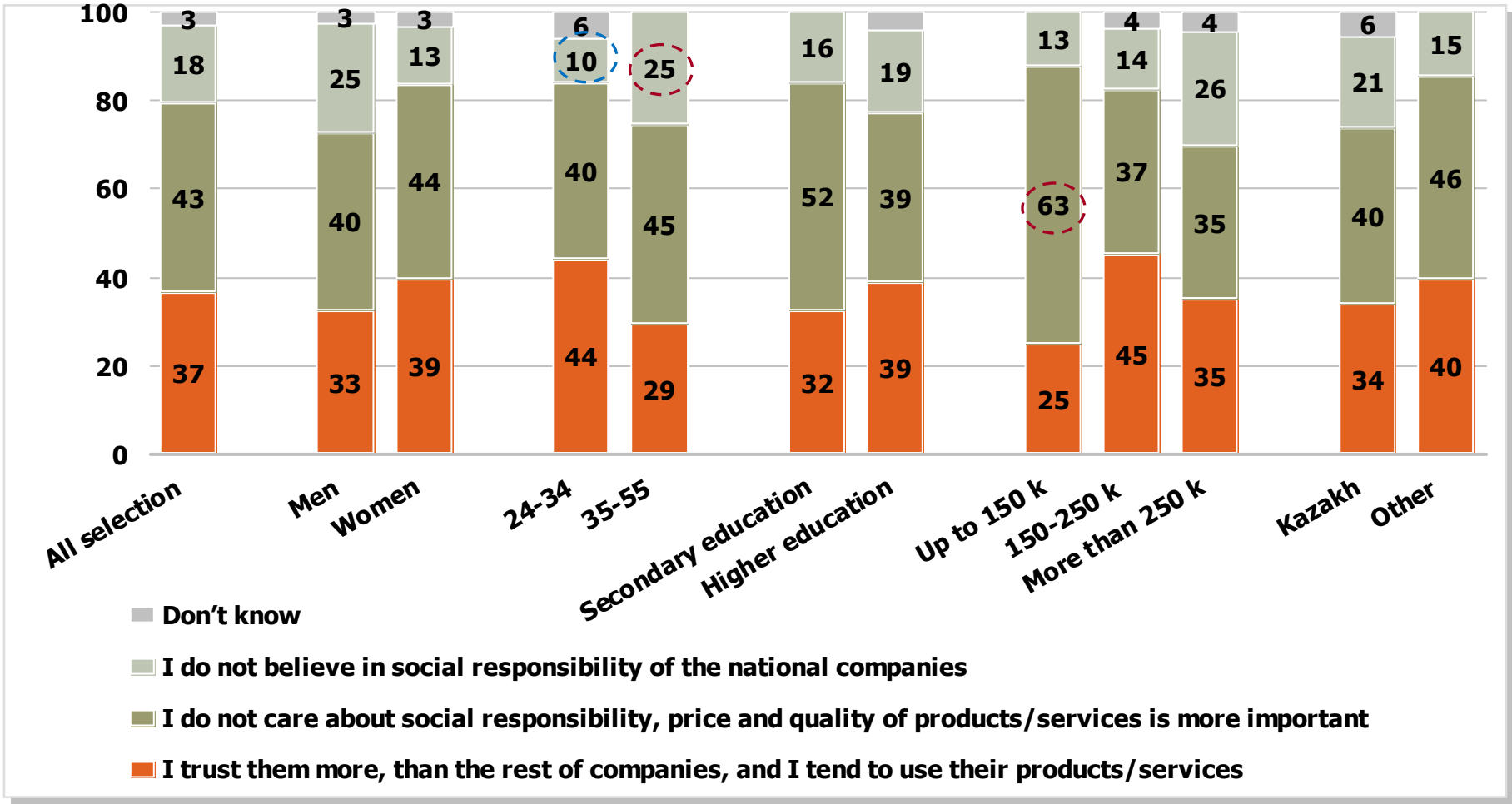


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Main findings (1)

- In 2010, television as the main source of information has considerably pressed the Internet: the share of prosperous consumers, who daily watch business news on the Internet, has increased from 33% to 47%, while the share of daily TV-watchers has reduced from 59% to 46%. Television is still remaining the most popular source of information for the majority of prosperous consumers, but the Internet has already replaced it to the most prosperous and educated consumers. 58% regularly read business press, and 50% listen to business news on the radio.
- The Internet is lagging far behind traditional media by level of trust: 50% of the interviewees regard as reliable the information in designated magazines, 45% regard as reliable the information received from friends and acquaintances, 44% - TV news, 38% - radio news, 37% - newspaper articles and only 21% - news on the Internet.
- About one third of consumers regard as reliable information coming directly from the companies through press releases, web-site, speeches of top executives. 39% of respondents regard as very reliable information received from company employees (compared to 22% in 2009).

Main findings (2)

- Scientists, friends and the professional society are the most reliable, while “celebrities”, public people and representatives of public organizations are the least reliable sources of information.
- To believe some information, 34% need to see/hear it once from a reliable source, while 39% only believe messages repeated 2 to 3 times.
- Men and people with higher income discuss the news at work and with friends, while women and people with lower income – with the family. One third of the respondents discuss the news with 1 to 2 people, 38% - with 3 to 5 people, and 27% - with more than 5 people. The last category of people may be considered as opinion leaders. According to the theory of “two-echelon model of communication”, at the first stage media messages are processed by opinion leaders, at the second they are communicated by opinion leaders to wider population. Kazakh opinion leaders are characterized by the most intensive use of the Internet (75% use it daily compared to 51% of the rest of respondents), which strengthens the effectiveness of this channel of communication.

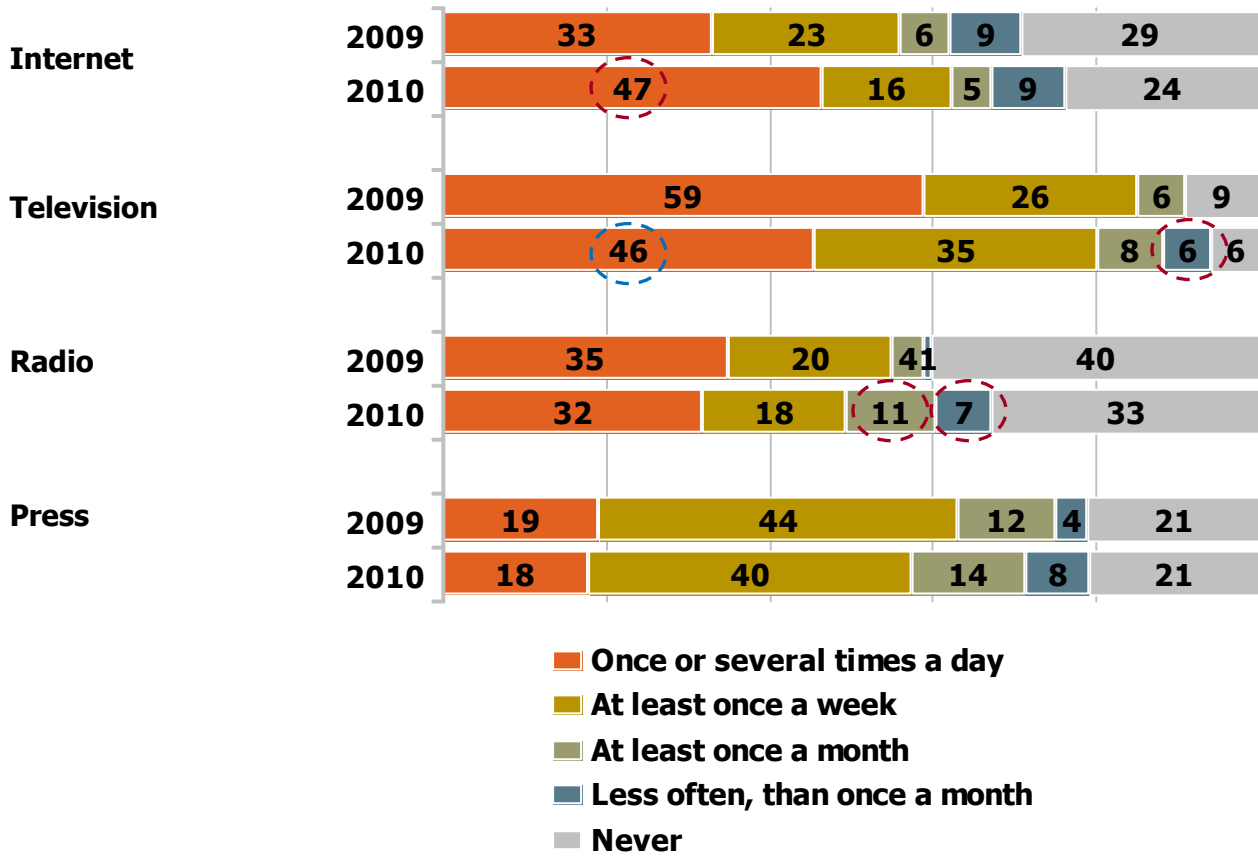
TV news is the main source of information about companies and their products, while the Internet remains the second

Q11. Which sources of information, news about companies and their products do you use most often?



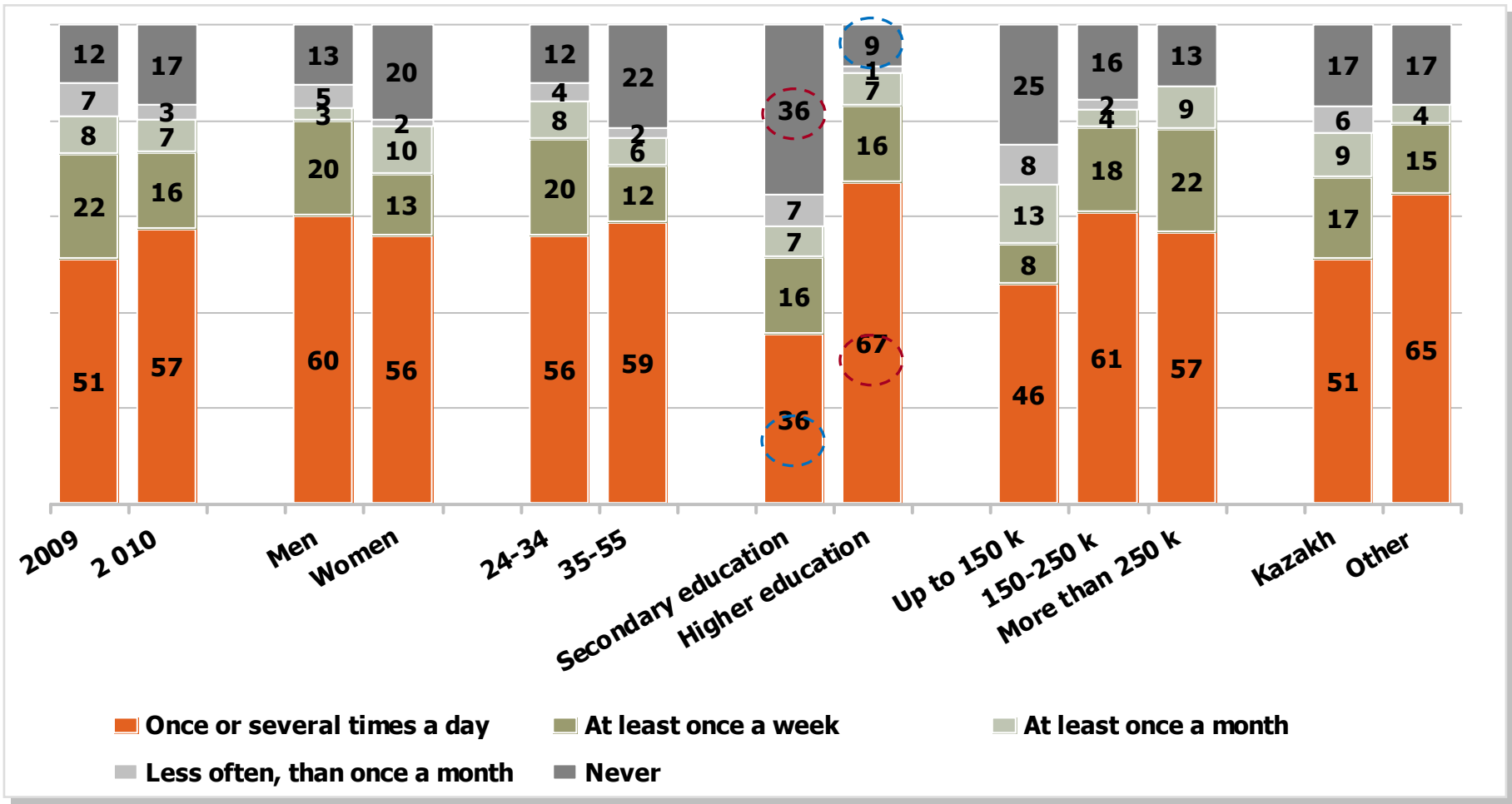
...Whereas the frequency of using the Internet for learning business news has grown in proportion to the reduction of the frequency of watching TV

Q12. How often do you watch, read or listen to business news on...?



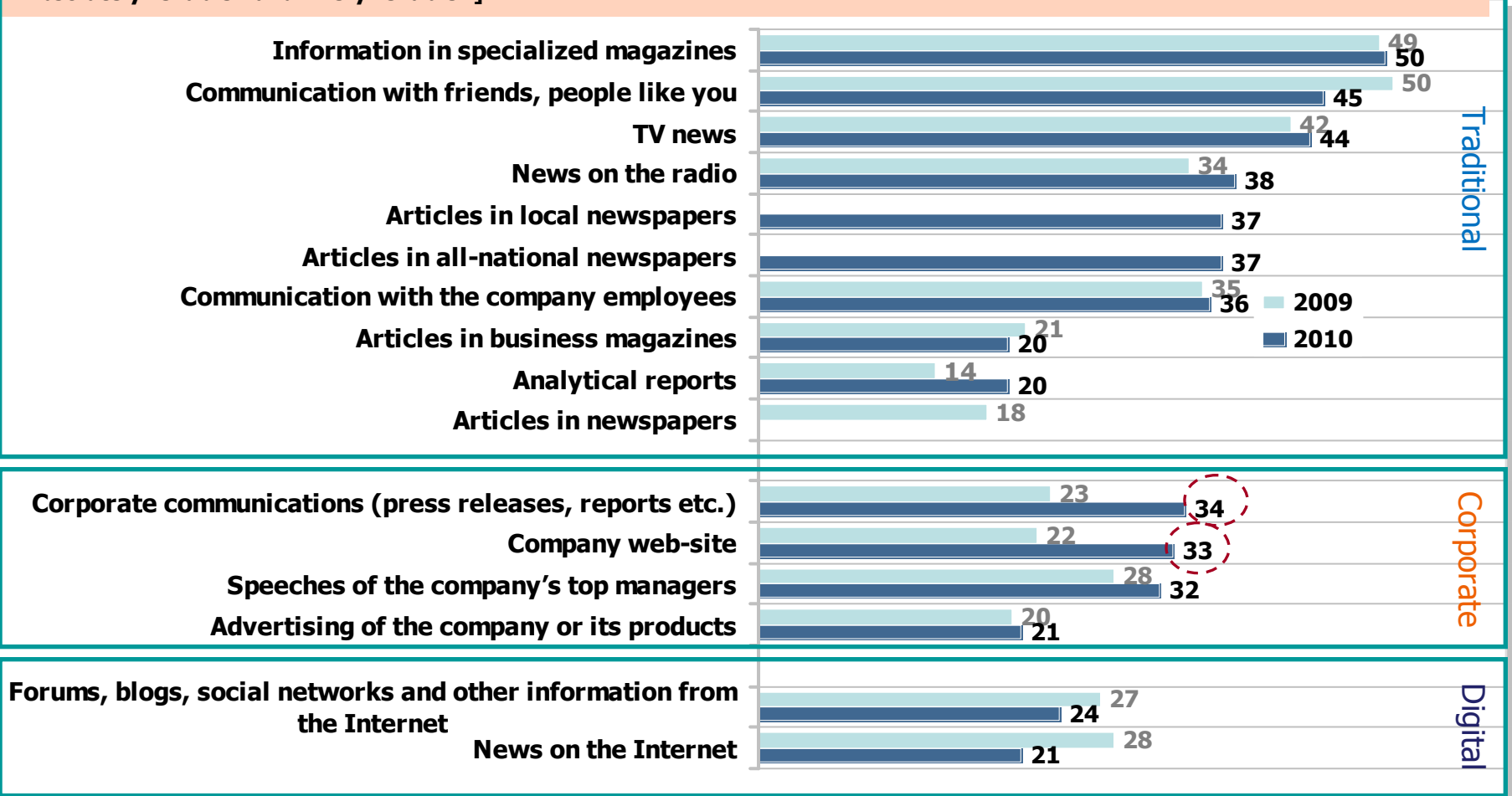
Respondents with higher education and bigger income are using Internet more often

Q13. How often do you use the Internet (whether at home or somewhere else)?



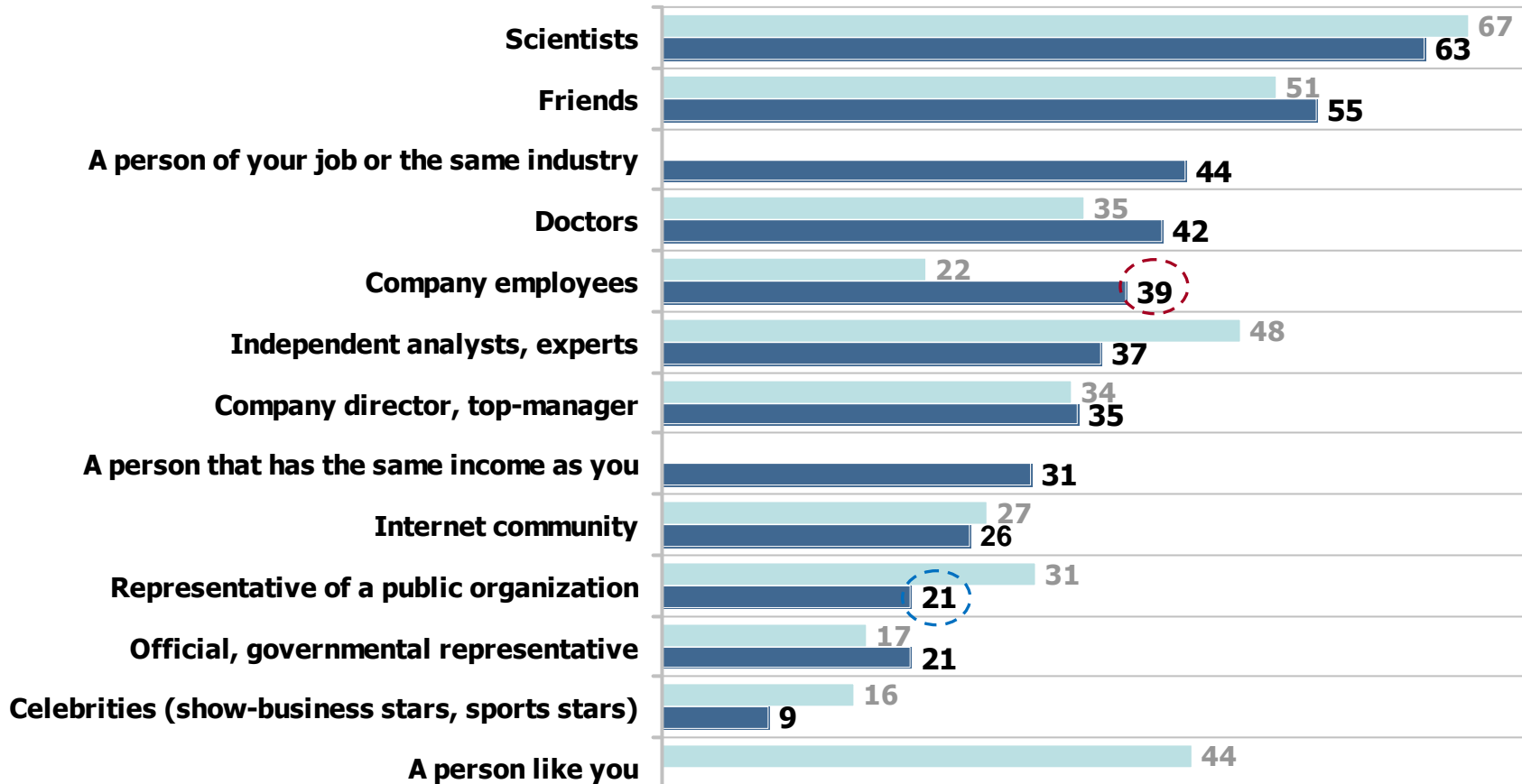
In 2010, trust in corporate communications and web-sites has increased

Q10. Please, evaluate the reliability of each of the below listed sources of news about companies and their products. [Variants «Absolutely reliable» and «very reliable»]



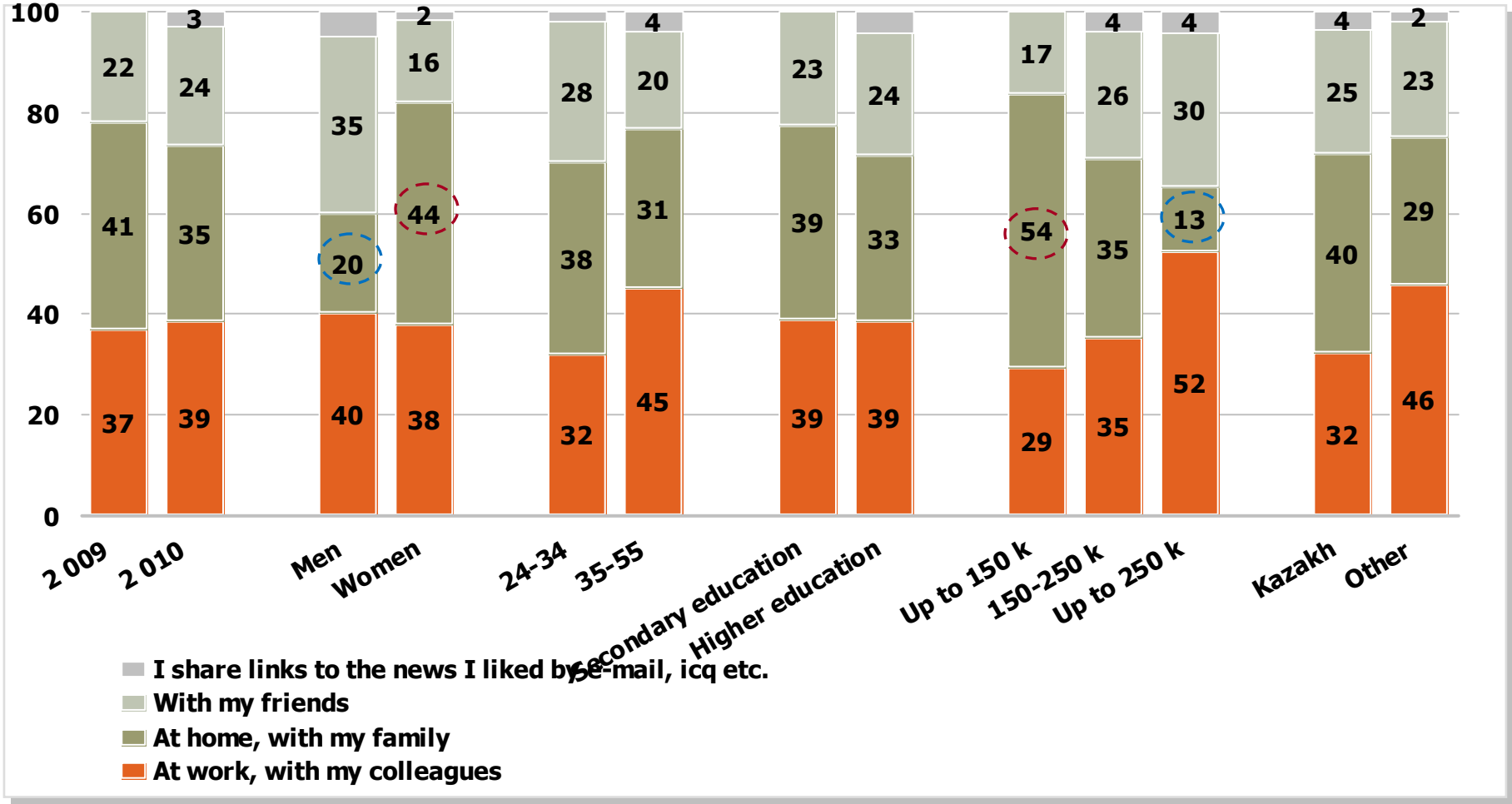
Scientists and friends remain more reliable than “celebrities”, officials and representatives public organizations – the most unreliable sources of information. Trust in company employees has increased.

Q14. If you heard information on a company from each of these people, how would you evaluate its reliability? [Variants «Absolutely reliable» and «very reliable»]



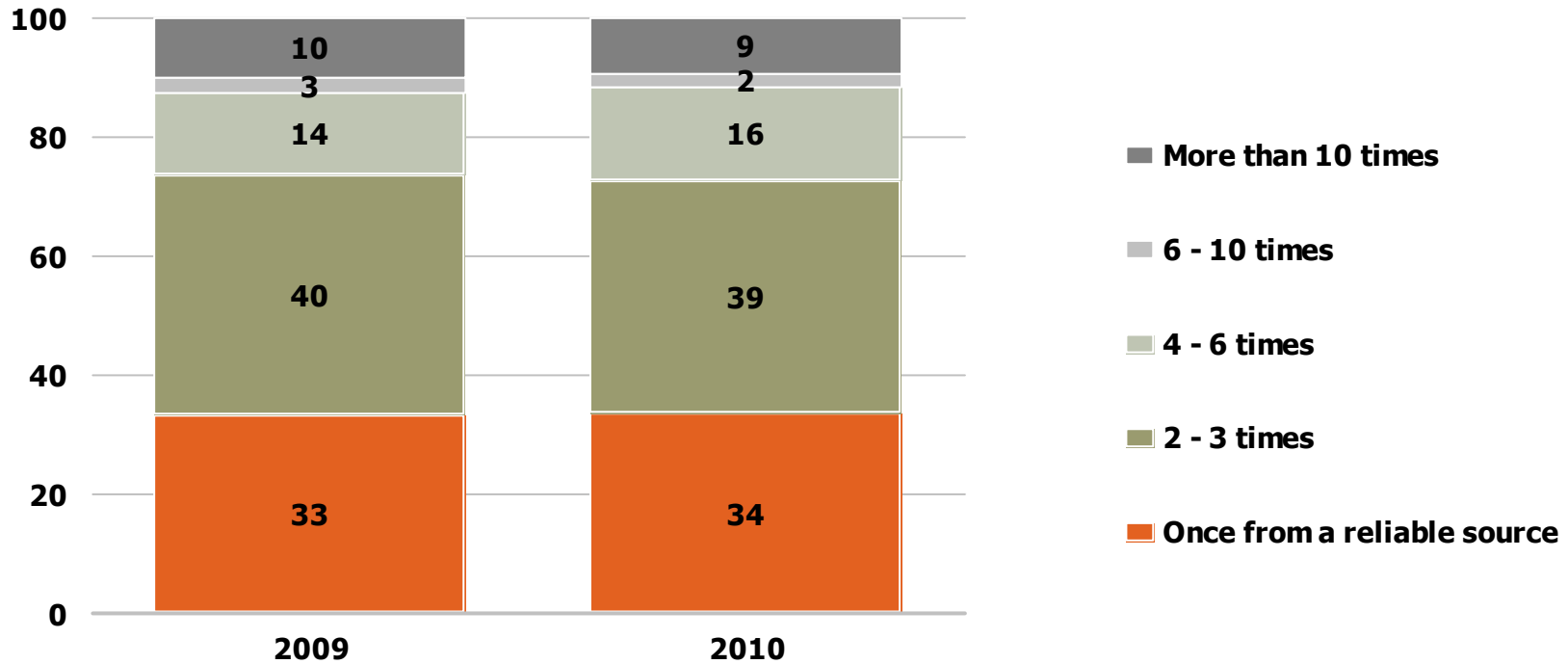
Men and people with higher income discuss the news at work and with friends more often while women and people with lower income discuss it with the family

Q16. Who do you discuss the news you learnt with?



About one third of respondents need to hear the information only once to believe it, another 39% need it to be repeated 2 to 3 times.

Q17. Thinking of everything you see or hear about companies every day (whether it is positive or negative information), how many times do you need to hear something about a specific company to consider this information reliable?



The majority discuss the heard news with 1 to 5 people

Q15. When you learn the news you are interested in, how many people do you discuss it with?

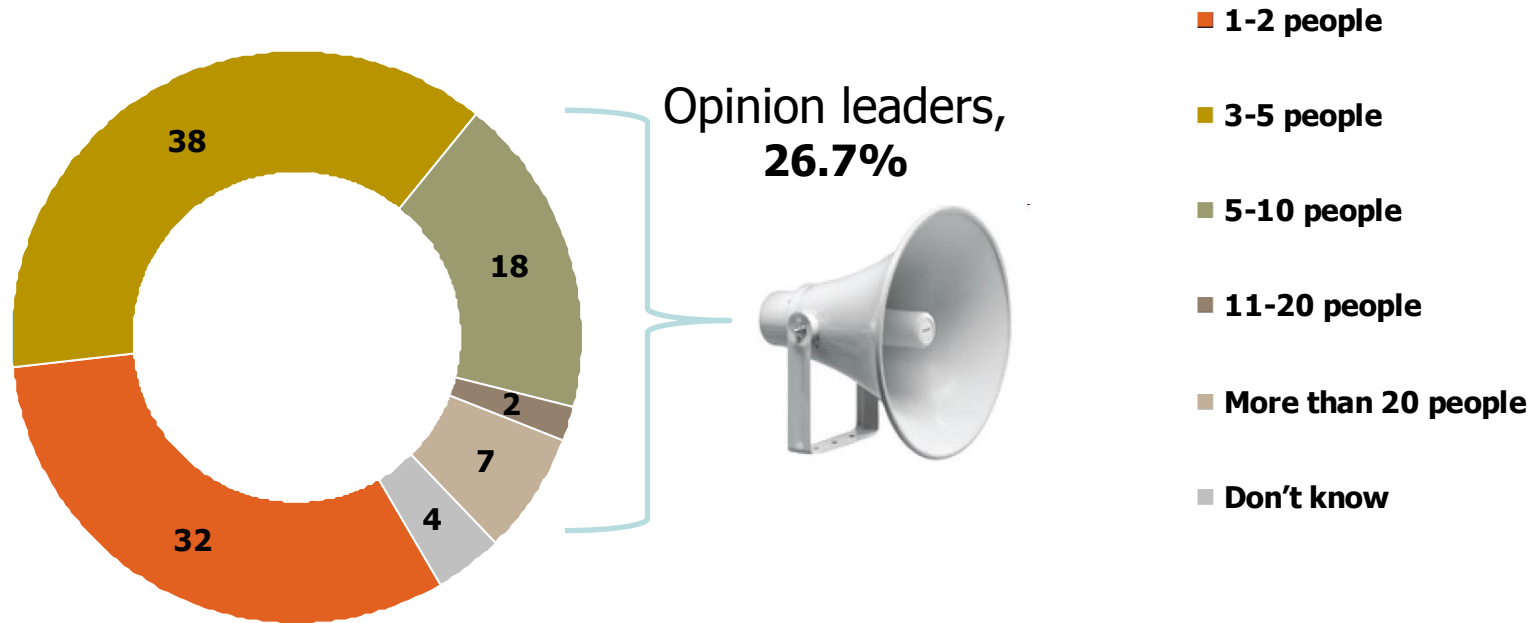
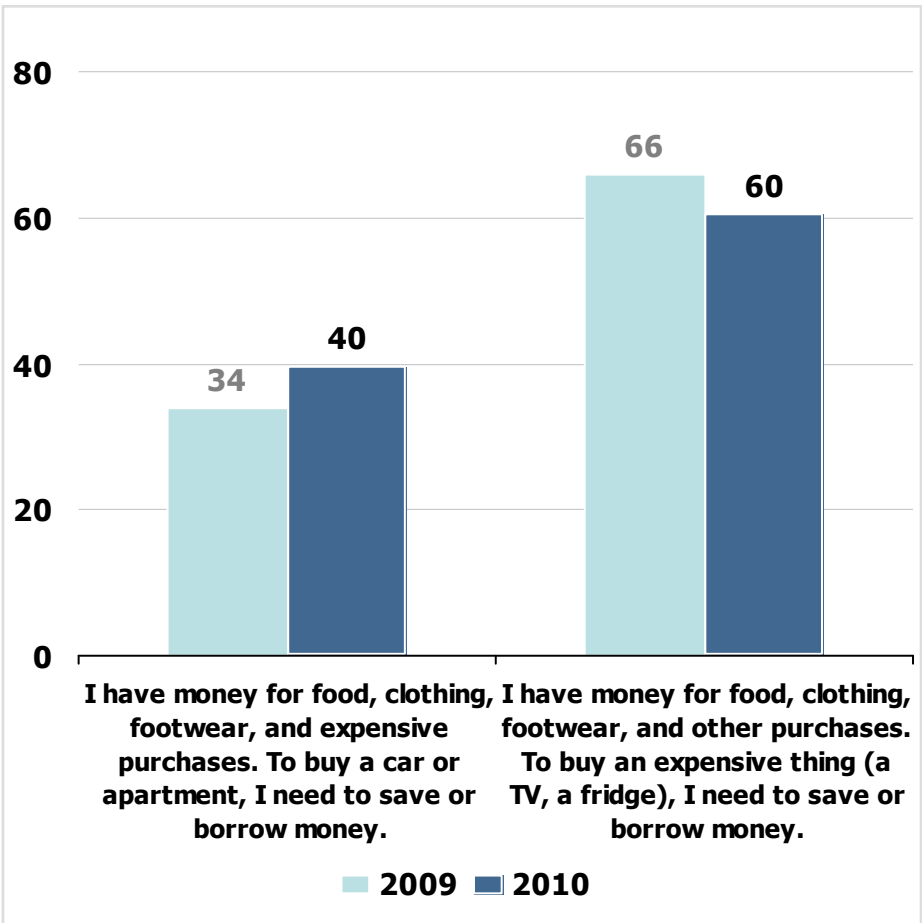


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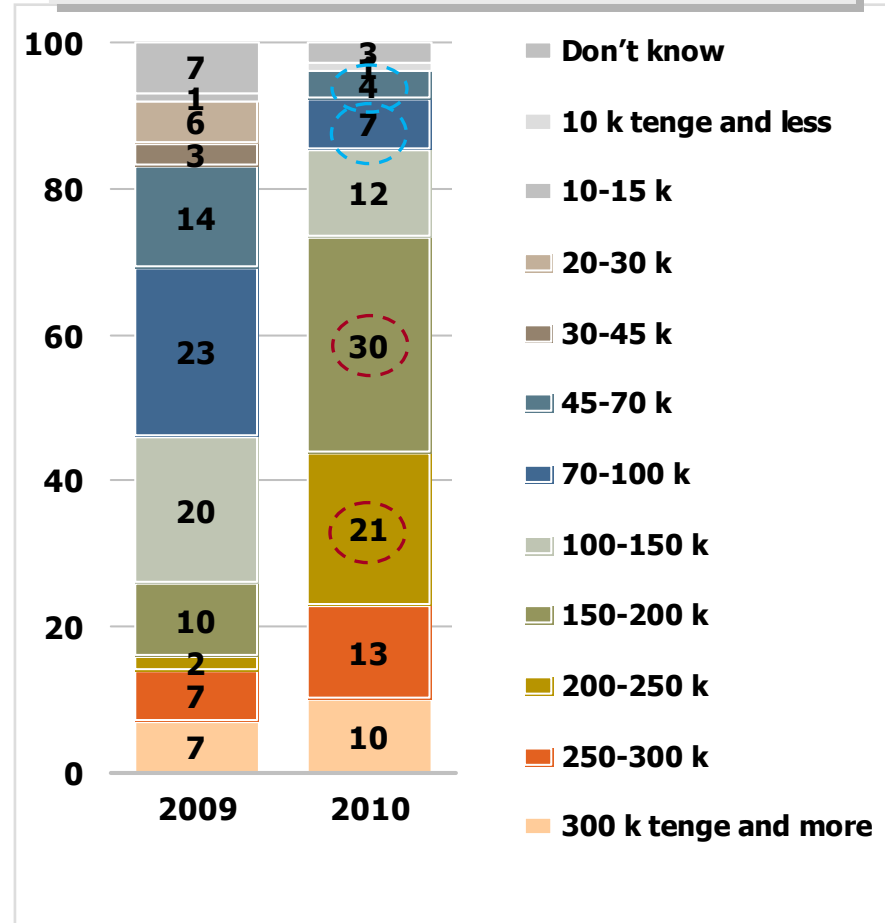
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Income of the respondents: in 2010, the income of prosperous Kazakhs has grown

Subjective evaluation of income

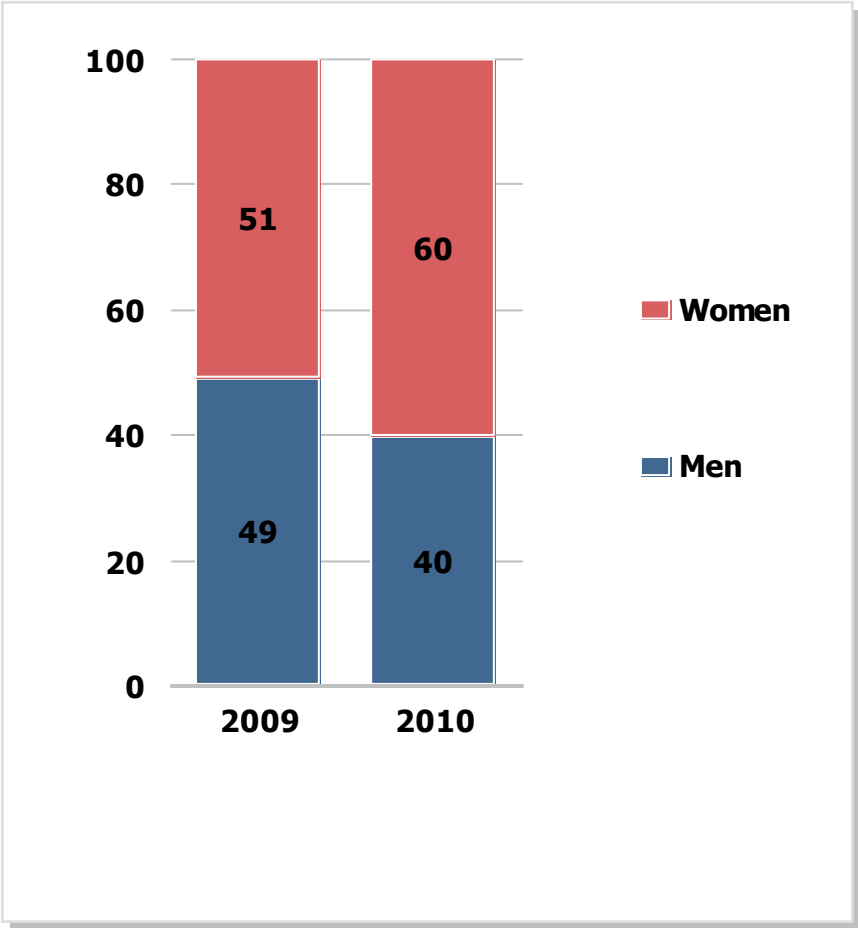


Average monthly family income according to oral information provided by the respondents

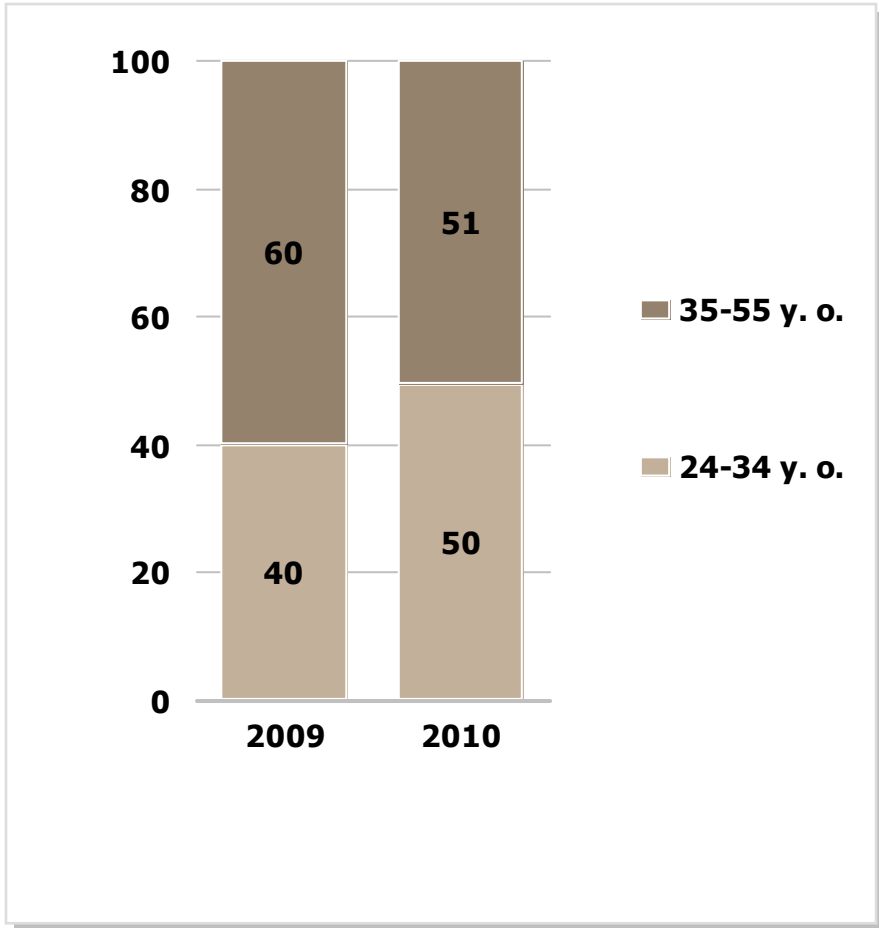


Sex and age

Sex

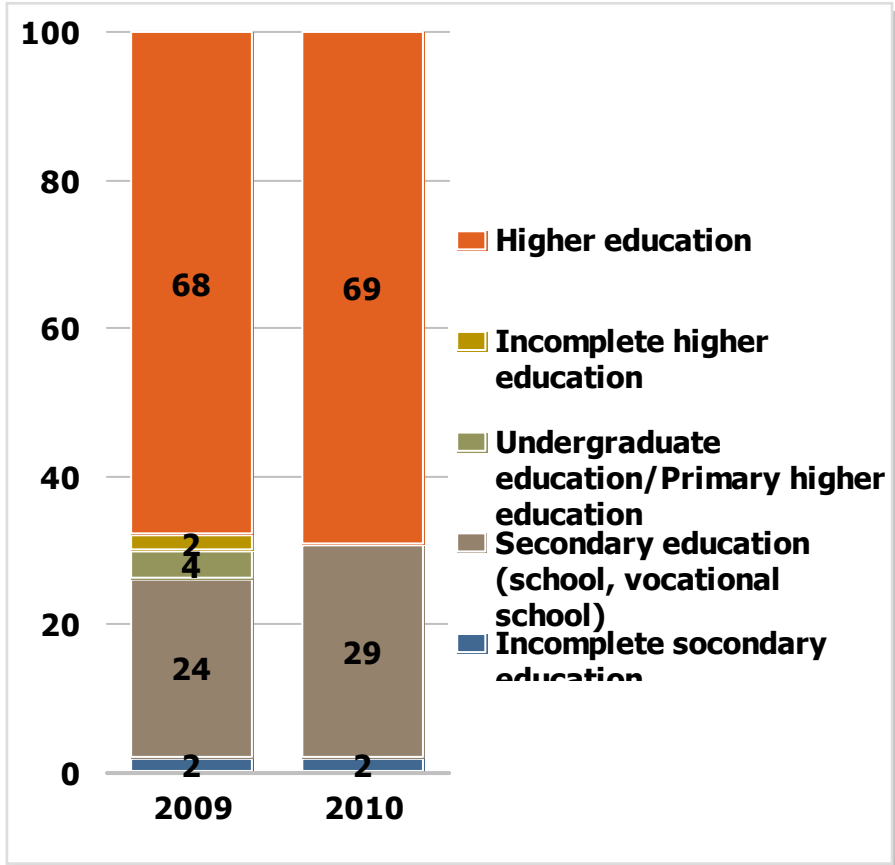


Age

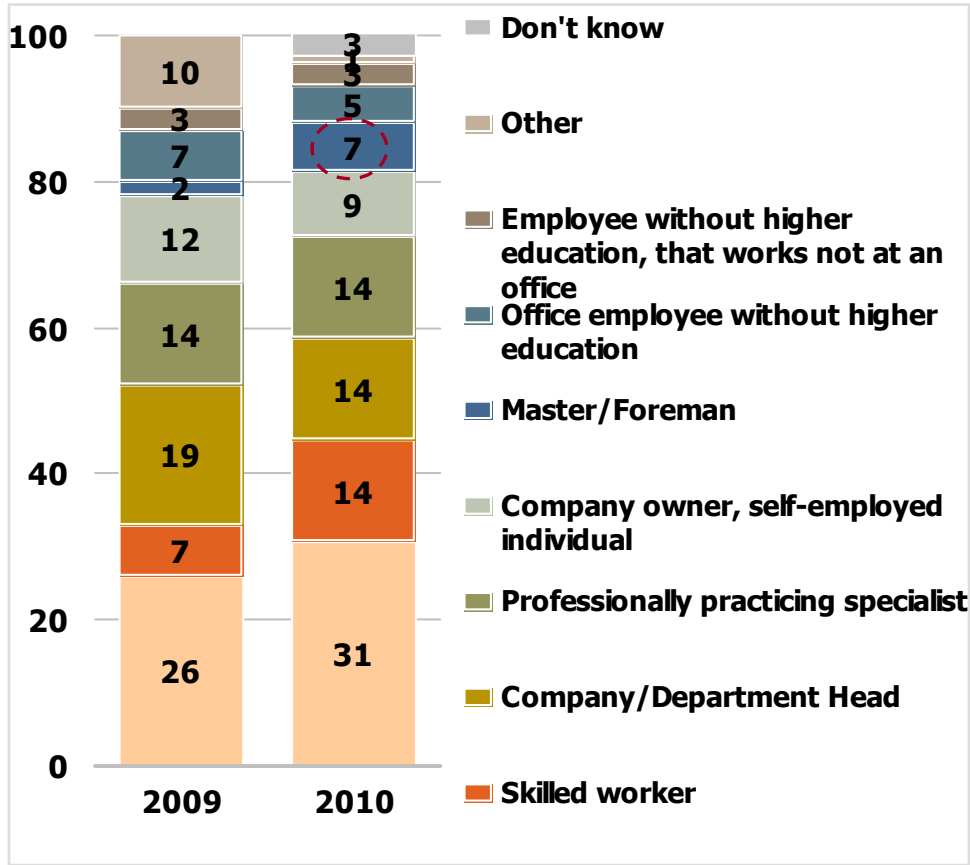


Education and employment status

Education

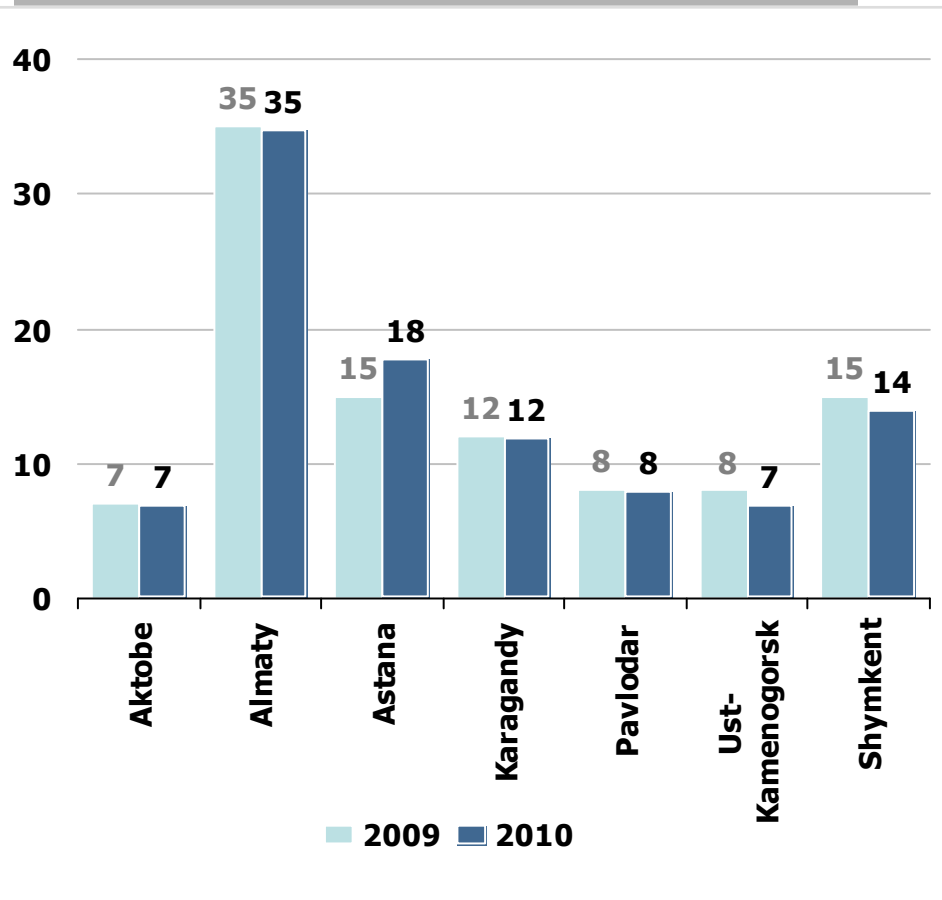


Employment status



Geography

City



Nationality

