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The Reputation of Energy Sources: American Public Opinion in a Global Context



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I. Why the Credibility of Energy Sources¹ Matters

The energy and environmental agendas have been converging into a single meta-agenda (see lpsos' paper *Global Attitudes towards Energy Sources*). This development has had a manifold impact on how policymakers and economic actors address the issue.

Public concern about climate change and environmental degradation has placed an added premium on finding alternatives to traditional fossil fuels like coal and petroleum. However, global public opinion is quite clear: renewable energy sources may meet consumer demand in the future, but right now the optimal energy solution is a mixed one comprising traditional fossil fuels together with renewable energy sources. Indeed, a recent Ipsos survey of 23,000 citizens from 23 countries shows that 93% agree that it will take more than one energy source to meet all of their country's energy needs.²

A key challenge for stakeholders who are actively involved in the changing and charged energy debate is to make their case effectively. Central to this is the **credibility of the messenger:** will other stakeholders and the public believe what you say?⁴

Typically, the credibility of a messenger on an issue is a function of the reputation of the individual or the organization that is speaking to it – a company, a stakeholder group, a spokesperson. However, when it comes to energy, the credibility of the "messenger" largely depends on the reputation of the energy source itself.

Keeping this in mind is particularly critical for two reasons:

- First, where an energy source in itself is a constituency group that is pushing a specific agenda (for instance, ethanol in lowa, or coal in West Virginia), the message will only be as effective as the credibility of the energy source.
- Second, given public receptivity to a mixed energy solution, policymakers will have to optimally frame their
 policy message. Key is to know which energy sources are more credible and which ones less so. Here the old
 adage "put your best foot forward" rings true using more credible energy sources as the central pillar in any
 policy message is practicing good reputation management.

To get at the credibility issue, we asked three questions:

- 1. Which energy sources are more credible among the public, and which ones are less so?
- 2. Is the relative credibility of various energy sources constant across the world? Or do they rank differently from country to country?
- 3. Are Americans different in their outlook on the credibility of energy sources compared to the rest of the world?

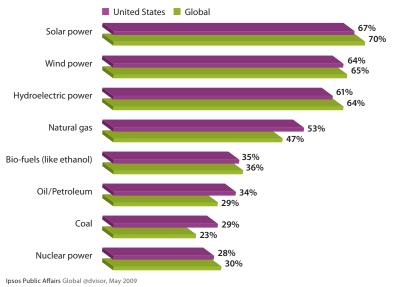
To answer these questions, we analyzed data from Ipsos' Global Energy Barometer. This vehicle tracks public attitudes towards energy sources, and explores issues surrounding energy policy and practice across the globe. The most recent online poll was conducted in 23 countries⁵ (which collectively represent 75% of global GDP) in December 2009 on the Ipsos Global @dvisor platform.

II. Reputation of Energy Sources

There is a distinct rank ordering of energy sources when it comes to their credibility. Renewables hold the top three positions (see Figure 1, below).

Figure 1: Slightly/well above average on "Is an energy source I trust"

How does each energy source compare with other energy sources, based on the following attributes



For example, 70% of global citizens rate solar above average; 65% do the same for wind power; and 64% for hydroelectric power. At the other end of the scale, traditional fossil fuels rank lowest in terms of credibility. Only 29% rate oil/petroleum and 23% coal above average, followed by nuclear energy (30%).

Most striking, however, is the consistency in the rank order of credibility when comparing the U.S. with the rest of the world – or more precisely, the average of the 23 countries surveyed. In short, the ranking is the same – renewables are at the top and fossil fuels at the bottom.

How Reputation is Built

Reputation is best described as an ascent up a five-tiered pyramid.

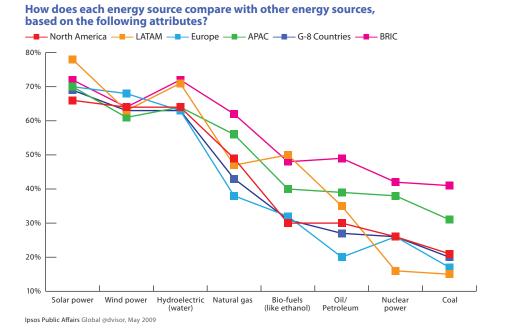


Reputation at its core depends on being known by your stakeholder, so tiers 1 and 2 (awareness and favorability) are critical because you need to be known to be liked. Once a base familiarity is established, you then need to be liked (favorability) to move up the pyramid to be trusted. Trust is the single most important measure of the reputation pyramid because it most closely matches the underlying concept of credibility. Once you are trusted, you can move up to the top of the pyramid, and enjoy the benefits of having stakeholders spontaneously saying good things about you to others (advocacy). The objective for all organizations is to "move up the ladder" on the reputation pyramid.

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Consistency is also evident when we look at the rank order of credibility of energy sources by region. Again, in every region, renewable energy sources rank higher in terms of their credibility, while fossil fuels and nuclear find themselves lower on the totem pole (see Figure 2, below).

Figure 2: Slightly/well above average on "Is an energy source I trust"

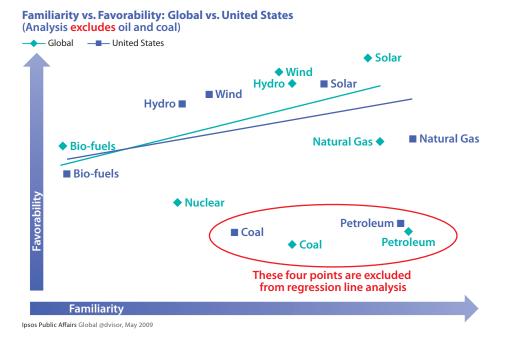


However, there are some deviations from the general rule. Biofuels, for example, are much more credible in Latin America and BRIC countries than they are in other regions; this reflects the strength of Brazil's ethanol industry. Also, we see that APAC and BRIC countries are generally more likely to trust oil, nuclear and coal as energy sources, while European countries are less likely to trust natural gas and oil/petroleum. Europeans also tend to trust wind power slightly more than do others. There are many possible reasons for these differences, and it is likely that relative familiarity with various energy sources is a key factor. However, the fact remains that – in general – global attitudes do not differ greatly, and hardly differ at all on renewable energies.

III. Familiarity Impacts Favorability

With the exception of fossil fuels (oil/petroleum and coal), there is a clear relationship between reputation and familiarity. Global citizens state that they are quite familiar with solar, wind, and hydro, and we find that they are correspondingly favorable towards them. In contrast, they are less familiar with biofuels and hence are less favorable towards them (see Figure 3.)

Figure 3:



A similar trend is evidenced in the U.S.: Americans are less familiar with renewables than consumers from other countries surveyed, and they are also less favorable towards them.

There are two exceptions to the "you need to be known to be liked" rule – these are coal and oil/petroleum. Global citizens are much less favorable towards them than what would be expected given their familiarity levels. Here their poor reputation is a result of their perceived impact on the environment and associated liabilities.

IV. Conclusions and Implications

Fundamentally, it appears that the credibility of energy sources is quite constant across countries and regions. Americans and their global counterparts display strikingly similar views on energy sources – they trust renewable energies more than they do traditional fossil fuels. Natural gas, however, holds an interesting middling ground compared to other fossil fuels – possibly reflecting its lower carbon emissions, and/or because its brand (which contains the word "natural") may convey a more positive environmental message than coal and oil do.

Furthermore, with a few notable exceptions, the more people know about an energy source the more they like it, underscoring the link between reputation, familiarity and favorability.

So what are the real-world applications of these conclusions?

We can already envision which energy sources are going to be more appealing to public opinion and which ones less so. When it comes to their popularity, renewable energy sources are the darlings and fossil fuels are the dogs. The reputation of renewables gives them the credibility to push their agenda, while traditional fossil fuels do not have this advantage.

This very fact is also true around the world. Global citizens are more predisposed to trust renewables than fossil fuels. This suggests increased convergence in the energy debate around the world as the credibility of every energy source tends to be constant across countries.

Policy makers and influencers who are faced with pushing forward specific energy solutions should know which energy sources in their mix are more (and less) credible. Such knowledge is unlikely to influence which energy sources are included in the policy solution, but it will provide useful insight into how best to frame the issue when addressing domestic and global audiences. To optimize this effect, policy makers would be advised to use renewables as the central pillars of any messaging campaign, so that they can put their best foot forward in this complex issue environment. Global citizens believe that renewables are more trustworthy than other energy sources and have a "place at the table" in terms of the global energy debate.

Reinforcing the credibility of the messenger is also key to managing reputation. Constituency groups in the U.S. have made a strong attempt to re-frame coal as "clean coal" – a change that has had a notable impact on how Americans rate the credibility of coal. In other words, credibility – and *perceived* credibility – count!

Notes

- ¹ Coal, Petroleum/Oil, Natural Gas, Hydro, Solar, Nuclear, Wind, and Biofuels.
- ² Ipsos Global Energy Barometer, December 2009
- ³Throughout this paper we use "messenger credibility" and "reputation" interchangeably in the context of communications.
- $^4\,http://www.ipsos-na.com/knowledge-ideas/public-affairs/points-of-view/? q=in-search-of-the-holy-grail and the property of the property of$
- ⁵ U.S., Canada, Brazil, Mexico, Argentina, South Korea, China, Japan, Australia, Russia, India, Czech Republic, Poland, Hungary, Turkey, Sweden, Netherlands, Belgium, Germany, France, Italy, Spain, and Great Britain.
- ⁶ While only 29% percent of Americans rate coal above average as an energy source they trust, 40% do so of "clean coal"

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