

# Agenda Setting Newsletter



6<sup>th</sup> International Agenda Setting  
Conference, 28.09-30.09.2005

## Spitzer impact was highest in the U.S, banks failed to achieve a trustworthy

Media Tenor research institute conducted the study on U.S opinion leading media on investigations and settlements with regard to the financial industry. This study analyzed the data from 01.01.2004 – 31.12.2004 in 23 U.S. media outlets. All together 79,341 passages on banks, financial services providers, Funds, insurance companies were analysed.

Investigations and settlements are an inherent part of the coverage of the financial industry in 2005. The investigations into various practices of the financial industry started with the burst of the “New Economy” bubble. Investigations by governmental authorities, regulatory bodies or general attorneys in the first phase focused on conflicts of interests within the banking sector (e.g. analysts), followed by trading practices in the investment fund industry. Most recently, Spitzer has focused on the insurance industries’ relations with its brokers and non-traditional forms of insurance products.

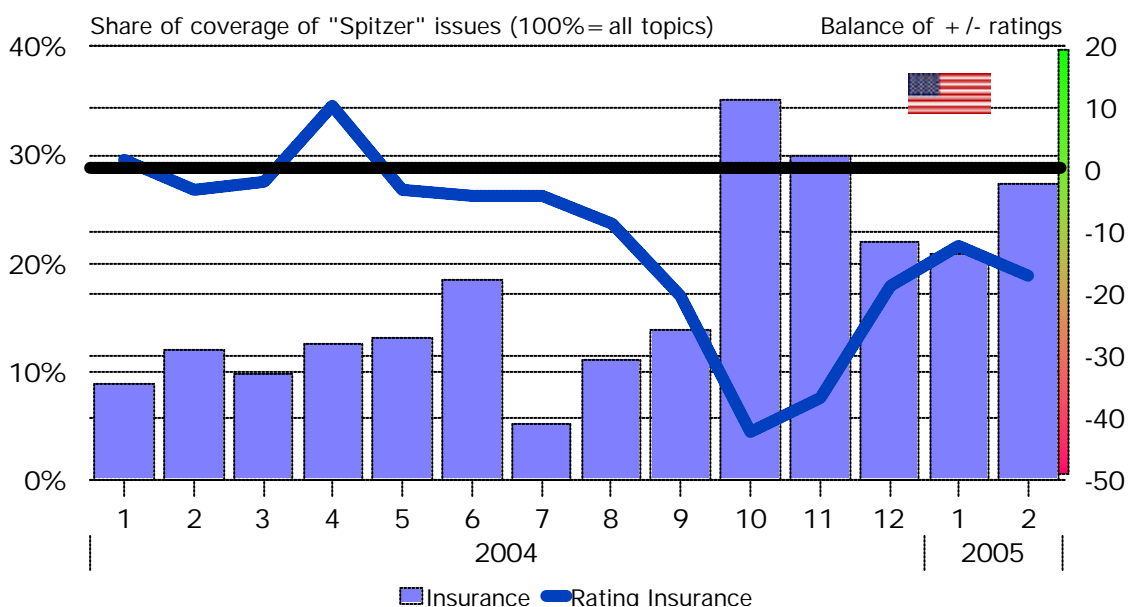
### Insurance

The insurance industry was influenced by Spitzer’s reports and faces fundamental losses, the communication was less active and that is why the impact was much higher in the U.S. Insurance industry faces fundamental damage to their image because of Spitzer.

In Germany, Spitzer investigations had only a one off effect. Spitzer investigations (and their European counterparts) were picked up by the German media in October. However, the volume of coverage on other issues was so high, that the rating normalized in November thanks to a large number of reports on issues such as the “last call”. However, the media reporting on the Bafin-investigation into Citi’s bond-deal might act as a catalyst for future cases.

In the UK, solvency problems overshadowed broker issues. The problems at Equitable Life have been the most prominent critical issue in the UK press when reporting about insurers. Although the press focused on the Spitzer investigations into Marsh/AIG in late 2004 (and their European counterparts), the most negative coverage was linked to the financial health in the industry and stock-related issues.

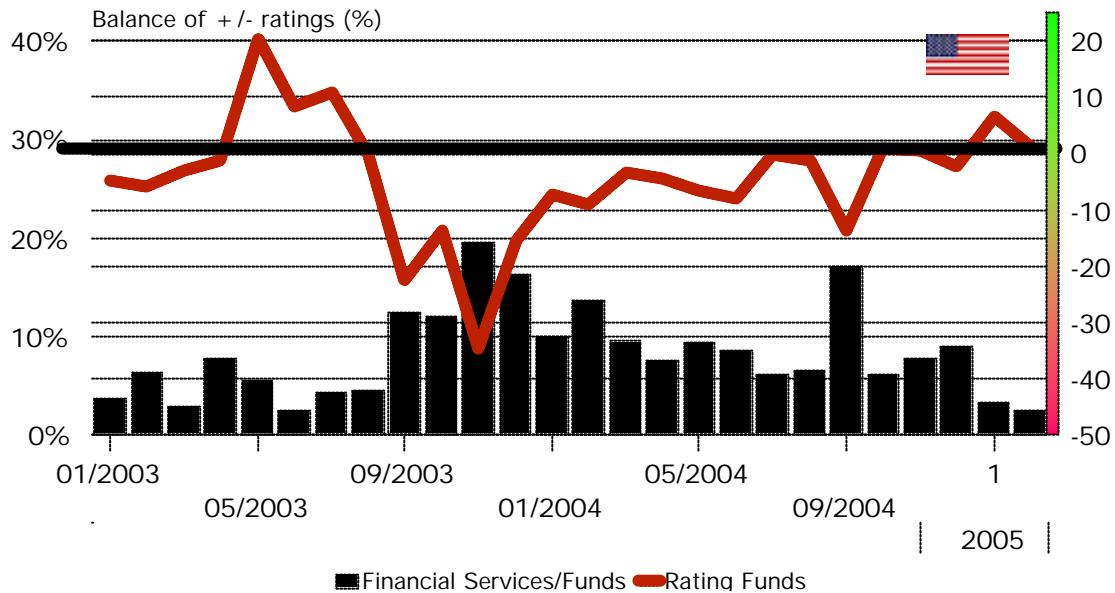
Share of „investigations/settlements“ regarding all topics in media coverage 1/04-02/05



### Financial services

The lower volume of coverage on funds in the U.S media has made them more vulnerable to the Spitzer-tactics, which is actively making use of the media power to force companies into quick settlements. But looking at the analysis we can see softening of Spitzer-impact on the fund industry. Research in agenda-setting and crisis-reputation management have displayed that it usually takes up to nine months until a company's or an industry's image recovers – when no bad news follows. It took the financial service industry nine months to achieve a balanced rating again. The fund industry is slowly coming out of the woods.

Share of „investigations/settlements“ regarding all topics in media coverage 1/04-



### Banks

Banks in the U.S failed to achieve a trustworthy. Despite favorable earnings and healthy stock price developments, the banks failed to achieve a more trustworthy in 2004. However, the volume of coverage was so strong, that the ongoing investigations into several issues had no significant impact on the industry's image. Although the reporting on analysts' misbehaviour and conflicts of interest have tarnished the image of the banking industry, the banks have always garnered enough coverage on other issues to avoid an image solely determined by the scandals.

Share of „investigations/settlements“ regarding all topics in media coverage 1/04-02/05

