

MEMORANDUM

TO: Allstate

FROM: FTI Consulting

DATE: 05/25/12

RE: Allstate/National Journal Heartland Monitor #13 Key Findings

This memorandum outlines key findings from the nationally representative survey conducted May 19-23, 2012 among 1,000 American adults, including 200 interviews conducted via cell phone. The survey investigates how Americans' views of government and major corporations are shaped by the information they receive and by their use of social media. The margin of error for a sample of 1,000 respondents is $\pm 3.1\%$ in 95 out of 100 cases.

OVERVIEW

The thirteenth installment of the Heartland Monitor polling series reveals several key themes about Americans that are important for leaders in the public and private sectors to understand as they continue to use social media to engage customers, voters, and citizens.

First, nearly two-in-three American adults are now active on social media. Despite some demographic differences with non-users (specifically age, income, and education), social media users now closely resemble the American public as a whole in terms of their opinions on politics, the economy, and on how they view major institutions.

Next, as we've seen in previous Heartland Monitor surveys, major institutions in this country, like corporations and the federal government, are suffering from a trust deficit with the American public. In this survey, we find that corporations, their leaders, the federal government, politicians, and elected officials all rate at the bottom of a list of messengers of information in terms of trust. Americans say they give the most consideration to conversations with friends, family and acquaintances, and also information shared by those personal connections.

Further, we find that Americans are actually least likely to trust information when they see it online. Social media users and non-users alike say they prefer traditional media outlets and they relegate social media sites, blogs, online forums, and company websites to the bottom of a list of trusted information sources (along with advertising).

And, by wide margins, Americans (regardless of social media usage) see the social media presence of companies, candidates, and elected officials as more of an advertising strategy than a channel for two-way communication with customers, voters and the general public. Still, Americans clearly acknowledge that social media has a positive impact on their ability to be a well-informed consumers and they also tend to believe that social media allows them to be a

better informed citizens. There's also a recognition by many that social media has increased the ability of average Americans to have more influence in their interactions with major corporations and with government.

Americans who use social media also say they want to see more content about community events, about corporations' charitable activities and special offers and they want to see companies use social media more for customer service purposes. Social media users want to see more discussion among their friends about products and services and while most prefer to not see any more political discussion among their online friends, many want to hear from candidates about campaign activities.

Moreover, examining the reported consumer and community behavior of social media users compared to non-users makes it clear that there is a strong correlation between social media usage and political engagement. It is also clear that social media users are more likely to collaborate with other consumers when making or deciding on a purchase.

This data tells us that while Americans may express a healthy distrust of information they see and read online, and while they tend to have lower trust in major corporations and public officials, many understand that information from these sources and messengers is beneficial to the decisions they make as consumers and as citizens. Many Americans also say that institutions' social media presence engenders a sense of accessibility, openness, and trust.

KEY FINDINGS

1. Nearly two-in-three American adults are active on social media and use is high among all demographic groups.

- 82% of American adults identify as internet users and 78% of internet users say they have an active social media account that they've accessed in the past month.
 - This adds up to nearly two-in-three American adults (64%) who are active on social media, leaving just 35% of American adults who are either online and don't use social media or not online at all.



- Social media users make up a large percentage of all demographic groups, including:
 - 87% of those aged 18-29, 74% of those aged 30-49, 56% of those aged 50-64, and 34% of those aged 65 and older;
 - 72% of college graduates use social media, as do 69% of those with some college, and 52% of those with only a high school education;
 - 76% of those with household incomes of \$75k+, 65% of those in \$30-\$75k households, and 55% of those in households making under \$30k;
 - 63% of Whites, 70% of Hispanics, and 61% of African-Americans.
- More than half of American adults (51%) are on Facebook, 28% are on Google+, 13% are on Twitter, 12% are on LinkedIn, 6% are on Pinterest, and 5% are on MySpace.

2. On several fundamental topics, social media users' opinions are no different than the opinions of the country as a whole.

- Social media users are indeed younger, more educated, and more affluent than the American population at large. However, on several key attitudinal metrics, there is very little difference between social media users and non-users.
 - Social media users do not differ significantly from non-users about the direction the country is headed. 34% of users believe the country is headed in the right direction, compared to 31% of non-users.
 - 47% of both users and non-users approve of the job Barack Obama is doing as President.
 - Registered voters who use social media give Obama a slight edge over Mitt Romney (44%-41%), not significantly different than the preference of non-users (43% Obama – 42% Romney).
 - Social media users are slightly more likely to identify as political Independents, but the partisan balance between the two groups is very similar. Users: 25%R-30%D-41%I / Non-Users: 26%R-33%D-35%I.
- Interestingly, social media users are more optimistic about the direction of the economy and their personal financial future than non-users, though this can likely be attributed more to users' younger age, higher education, and higher income.
- ***This underscores what many businesses, campaigns and other groups already know about social media – its user base is a reasonable proxy for the American population at large and will very likely become even more closely aligned over time.***



3. As we've seen in past Heartland Monitor polling, Americans express doubts about the trustworthiness of major institutions like the Federal government and major institutions.

- On this survey, Americans were asked to rate the extent to which they trusted information when receiving it from various groups and individuals. Among the most trusted messengers were:
 - Friends and family members (86% 'A Great Deal' or 'Some')
 - Scientists and Academics (81%)
 - Your employer (80%, asked only among those employed)
 - Non-profit and community organizations (77%)
 - Clergy and other religious leaders (68%)

- Americans trust information from government when it is closer to home, and information from elected officials is slightly more trusted than info from political candidates:
 - Your local government (66% 'A Great Deal' or 'Some')
 - Your state government (61%)
 - The Federal government (51%)
 - Elected officials (51%)
 - Political Candidates (43%)

- Americans view information from major corporations and their leaders in a completely different light than information from small and local businesses:
 - Small businesses (86% 'A Great Deal' or 'Some') and local businesses (85%)
 - Major corporations (42%)
 - Leaders of major corporations (42%)



4. Americans are most likely to trust information when it comes from traditional media sources.

- Americans' ratings of their trust in information sources reveals that they're hesitant to believe company websites, skeptical of advertising, and distrustful of anything seen online. In rank order, Americans place a 'Great Deal' or 'Some' trust in:
 - Public TV and radio (75%)
 - Newspapers (71%)
 - Cable news (70%)
 - Network news (64%)
 - Magazines (57%)
 - Talk radio (53%)
 - Company websites (51%)
 - Advertisements (37%)
 - Blogs and online forums (34%)
 - Social media sites (30%)

- Even among those who use social media multiple times a day, only 44% trust the medium a 'Great Deal' or 'Some.'

5. When making a purchasing decision or when deciding which candidate to support for President, Americans give primary consideration to discussions and interactions with family, friends, and acquaintances.

- When deciding on a new purchase, Americans value input from personal relationships above all other resources while online reviews and comments rank near the bottom.
 - Conversations with friends, family and acquaintances: 88% among all Americans / 93% among social media users
 - Information shared by friends, family and acquaintances: 88% / 95%
 - Expert reviews in publications like Consumer Reports and major newspapers: 73% / 77%
 - Advertising from companies in various forms: 57% / 63%
 - Comments by other consumers on forums, comment sections, and social media: 59% / 72%
 - Online reviews from other consumers on sites like Amazon, Yelp, and Tripadvisor: 54% / 66%
 - Reviews by bloggers: 32% / 40%



- When making a decision about who to support for President, input from personal relationships merits primary consideration. However, online comments and opinions and political advertising are considered significantly less when choosing who to support for president.
 - Conversations with friends, family and acquaintances: 73% among all Americans / 76% among social media users
 - Information shared by friends, family and acquaintances: 71% / 74%
 - Expert reviews in news magazines and major newspapers: 58% / 62%
 - Expert opinions on cable TV news: 51% / 54%
 - Opinions expressed on talk radio: 37% / 40%
 - Comments by other voters on forums, comment sections, and social media: 28% / 32%
 - Advertising from campaigns in various forms: 24% / 24%
 - Opinion pieces by bloggers: 16% / 19%

6. As consumers and as citizens, Americans overwhelmingly view the social media efforts of major corporations and political campaigns/elected officials as a form of advertising and not as a channel for two-way communication.

- 69% of Americans (and 73% of social media users) believe that major corporations are active on social media mostly so they can more easily advertise, collect information about customers, increase their profits, and compete with other companies.

Just 22% (and 20% of social media users) believe corporations are active to more easily interact with customers, collect feedback, improve their business, and respond to questions.

- Similarly, 69% of Americans (and 74% of social media users) believe that politicians are active on social media mostly to advertise their campaigns and positions, collect information about supporters, and increase their chances of re-election.

Just 18% of Americans (and 17% of social media users) believe they're mostly on social media to interact with voters, improve their understanding of Americans' concerns, and personally respond to questions.

7. Americans, social media users included, haven't seen an increase in the responsiveness from either corporations or government in recent years and they also don't believe they have more influence in their dealings with those institutions than they have had in the past.

- Americans believe that major corporations are considerably more responsive than the government to complaints and negative experiences. 61% of all Americans (and 64% of social media users) believe major corporations are 'Very' or 'Somewhat' responsive to complaints, while only 38% of Americans (and 35% of social media users) believe that the government is responsive.



- The 28% of Americans who believe that corporations have become more responsive to complaints in recent years are offset by the 25% who believe they have become less responsive.
 - Social media users, however, have slightly more of a sense that corporations have become more responsive (34%), while just 21% believe they've become less responsive.
- Only 18% of Americans (and 17% of social media users) believe that the government has become more responsive to complaints, while 30% (and 29% of social media users) say it has become less responsive.
- Americans are nearly split on whether they have more influence (23%) in their dealings with major corporations or less influence (27%) than they had in recent years. Social media users are more inclined to say they have more influence (29%), but that is mostly offset by users who believe they have less influence (25%).
- Regarding government, 14% of Americans and social media users alike believe they have more influence in dealing with the government, with 35% of Americans and 34% of social media users believe they now have less influence.

8. Several factors could lead one to draw a grim conclusion about the value of social media efforts by major institutions:

- **The trust deficit faced by major institutions;**
- **Americans' preference for information from friends and personal connections;**
- **The skepticism about information found online; and**
- **The strong belief that corporate and political social media efforts are just another form of advertising.**

However, other data from the survey suggests that despite their skepticism, Americans recognize the value of the information they're receiving from these institutions through social media, and they may in fact want to see more of it.

- Regarding the internet and social media's impact on Americans' ability to be a well-informed consumer, 60% of Americans and 69% of social media users agree that the information available through these channels has made it easier for them to be a well-informed consumer because it is now easier to research and compare and to communicate with companies and other customers.

Only 32% of Americans and 27% of social media users think that the information available through these channels has made it harder to be a well-informed consumer because of information overload, and uncertainty about the reliability of reports and reviews.



- On the citizen/political side, a plurality of Americans (47%) and 55% of social media users say that information online and through social media has made it easier for them to be a well-informed citizen because it's easier to research and compare candidates and also communicate with the government and other Americans.
 - 41% of Americans and 40% of social media users take the contrary opinion, believing that the information has made it harder to be well-informed because of information overload and questions about the information's reliability.
- Social media users report a low level of trust in information they see on social media, and they are hesitant to trust information from corporations.
 - However, when asked about what types of content they would like to see more or less of on social media, 55% say they'd like to see more about companies' charity efforts, 61% say they'd like to see more about companies' discounts and special offers, and 64% say they want to see companies using social media for customer service purposes.
- Social media users are also skeptical about information from politicians. However, a plurality (47%) say they want to see more from candidates about their positions and campaigns while 45% say they want to see less.
- 53% say they want to see more discussion among their personal contacts about experiences with a product or service while 37% want to see less of this.
- Users have the exact opposite preference for discussions about politics on social media – 37% want to see more and 53% want to see less.
- When asked what effect corporation's social media activity has on several reputational factors:
 - 59% of social media users said it makes them more likely to see a company as "accessible and responsive," while only 26% said it makes them less likely to see a corporation that way;
 - 49% said it makes them more likely to see a company as "transparent and open," only 32% said it makes them less likely;
 - 42% said it makes them see a company as "trustworthy," with 36% saying it makes them less likely to see a company that way;
 - 48% said it makes a company seem "consistent and dependable," only 32% said it makes them less likely.



- Political candidates' and elected officials' social media presence yields less reputational benefits:
 - 49% of social media users said it makes them more likely to see them as “accessible and responsive” while only 32% said it makes them less likely;
 - 45% said it makes them more likely to see them as “transparent and open” while 37% said it makes them less likely;
 - 31% said it makes them see them as “trustworthy” with 42% saying it makes them less likely;
 - 35% said it makes them seem “consistent and dependable” while 38% said it makes them less likely.

9. Social media users also report significantly higher levels of political and community activity. And, they're more likely to report collaborating with others on making purchases or discussing products and services.

- Social media users are considerably more likely than non-users to have:
 - Volunteered for a community organization (69% vs. 49%);
 - Participated in a group related to a community issue (57% vs. 43%);
 - Donated money to a charitable cause (89% vs. 81%);
 - Signed a petition for a campaign or community issue (68% vs. 50%);
 - Attended a campaign rally (32% vs. 22%); and
 - Volunteered for a political campaign (23% vs. 15%).
- Social media users are more likely than non-users to:
 - Consult with others about buying a product or service (79% vs. 60%);
 - Change their mind about a product or service because of the opinions of others (64% vs. 47%);
 - Participate in groups of other fans or users of a product or service (31% vs. 17%); and
 - Participate in groups concerned about a product or service (33% vs. 18%).

10. Regarding social media's impact on the “balance of power” between average citizens and major institutions, Americans lean towards a belief that social media has led to more influence for average Americans.

- Almost half of Americans (49%) and 54% of social media users believe that social media has given average Americans more influence in government and in their interactions with major corporations because it provides access to more information and allows people to quickly communicate and organize.



On the other hand, 39% of Americans and social media users alike believe that the medium has not significantly changed average Americans' influence because information from different sources had led to the creation of groups with competing objectives.

- Younger Americans, African-Americans, and Hispanics are most likely to believe that social media has increased influence for average Americans.

POLITICAL AND ECONOMIC METRICS

11. Americans have grown more optimistic about the direction of the country and they have a slightly more positive economic outlook.

- 33% of Americans now believe the country is headed in the right direction, up from 30% in our March poll. The optimism is exclusive to Democrats, 64% of whom say "right direction" while 64% of Independents and 84% of Republicans say "wrong track."
- 44% expect their personal financial situation to improve by this time next year, tied for the highest percentage (December 2011) measured for this metric.
- 62% believe the economy will improve over the next 12 months, the highest percentage we've measured in two years.

12. Opinions about President Obama are polarized and continue to fall within a very narrow range.

- 47% approve of the job Obama is doing as President, while 48% disapprove. His approval rating has held between 44% and 51% for 10 straight Heartland Monitor polls.
- In the race for President, Barack Obama leads Mitt Romney among registered voters by a slim margin (44%-41%). Romney leads by 9 points among Independents and by 12 points among white voters. Obama leads by 1 point among men, by 4 among women, and by wide margins among African-Americans and Hispanics.
- Each candidate has an edge on certain characteristics and traits:
 - Has the experience and skills needed to improve the economy
40% Obama - **46% Romney**
 - Will support policies that benefit people like you
48% Obama - 39% Romney
 - Will support policies that promote opportunity for all Americans
53% Obama - 35% Romney



- Will support policies that will be better for future generations
47% Obama - 40% Romney
- Can be trusted to live up to campaign promises
40% Obama - 36% Romney
- Will bring the deficit under control
34% Obama - **43% Romney**
- President Obama remains slightly preferable to Republicans in Congress when it comes to developing economic solutions. (42%-39%).
- 32% of Americans believe that Obama's actions will increase opportunity for people like them to get ahead, 34% believe his actions will decrease opportunity, and 29% believe his actions will have no impact.
- 12% believe the country is significantly better off (essentially unchanged over two years), 47% believe his policies are moving the country in the right direction (a slight uptick from March), and 37% believe the country is significantly worse off.
- Americans continue to be split about the impact of Obama's economic policies. 46% believe his policies have run up a record deficit while failing to end the recession or slowing job losses. 45% believe that his policies helped avoid an even worse crisis and set the foundation for recovery.
- Americans are split about whether their personal financial situation would be better if Obama is President two to three years from now (40%) or if Mitt Romney is President (37%). In March, Obama fared nearly exactly the same against an unnamed Republican candidate (41%-39%).