

Immediate Release

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WAL-MART SUFFERS STEEP DECLINE IN PUBLIC IMAGE

FIRST NATIONAL ZOGBY POLL OF WAL-MART FINDS NEARLY 4 IN 10 AMERICANS HAVE AN UNFAVORABLE OPINION / NEARLY 6 IN 10 AMERICANS HAVE A “LESS FAVORABLE” OPINION OF WAL-MART TODAY

Washington, DC – The first national survey of public attitudes and opinions about Wal-Mart by Zogby International finds American adults hold an increasingly negative view of Wal-Mart. The poll found 38 percent, or nearly 4 in 10 Americans, hold an unfavorable opinion of Wal-Mart, and 46 percent of Americans believe Wal-Mart’s public image is worse than it was 1 year ago.

The poll found that 56 percent of American adults agreed with the statement - “Wal-Mart was bad for America. It may provide low prices, but these prices come with a high moral and economic cost.” In contrast, only 39 percent of American adults agreed with the opposing statement – “I believe Wal-Mart is good for America. It provides low prices and saves consumers money every day.”

“Despite two high-priced image makeovers, Wal-Mart’s public image is in a tailspin. Over the last year, Wal-Mart’s image has declined at an alarming rate with the American people. Unless Wal-Mart addresses these growing concerns, the company will face a mounting public backlash,” stated Paul Blank, campaign director for WakeUpWalMart.com.

The Zogby poll, commissioned by WakeUpWalMart.com, was a national telephone survey of 1,012 adults conducted by Zogby International from 11/15/05 through 11/18/05 and had a margin of error of +/- 3.2%.

The effect of the WakeUpWalMart.com campaign over the last year can be best assessed by comparing several questions from the new Zogby poll to results from a similar national poll conducted by Lake, Snell, Perry in January 2005.

Wal-Mart Overall Favorability

In terms of overall favorability, in the span of about 11 months, Wal-Mart experienced a decline of 18 percentage points in the number of American adults who view the company favorably. Most striking is a 15 percentage point decline in the number of Americans who hold a “very favorable opinion.”

	Jan 05	Nov 05	Difference
Very Favorable	45	30	-15
Somewhat Favorable	31	28	-3
Fav	76	58	-18
Somewhat Unfavorable	11	19	+8
Very Unfavorable	9	19	+10

Unfav 20 38 +18

No Opinion/Not sure 4 4 -

Wal-Mart Shopping Frequency

The Wal-Mart shopping frequency of American adults has also changed. A comparison of the two polls suggests a decrease of 18 percentage points among high frequency Wal-Mart shoppers (i.e. weekly and 1-2/ month), but an increase of 12 percent in the number of respondents who shop at Wal-Mart less frequently. Most interesting, there is a 5 percent increase in the number of American adults who choose not to shop at Wal-Mart. These results, however, do not directly impact Wal-Mart sales, as consumers who still choose to shop at Wal-Mart may have simply increased their overall values of their purchase.

Jan 05 Nov 05 Difference

Weekly	33	24	-9
1-2/Month	36	27	-9
Several times a year	13	16	+3
Hardly ever	11	20	+9
Never	8	13	+5
DK	0	0	-

Wal-Mart Favorability Based on Recent Events

Recent news events are having an impact on Wal-Mart’s rising negative image. In asking people whether or not recent news events have altered their feelings of favorability/unfavorability towards Wal-Mart, there is a growing perception that Wal-Mart is less favorable. Since January 2005, 28 percent more American adults have heard, seen, or read something about Wal-Mart that makes them feel less favorable toward the company.

Jan 05 Nov 05 Difference

Much more favorable	10	11	+1
Somewhat more favorable	18	11	-7
More favorable	18	22	-6
Somewhat less favorable	13	29	+16
Much less favorable	14	26	+12
Less favorable	27	55	+28
No impact/not sure	43	24	-19

Wal-Mart’s Favorability & Public Image Compared to Competitors

In terms of favorability, Americans hold very different opinions of two of the largest retailers - Wal-Mart and Target. For example, 73 percent of respondents hold a favorable opinion of Target versus 13 percent who hold an unfavorable opinion, while 58 percent of respondents hold a favorable opinion of Wal-Mart versus 38 percent who hold an unfavorable opinion. And compared to one year ago, a large majority of Americans (65%) agree that Wal-Mart has a more negative public image now than compared to last year, while 28 percent disagreed. In contrast, and just as a baseline comparison, only 14 percent of Americans believe that Target’s public image is more negative, while 55 percent disagreed.

These results are more striking in light of the significant financial commitment by Wal-Mart over the last year to try and improve its public image.

America's Wal-Mart Debate

The debate about whether or not Wal-Mart is good or bad for America is occurring. In a comparison of two statements, 56 percent of Americans agreed "Wal-Mart is bad for America" (statement B), with only 39 percent of Americans stating Wal-Mart is "good for America" (statement A).

Statement A – I believe that Wal-Mart is good for America. It provides low prices and saves consumers money every day.

Statement B – I believe that Wal-Mart is bad for America. It may provide low prices, but these prices come with a high moral and economic cost for consumers.

Further results indicate that 6 in 10 American adults believe Wal-Mart is seen as a retail monopoly that threatens the American economy, 61 percent of Americans are concerned that Wal-Mart is too powerful an economic force in America, and 63 percent of Americans agree that the impact of the Wal-Mart business model should be investigated by our nation's elected political leaders.

Poll results are available to the media on request by contacting Chris Kofinis (202) 496-6422 or Paul Blank (202) 466-1503.

Questions Referenced from Zogby Poll

I am going to read to you a list of stores. Please tell me if your overall opinion of each is very favorable, somewhat favorable, somewhat unfavorable or a very unfavorable.

Target

1. Very favorable	34
2. Somewhat favorable	39
3. Somewhat unfavorable	7
4. Very unfavorable	6
5. NF/Not sure (do not read)	15

Wal-Mart

1. Very favorable	30
2. Somewhat favorable	28
3. Somewhat unfavorable	19
4. Very unfavorable	19
5. NF/Not sure (do not read)	4

In general, thinking back on what you have recently seen, heard or read about Wal-Mart in the last few months, does it make you much more favorable, somewhat more favorable, somewhat less favorable, or much less favorable toward Wal-Mart?

1. Much more favorable	11
2. Somewhat more favorable	11
3. Somewhat less favorable	29
4. Much less favorable	26
5. Not sure (Do not read)	24

In general, based on what you have recently seen, heard, or read about Wal-Mart, do you believe Wal-Mart's public image is much better, slightly better, slightly worse, much worse, or about the same than it was 1 year ago?

1. Much better	5
2. Slightly better	7
3. Slightly worse	28
4. Much worse	18
5. About the same	37
6. Not sure (Do not read)	5

Do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree that Wal-Mart has a more negative public image now than compared to last year?

1. Strongly agree	36
2. Somewhat agree	29
3. Somewhat disagree	17
4. Strongly disagree	11
5. Not sure (Do not read)	7

Do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree that Target has a more negative public image now than compared to last year?

1. Strongly agree	4
2. Somewhat agree	10
3. Somewhat disagree	27
4. Strongly disagree	28
5. Not sure (Do not read)	31

Wal-Mart is America's largest employer with 1.3 million workers, 3700 stores, 289 billion dollars in sales, and \$10 billion dollars in profits. Are you very concerned, somewhat concerned, not too concerned, or not all concerned that Wal-Mart is too powerful an economic force in America?

1. Very concerned	33
2. Somewhat concerned	30
3. Not too concerned	15
4. Not all concerned	20
5. Not sure (Do not read)	2

Do you, personally, strongly agree, somewhat agree, or do not agree at all that Wal-Mart is a retail monopoly that threatens the future health of the American economy?

1. Strongly agree	33
2. Somewhat agree	28
3. Don't agree at all	35
4. Not sure (Do not read)	5

Some critics suggest Wal-Mart is having a negative social and economic effect on the country, others argue Wal-Mart has a positive social and economic effect. Do you, personally, strongly agree, somewhat agree, or do not agree at all that our nation's elected political leaders should investigate the effects Wal-Mart is having on the American economy and society?

1. Strongly agree	34
2. Somewhat agree	28
3. Don't agree at all	34
4. Not sure (Do not read)	4