

The Erosion of Brand Trust

In association with:  BRAND AMBITION



Abstract

Trust in business is at an all-time low according to the Edelman Trust Barometer. In this context, the value and role of brands is being questioned by consumers.

To understand this phenomenon and how to gain trust as an eCommerce brand, we partnered with Brand Ambition - a specialist strategic marketing consultancy - to interview experts in planning, innovation & consumer futures, and better understand today's landscape.

In this paper, we highlight multiple changes to the landscape which, over the last 10-15 years, have created an environment in which it's harder to win brand trust, but easier to lose it.

We found several drivers that have exacerbated the issues in eCommerce, and discovered that this era of consumer distrust hits businesses in many ways.

However, the future is not all bleak. We found many examples of brands that have embraced the new landscape, building successful businesses and enjoying the benefits of more customer trust.

Based on our learnings, we propose a framework for action. We share examples that show the importance of proper consumer insight, and how its application in the marketing mix drives results.

We propose a trust-building approach based on getting the 'table stakes' right, then enhancing customer experience, and finally aligning brand and consumer values.

We also found that regardless of the firm's maturity, there is often a kind of 'cultural compass' that helps them behave in ways that are authentic, purposeful and emotive (APE).

Today's consumer landscape

The consumer landscape is changing faster than ever. Marketers are seeing growing cynicism of brands, while according to the Edelman Trust Barometer, trust in business in 2018 fell to 43%¹ - dropping from already historic lows and -2% vs 2017.

By definition, a brand is a mark of trust, thus, declining levels of trust could be an existential problem for anyone who owns or runs a brand. To better understand today's landscape, we talked to Directors of Marketing and CEOs in order to get their perspective. We also used online panel surveys to get a wider read on some of the issues identified, find out what's changed, and understand what it takes to build trust in today's customer era.

Our first finding was that 'trust' itself, is a problematic concept. As one CMO put it, "trust is something that exists between people; not between people and brands".

Since the dawn of marketing, we've been taught to think of our brand as a person – and terms like 'brand personality' have become common parlance. Our research suggests people have an issue with the term 'trust' – it's more of a marketer's construct.

An alternative approach which emerged during conversations was to reframe trust as being 'reassurance to buy'. This is one of the most helpful definitions we've come across. Trust is such a big and conceptual term, but 'reassurance to buy' encourages us to think about the context surrounding the purchase (consumers, category, competitions etc.). So, for the rest of this paper, when we talk about trust, it's shorthand for 'reassurance to buy'.

So, what's changed?

And why is trust harder to win?

CMO's from across categories agreed that today's environment is more challenging for marketers.

10 to 15 years ago, the environment was more conducive to trust. The benefits of brands and own label (a product that has the name of the store where you buy it, rather than a name used by the company that made it) were more mutually exclusive, the distinction between advertising and news content was clearer, there was little social media (so less comparison and transparency as a result), and before the global economic crisis, consumer confidence and the economic outlook were stronger.

But today, consumer expectations, choice, and empowerment are unlike anything the world has ever seen, and creating loyal customer is no easy task. You may have the best products on the market, but you still have to convince people to try it, and to love it.

Many companies fail to find loyal customers. This is mostly because they do not meet expectations, and do not follow through on the promises they make. The biggest mistake some companies make is to focus solely on acquiring a customer, without doing anything else to make their user experience a good one.

False promises are a key reason why trust in digital platforms has fallen dramatically. And with the ubiquity of social media, the discourse relating to companies and brands often defaults to a simplistic narrative of 'heroes & villains'. As one Tesco executive put it, "people don't trust brands, they trust their peers". But with the increasing awareness of 'fake news' and online reviews, her view was that people are attaching even more value to the views of friends and family.

Trust is even more of a challenge in some industries, but that's where it can also present the greatest opportunity (which we'll address in a moment).

The ‘fake news’ meme and Facebook’s well documented troubles relating to Cambridge Analytica were the straws that broke the camel’s back, pushing the issue onto every front page worldwide. But the issue has been brewing for a long time.

As one marketing manager for [webuyanycar.com](#) puts it: “This is an industry that some people don’t particularly trust because it’s seen as a bit ‘wheeler-dealer’ and Del-boy-sh....”

People are pleasantly surprised when they see we have a high [customer services] rating”. It’s not just auto brands people don’t trust - we saw this across all industries interviewed. There is a double whammy in play: With a background of negative sentiment, it is now harder to win the trust of consumers. The irony is with social media and peer reviews, it’s much easier to lose trust.

This year alone, for example, trust in digital platforms fell in 21 of the 28 countries polled annually in Edelman’s annual Trust Index.

The 3 takeaways from this section

People can & do compare more:

Consumers are more actively comparing brands. Nowadays, around 30% of consumers globally post reviews online and 49% of consumers have looked up reviews online whilst in a shop³.

Own label got better:

The increasing adoption of own label products is a long-term example; according to YouGov², 65% of consumers now think there isn’t much difference between branded and non-branded goods

Reduced confidence in the media:

According to Edelman⁴, 42% of people attribute loss of trust in business directly to a lack of confidence in the media (including social media).

How distrust manifests

We're seeing that the erosion of brand trust affects companies in a number of ways



Cynicism about brands

We spoke to former Head of Brand at Innocent, also a founding employee of the smoothie maker which started out nearly 20 years ago. Widely recognised for being progressive in how it operates, Innocent continues to deliver envy-inducing rates of growth (+23% in FY2016⁵). He believes that most consumers “decoded” traditional advertising and claims long ago, which is why they now respond to simple and open brand communication.

Any brand seen to ‘jump on a bandwagon’ for purely commercial gain might expect to get punished. The movement towards imbuing a brand with more ‘purpose’ has driven success in some places where done authentically (Unilever now claims 70% of its global sales come from ‘purposeful’ brands).

But, there are as many examples of where the approach backfires (think [Pepsi’s 2017 “protest” ad](#); [Starbucks’ “race together” initiative in the US](#); or [Facebook’s virtual reality tours of flood damage in Puerto Rico](#)).

Sense of unfairness

One marketing leader talked about ‘fairness’ and how marketers often underestimate the powerful emotions evoked by perceived unfairness. In any market, the general idea is that, as a consumer I give something, and then get something back. When there is a perceived imbalance or one-sidedness in the deal, consumers feel exploited.

For example, when we asked our UK online panel to highlight brands they distrusted, we were surprised to see Apple top the list.

Exploring further, we found this was driven by recent operating system changes which slowed down older phones to preserve battery power – but interpreted by some as an unfair attempt to get dissatisfied customers to trade up to newer phones.



Reading reviews before purchasing

Faced with an abundance of choice, the last few years have seen the rise of the peer review. Today 91% of people read online reviews⁶, and they have become a major currency in people's decisions about what to buy and who to buy from.

The same research (with 2,000 UK consumers by Trustpilot) found that customer reviews and ratings were consumers' most favoured sources of information (77% and 74% rated them as important/very important respectively), and also influential on likelihood to purchase (in part because reviews are "consumed" close to the time of purchase).

Reviews don't eclipse traditional marketing practice but are an important extra dimension that needs attention.

Marketers have reacted to the increasing power of reviews in different ways. Some firms have put reviews at the centre of their brand building strategy.

For example, MyOptique Group (owner of retailer Glasses Direct) works hard to deliver service that generates favourable reviews. As their head of customer experience points out:

"Trust is the main driver because the product we sell is more complex due to the medical aspect, and because it's something you wear every day. You need to prove to the consumer that you can offer a really good product, by emphasising things like free returns. Customers are our advocates."

But many companies don't see reviews as that important and several of our interviewees reported that they do not have the infrastructure or capability in place to track or act on review data.

How many brand teams charged with brand development are simply unaware of negative reviews putting off potential customers?

Switching to 'good enough' alternatives

Brand owners expressed concern about losing out long-term to retailers' own brand products. Improvements to product quality and competitive pricing have increased trust, and pull towards own label in some categories; whilst again in some categories, price inflation has accelerated the push away from branded goods. At 41% of retail sales, own label is nearly 3x more developed in the UK compared with the world average⁷.

Over half of Tesco's sales now come from own label products, while revitalisation of the own label offer was at the heart of ASOS' turnaround. Nielsen⁸ reports that own label has become even more acceptable to shoppers with 75% of European shoppers agreeing they are 'a good alternative to brands'.

But also full of contradictions... In some cases trust seems to matter less

Although intuitively high levels of trust are conducive to a strong brand, as one marketer highlighted, consumers can also be prepared to make trade-offs.

Uber is a popular transportation option in large cities across the world. You might expect widely-reported concerns⁹ about its safety record and employment practices to undermine brand trust, but it seems these aren't enough to offset the convenience of app-booking, speed of arrival and lower fares compared with using alternative transport.

In speaking to CMOs, we saw that in some cases consumers are prepared to make trade-offs. With Uber for example, despite consumer concerns about Uber's business model and employment practices, consumers still choose the immediate benefits of cost & convenience compared with using regular taxis.



Impact on the business

Our panel of marketing leaders highlighted 4 ways in which they believed weakening trust in brands could impact businesses.

Marketing approach:

Traditional communications models for developing brand equity don't work consistently. You can't necessarily rely on high spend on TV commercials to "tell/sell" the benefits. Indeed, many fast-growing brands were launched on a shoestring, and rely on a sense of 'discovery' by consumers. Conversely, some attempts by brands to align with social causes have backfired and undermined trust in the brand – and marketing generally.

Pricing battles:

Brands that lack consumer trust get drawn into a pricing battle to maintain visibility & market share. These are ultimately impossible to win because of the additional overheads branded firms carry.

In some categories in the UK, up to 90% of volume is now sold on promotion.

Customer experience management:

New skills and organisation are required to manage today's customer experience and reputational risks. For example, marketers can feel on the back foot when complaints are managed in public via Twitter.

Shifting power towards the retailer:

Some marketers believed that marketplaces (like Amazon in US/Europe, Tmall & JD in Asia) are gaining trust as curators of consumer choice, at the expense of brands.

The future and a silver lining?

The consensus from our interviews was that most of the forces we're seeing now are likely to continue - there is no sign that the uncertainty which has characterised recent years will change.

But brand owners face a choice – which is whether to adapt to the new environment or not. As one marketing leader put it “Drivers of trust have changed; it's just that some brands have kept up while others haven't”.

Unilever is an example of a business that is taking big, deliberate strides in this direction. For example, to reflect the concerns of its consumers, its brands take a stance on issues where there is relevance for both the brand and consumers - such as food sourcing, environmental footprint, social exclusion, diversity and employment.

Men's grooming brand Axe (Lynx in the UK) has been widely applauded for its 2018 campaign which addresses questions of contemporary male identity. Ice cream brand Walls encourages employment and supports micro-entrepreneurs in Spain, while Lifebuoy soap is famed for championing health in India through education about the benefits of hand washing.

Faced with exponential choice of products and services and limitless sources of information, creating the right conditions for consumers to buy our products & services has never been more important.



AXE
FIND YOUR MAGIC.

The solution

How to enhance trust in your brand – a framework for action

Based on our research, we were able to identify some clues about what drives consumer trust in brands, together with supporting examples of brands doing it well.

Using the insights from research we have developed a framework for building trust. The model is intended to help marketing directors and general managers to review where their business sits and drive relevant actions. It's not a panacea, but we hope will act as a useful reference as part of the CMO's toolkit.

As our models suggests, we found that a strong culture of customer insight and APE (Authentic, Purposeful, Emotive) behaviours (described below) to be key enablers of trust. In terms of the customer experience, we believe that while firms can successfully operate at different levels, it's not possible to achieve progress without first getting the foundations right.

Brand Ambition Trust Framework

Table Stakes

Consumers' perception of what we offer

Ex.: Mental availability.
Is the right product/service available for my needs?
Does product fundamentally meet expectations?



Customer Experience

Consumers' experience of how we deliver

Ex.: Delivery timings vs. expectations.
How we are dealt with when things go wrong?



Brand as Citizen

Purpose beyond selling

Ex.: Aligning with causes that customers care about, shared values

“It's not possible to mature without first getting the table stakes right.”

Start with (proper) consumer insights

We'll review the steps of the framework shortly. At all levels of the Trust Model, the brand owner must first integrate consumer insight.

Getting into the consumer's world is an essential. Understanding the fears and motivations of your audience can help equip both the marketers and rest of the business with knowledge they can act upon.

A culture and competence in insight helps at every level of the Trust Model (see page 17) A great example of this is Ella's Kitchen, the UK's number 1 baby food brand which was launched just 9 years ago.

Employees are routinely dispatched to playdates with parents who are weaning their babies, while the brand's online community, 'Parent Pulse', provides first-hand insight into what parents are thinking and feeling.

Understanding some of the self-doubt and confusion experienced by many parents influences how the brand speaks to customers – for example offering advice, but never appearing judgmental; making changes to email messaging; celebrating small successes in baby's development.

According to the marketing director the hope is to “be regarded as a parent's good informed friend” (this contrasts with competitors that have traditionally talked down to parents).



Release your inner APE

In addition to the discovery and careful use of consumer insight, all of the strong businesses we looked at shared some common values which translated into how they operate.

Typically, they are Authentic, Purposeful and Emotive. Again, these behaviours help at all levels of the Trust Model (see page 17).

Authentic – It's now easier than ever to get "found out". In years gone by, repetition of a claim with a big enough advertising budget was enough to change consumer attitudes. Now savvy and better-connected consumers can spot 'fakery' and 'imposters' easily.

Purposeful – As the notorious Anglo-French financier James Goldsmith famously said "If you've just seen a bandwagon, then you probably missed it". Today it seems that 'brand purpose' is very much marketing bandwagon "a la mode" and a stimulant for much marketing thinking.

The notion of purpose is often misused by marketers and we think that's what gives it a bad name. 80%¹⁰ of consumers believe companies should have some purpose that goes beyond profit. Indeed, a review¹¹ of companies over 60 years found that companies with a purpose tend to return 6x more to shareholders.

However, it's key to recognise that purpose need not be lofty or grandiose; purpose is best when rooted in truths that connect people's needs with category and brand benefits.

Emotive – Marketing has come a long way since the days when advertising communication was one-way, functional and interruptive. As marketing science has developed in recent years, we have learnt more about the very significant role that cognitive bias and emotion play in decision-making (far more than people themselves would acknowledge).

There are clear advantages to being emotive. First, it's more conducive to the conversational tone of voice popular in marketing communications. Second, companies that evoke positive emotional responses tend to make more sales because of the way consumers feel towards the brand. Third, it gives a business license to make and recover from mistakes more easily if that firm is 'humanised'. That's important in a media landscape where it is impossible to 'hide' mistakes or control the message.

Quick Case Studies:

Purposeful Companies

A great example of purposeful activity is from Lynx. Lynx’s shift to focus on its brand purpose has helped the brand return to growth, and it is now looking to evolve that message by bringing back some humour while also looking at the experience online.

In 2016, Lynx launched their ‘Find your magic’ campaign, encouraging young men to embrace their differences. Ever since, the brand has made an effort to tackle toxic ideals of masculinity, and highlight issues around male mental health. Lynx’s Global Vice President¹², explains:

“More than half of guys have been bullied in some shape or form and 47% have been cyber bullied. So if our thing is to help guys look attractive and feel attractive we also need to work on the other side of the coin and remove those things they are afraid of, and that’s bullying.

It takes a long time for you to establish yourself as a brand, and prove they really mean it. We’re on that journey.”




Winning in Authenticity

Some of the fastest growing brands are authentic to the core. The Ordinary is a range of beauty products that only contain ingredients that have scientifically proven claims, leaving out additives and other critically condemned ingredients. Everything about the marketing mix (and of course the brand name) seeks to be disarmingly straightforward and stand out in what the firm calls the “bumf and mumbo jumbo which is everywhere in the beauty industry”.

Emotive Companies

When launching in India, Amazon showed understanding of local culture & language to humorously and endearingly show in advertising why people should start shopping online (using Amazon). The ads successfully combined cultural awareness with understanding of the customer barriers to online shopping.

The Amazon logo, consisting of the word "amazon" in a lowercase, sans-serif font, with a yellow curved arrow underneath it pointing from the letter 'a' to the letter 'z'.A photograph of a woman with dark hair, wearing a maroon top, hugging a young child with curly hair. The woman is smiling broadly and has her eyes closed, conveying a sense of joy and affection. The child is also smiling and has their arms around the woman's neck. The background is blurred, suggesting a crowd of people.

P&G's renowned for all of their 'Thank You, Mom' campaigns, released at the Olympic games. Through its theme of recognising mothers and their unwavering support, P&G has found that ads generating an emotional response are nine times more likely to be successful, according to a leading executive from the company.

The Trust Model

Get the table stakes right

Understanding what makes your customer tick is critical, but on its own it's not enough. The category context is also important.

For example, online flower delivery service PlantShed understands that in their market, timing is a hygiene factor, without which no amount of marketing would be successful:

“Logistics of selling flowers online are very different to other sectors because you can't afford to 'miss the moment'. People are really sending messages and a sentiment, rather than the flowers, so they can't afford to be late.”
If one perspective on trust is doing what you promise, then supplying quality products and services cannot be underestimated.

These are the load-bearing sticks at the base of the marketing 'Jenga stack'.



Focus on enhancing the customer experience

In today's environment it's as important to ensure customer experiences and services are as well-resourced as sales.

Customer service is thankfully still mostly delivered by people, rather than chatbots, and they can be the key to building or undermining trust.

IKEA continues to improve its customer experience both offline and online. The stores, which already have a loyal fan base, all offer cafes and play spaces for children. The retailer is now pushing into the digital space with augmented reality apps, so shoppers can virtually place furniture around their homes before buying it online.

The Swedish retailer also acquired TaskRabbit, an online platform that connects consumers with freelancers to handle furniture assembly. Pretty handy, right?

PlantShed is another example of a business that puts customer service & trust at the centre of operations:

“We try to be proactive and everyone cares about the [trust] score. It's part of our routine. Everyone in the customer service teams are trained to care about the score, and that brings much better results for our customers as the experience is much more professional. Sometimes we only get three stars, and the whole organisation runs around to see what went wrong.”

Whilst price is often a 'qualifying' criteria before a purchase is made, post-purchase it's our experience of service that drives favourability. In fact, research by Trustpilot found that customer service was the single biggest driver of dissatisfaction (typically featuring in around 24-27% of 1-star reviews).



Brand as Citizen

Timpsons is widely recognised for its social conscious, the retailer 'walks the talk' with progressive employment practices, including proactive recruitment of ex-offenders, and tactics such as dry-cleaning clothes free-of-charge for people with a job interview.

Whilst the levels of the framework are not mutually exclusive, alignment of values cannot happen in isolation.

Timpsons has used its great offline reputation to build and grow its online store, and it is fair to assume that the social values of Timpsons would be irrelevant if they were not already providing a competitive customer experience in key cutting and shoe repairs.

Encouraging a strong culture where employees live & breathe their product/service also emerged from our interviews and an enabler of building a strong product foundation.



Conclusion

Consumer trust isn't automatic, and marketing leaders need to critically review how their brand can address the drivers of distrust.

However – the answer is not simply to jump straight onto any passing brand purpose 'bandwagon', which is likely to fail, or worse, backfire.

As our framework highlights, marketing leaders must champion insight, get the product/service basics right, and build from there.

Above all, consumers are people who increasingly care about how business is done as well as what they buy, and therefore every people-facing business can benefit from encouraging what we've termed APE behaviours.

Sources

- 1: Edelman Trust Barometer 2017 & 2018
- 2: YouGov Profiles survey, Nov 2016
- 3: Global Online Consumer Report, KPMG International, 2017
- 4: Edelman Trust Barometer 2017 & 2018
- 5: City AM 3/7/17
- 6: Research with 2000 UK consumers by Trustpilot
- 8: Nielsen 'Rise and rise again of private label' report 2018
- 9: Transport for London, BBC News, The Guardian
- 10: Edelman Trust Survey 2016
- 11: Built to Last, Collins & Portas
- 12: Marketing Week, 2018

Thought starter checklist

Fill out the self-score and see how your business is doing

Evaluation (1-5)

Consumer insights is an integral part of how we operate - from design and marketing, through to operation, supply and customer experience management

We systematically measure and review how we're doing on customer service/ experience, we compare favourably with competitors and we're improving

We have a strong culture of investing time and energy into understanding consumers & customers

Our customers would describe us as 'authentic' - in terms of what we say and do both as individuals and collectively

We are clear what the consumer 'table stakes' are for our product or service category, how we measure up and how we compare against competitors

We have a clear business purpose that's motivating, well-understood by staff and helps guide day-to-day work

The rest of the organisation clearly understands and consistently delivers the 'table stakes' elements to consumers

I have no concerns about anything we do as a business that could undermine consumer trust in our brand/s

We understand and clearly define what great service 'looks like' for our category

Our collective company values are relevant to our target consumers

Our people, organisations, processes and systems are set up to deliver a great customer experience

Total Score



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