

BREACHING THE VOID

TRUST IN THE AGE OF MISTRUST

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A WORLD ON A TRUST TIGHTROPE

A person is walking a tightrope high above the ground. They are wearing a dark shirt and shorts, and their arms are outstretched for balance. The tightrope is a thin, light-colored line against a clear sky.

During the pandemic, in addition to governments and the media, people turned to brands for much-needed leadership in a time of crisis

That bubble has now burst...

Post-pandemic:

Trust in governments is downward spiralling¹ with people increasingly view both governments and the media as divisive forces in society;

And trust in corporations has returned to the state of continual decline we've been seeing for the last decade¹.

This matters. Trust is proven to drive sales...

In this age of mistrust, understanding how trusted your brand is – and if necessary, how to address your trust shortfall – has never been more important.

Because, a trusted brand is a growing brand.

In this report, we look at why trust is so important to brands, what makes some brands more trustworthy than others, and what brands can do to build trust.

*Advertising without trust
is just noise*

*Innovation without trust
is obsolete*

*A brand without trust
is just a commodity*



DEFINING TRUST

Trust is the belief that promises are going to be kept and your weaknesses not exploited

The Organisation for Economic Co-operation and Development (OECD) defines trust as '*a person's belief that another person or institution will act consistently with their expectations of positive behaviour*'.

Trust has a powerful impact on economic success – the OECD reports that trust is a key driver of economic performance around the world ².

In addition, the United Nation's global 2021 World Happiness Report³ found that the key drivers of happiness were health, trust, generosity, dependability, income and freedom. Thus, building a trusted brand promotes consumer wellbeing!

Beyond the bottom line, investing in trust promotes human happiness!

Trust drives behaviours that are favourable for brand growth⁴:

61%

are prepared to advocate for brands that they trust

57%

are prepared to purchase a new product or service from a brand they trust

31%

were prepared to share personal data – producing greater customer insight / personalisation

BUT HOW DO CONSUMERS DECIDE HOW AND WHO TO TRUST?

Making rational decisions about whether to trust someone (and how much) is tough.

It turns out consumers take **mental 'shortcuts'** to decide whether to trust, either people or brands.

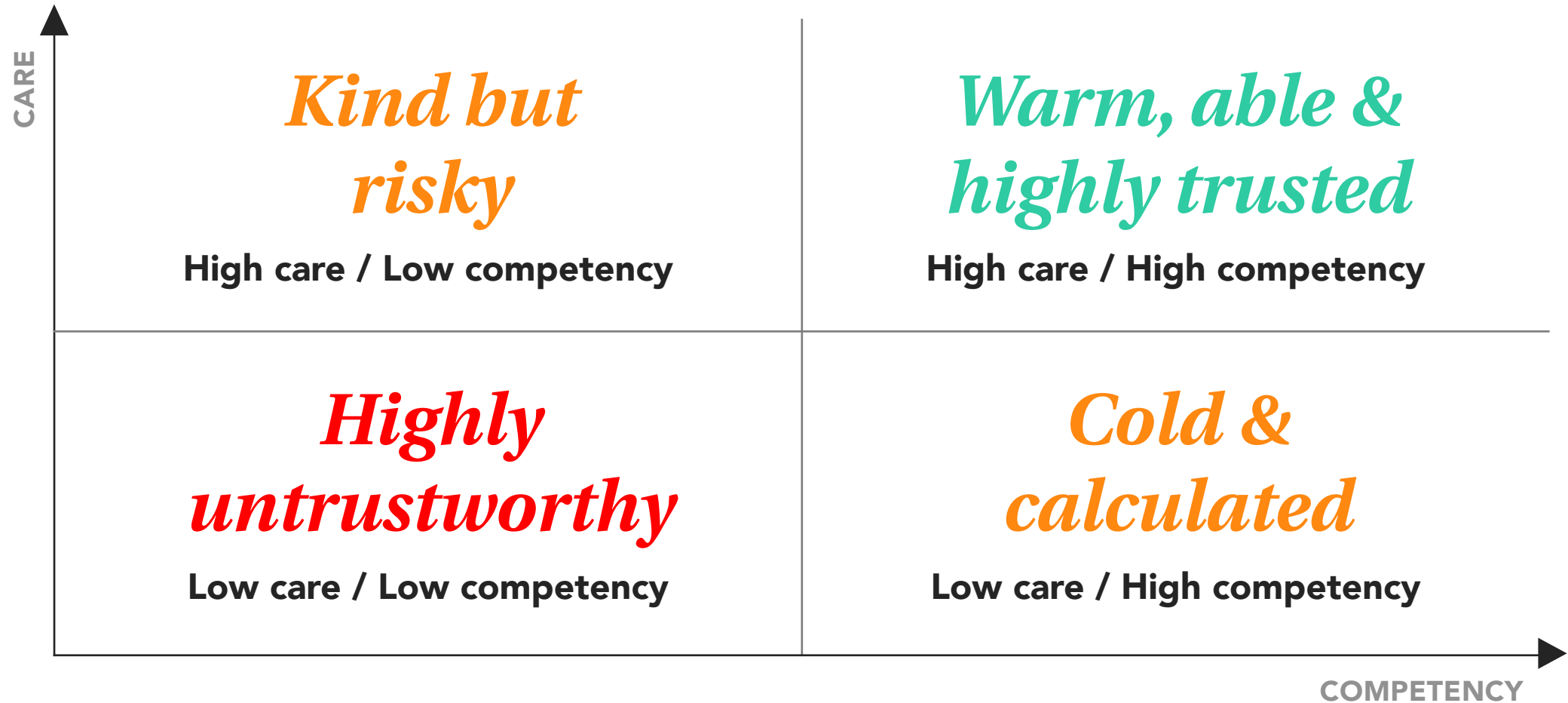
Social psychologist Susan Fiske notably created a framework that looks at **two dimensions of consumers' perceptions of brands** in the context of trust⁵:

Warmth or Caring – having brand goals/ intentions are aligned with theirs

TRUST = CARE x COMPETENCY

The ability to deliver against these intentions

BREAKING DOWN THE TRUST EQUATION

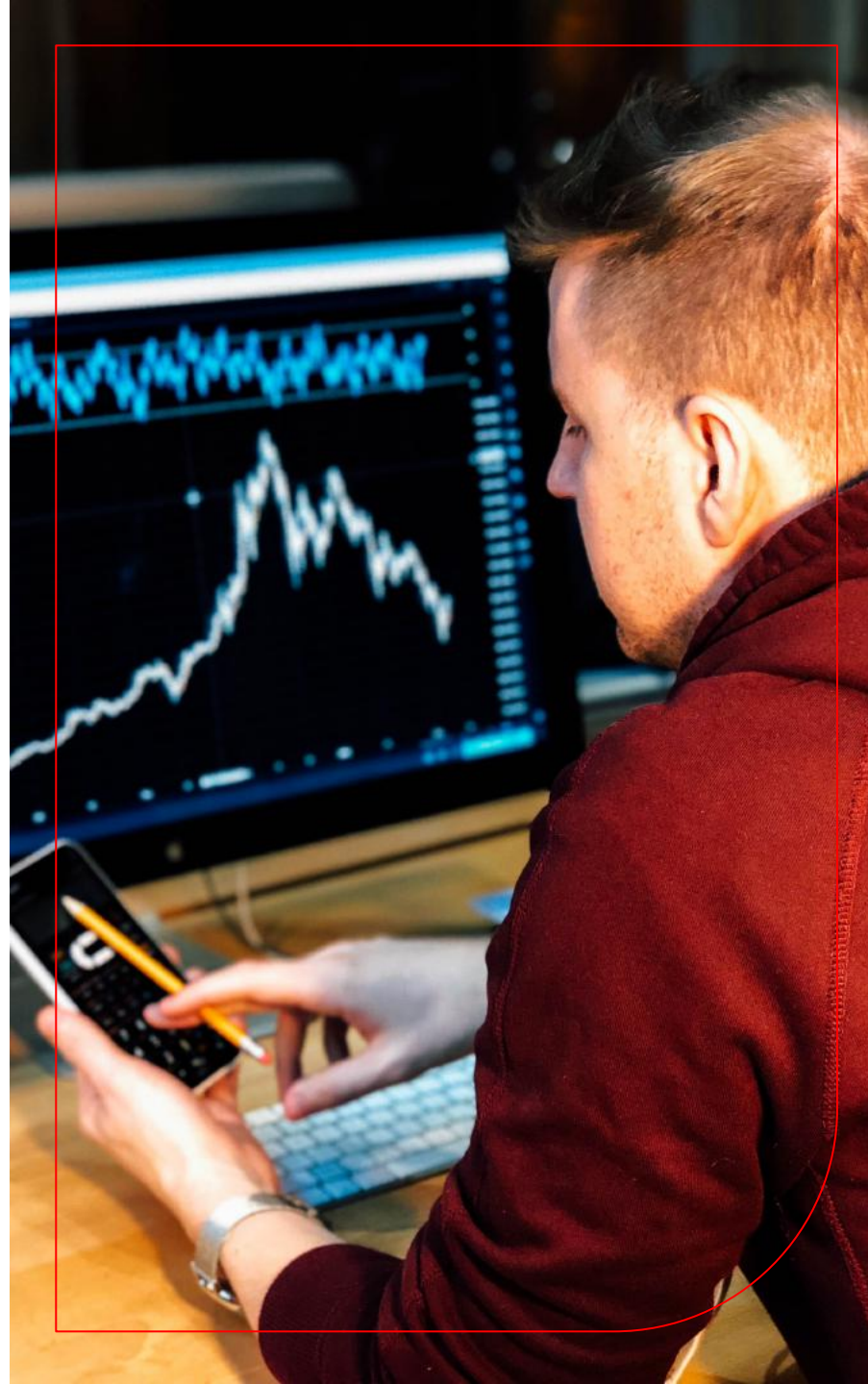




LOW CARE
LOW COMPETENCY

UNTRUSTWORTHY

**Incapable and uncaring,
consumers are far from trusting
of brands that seem to have
neither the moral compass or
the skillset to deliver against
the goal they are trying to
achieve**



IN PRACTICE: THE FALL OF WALL STREET'S DARLING

Enron's demise was a live demonstration of the destructive power of lost trust

As soon as the news started circulating that the company was not truly living up to its famously over indexed reported revenue to size ratio (**lost competence**) the house of cards started falling

Add to this the fraudulent behavior and use of inflated reporting numbers (see MTM accounting) strongly indicating a **lack of care** for investors and it was game over for trust!

At Enron's peak, **its shares were trading at \$90.75 vs \$0.26 just prior** to declaring bankruptcy in 2001⁶



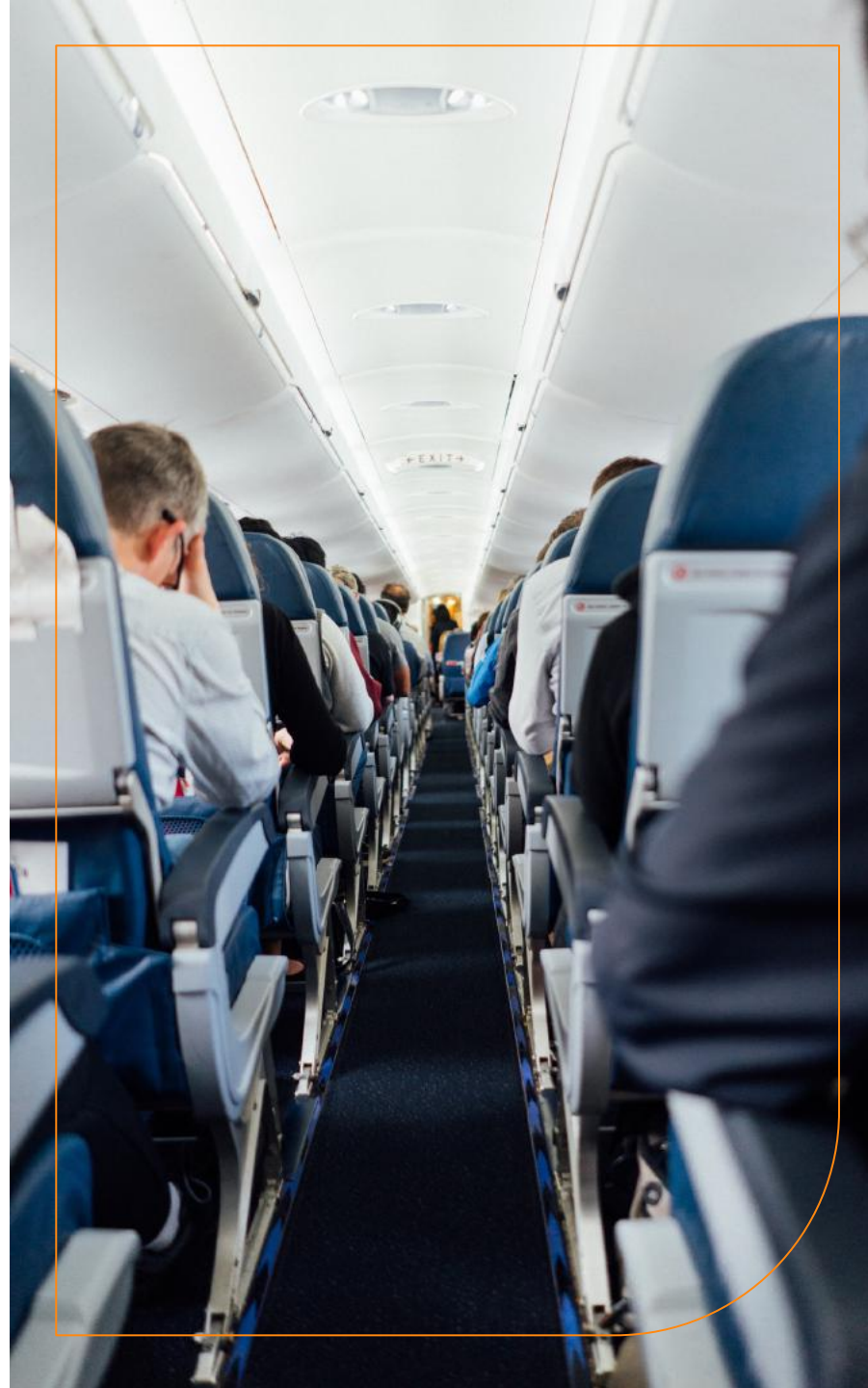
DID YOU KNOW?



HIGH CARE LOW COMPETENCY

KIND BUT RISKY

While consumers think fondly of brands who have aligned attentions to theirs, they largely are unwilling to take the risk of parting with significant time or financial investment if they feel this intention can not be acted on by an organization



IN PRACTICE: BRITISH AIRWAYS STRUGGLES ON

British Airways, once a prestigious symbol of the UK and a national champion has witnessed the impact of diminishing trust in recent years – something accelerated by a recent wave of cancellations

Customer data breaches, a wave of recent cancellations, restructures and internal politics coming to public attention have all called into question the companies competency

Here showing how a legacy of prestige care and customer service cannot offset these challenges alone!

Despite being a certified **4-Star Airline** for the quality of its airport and onboard product & staff service the shares are **70% down over the last 5 years⁷**



DID YOU KNOW?



LOW CARE HIGH COMPETENCY

COLD & CALCULATED

Getting the job done but at what cost? When consumers believe you can deliver but if your incentives, methods or means are perverse many remain reluctant to trust (especially for high value or repeat purchases)



IN PRACTICE: VOLKSWAGEN EXPOSED

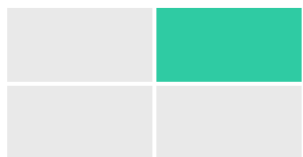
Volkswagen, once a leading car manufacturer, saw the effect low care had on brand trust when it was exposed for 'rigging' the diesel emission levels for 11 million vehicles – an issue it referred to as software 'irregularities'

Despite this not materially impacting the cars functionality, overnight, it clearly indicated a lack of care in the way it operated – losing both the trust of its direct customers and the broader trust it had as a respected brand

YouGov reported Volkswagen Buzz Score **dropped 5.4 points in a week** and the company had to allocate **\$6.5bn to building back customer trust⁸**



DID YOU KNOW?



HIGH CARE HIGH COMPETENCY

WARM, ABLE & HIGHLY TRUSTED

**The golden trust quadrant;
consumers are confident that
you both can and will act in
their best interests - as a result
they are willing to repeatedly
purchase and justify a higher
prices**



IN PRACTICE: PAMPERS PERFECTION!

The Pampers brand is one of the most trusted globally, in a category where this is particularly valuable (a crucial item for their most precious belonging: the new-born baby)

Since 1956, the brand has developed leading products for babies, driven by extensive research and insight into the needs of growing babies & their parents. Pampers exudes competency

In parallel, through initiatives such as its Parenting Panel providing advice and info to aid baby & parent wellbeing, and its long-standing partnership with UNICEF, it exudes care

Proving that trust pays, **Pampers was the first P&G brand to exceed \$10bn** in annual sales⁹



DID YOU KNOW?

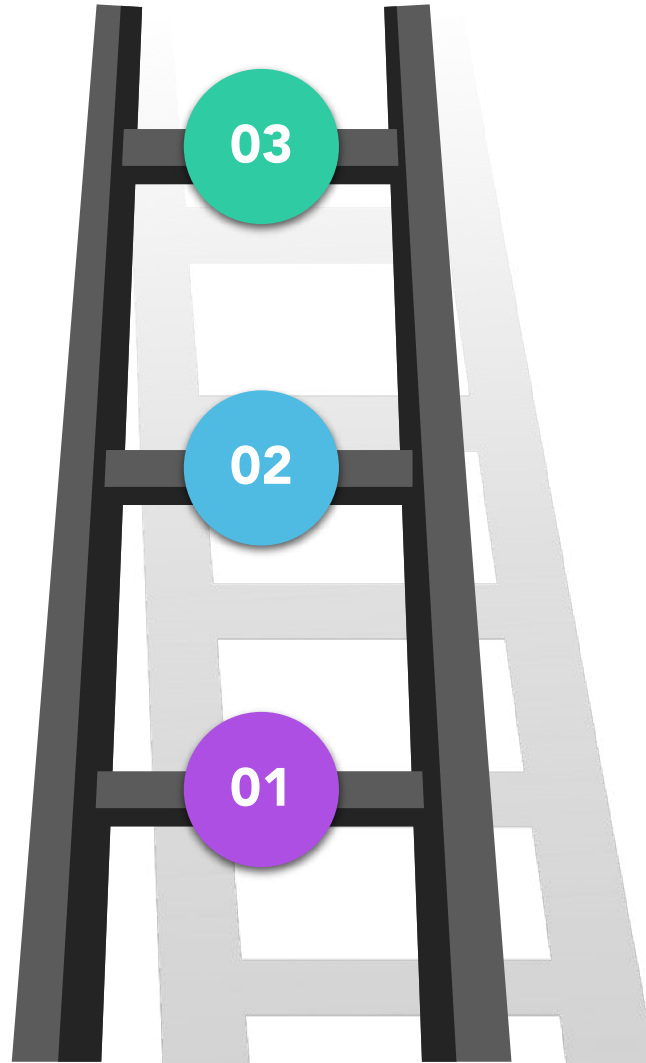
CLIMBING THE TRUST LADDER

Are you looking to build greater trust with consumers?

Or more seriously, is your brand facing a trust crisis?

Don't panic.

There are simple, tangible steps you can take to improve things...



RECTIFY

Follow the steps overleaf to rebuild



DIAGNOSE

Whether it is care, competence or both at the root



ACKNOWLEDGE

that you have a trust deficit

RECTIFY: 4 WAYS TO SIGNAL YOU CARE

1

BE KIND

How can you help your customers, even when not being asked



E.g. Pret's spontaneous sandwiches, given out free to make customers' day

2

BE CLEAR

Care is about your goals aligning with customers. Be clear and open on what your goals are (Purpose/ESG)



E.g. Tenzing: 'Most energy drinks are full of synthetic caffeine, artificial mood boosters and sugar. We thought there must be a better way to achieve the same thing with plants.'

3

BE PROTECTIVE

Of your customers' wellbeing, wallet or privacy



E.g. Apple giving consumers control to ask apps not to track their behaviour

4

BE HUMAN

Talk in human language, on an emotive human level



E.g. P&G's 'Thank you Mom' campaign

RECTIFY: 3 WAYS TO DEMONSTRATE YOUR COMPETENCE

1

Take proactive action

Close the 'Say / Do' gap and put your money where your mouth is. Invest in the things that matter

Sainsbury's

E.g. Before sponsoring the Paralympics, Sainsbury's had already contributed to promoting sport, and was also the UK's largest disabled employer

2

Communicate quality

Highlight heritage & expertise, plus be tangible in your commitment to quality

MAXFACTOR
THE MAKE-UP OF MAKE-UP ARTISTS

E.g. Warranties, guarantees or quantified features such as Max Factor, the makeup of makeup artists or Oral-B, recommended by dentists

3

Be reliable

Most importantly, always keep your promises

JOHN LEWIS
& PARTNERS

E.g. John Lewis never knowingly undersold

J&J: COMING BACK FROM THE VOID

It's possible to rebuild trust even in the face of significant challenges.

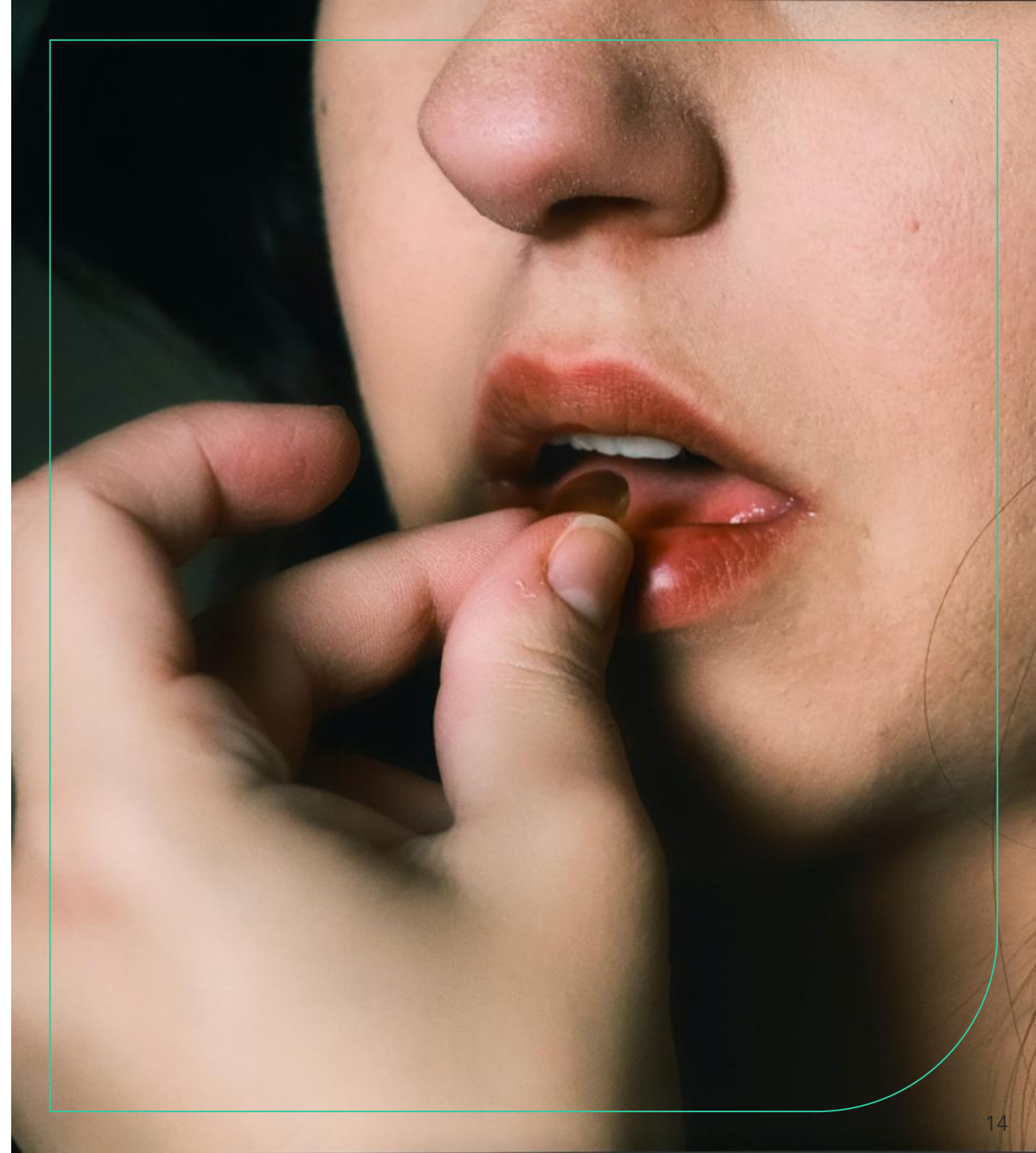
In 1982, Johnson and Johnson was faced with severe backlash when seven people died in Chicago after taking Extra Strength Tylenol capsules.

Trust in both the brand and its parent brand took a huge hit.

However, J&J responded and over time, trust returned to the brand:

Signalling care - empathetically and responsibly quickly contact patients

Demonstrating competence – by effectively recalling and replacing 264,000 bottles of the product¹⁰



TRUST US, WE CAN HELP!

As experts in human-first thinking, Brand Genetics can help you harness the power of science to unlock trust and growth for your brand and business – maximising care and to keep customers coming back!



Help you
**benchmark your
brand trust** and
provide strategies
for improving
competitive
advantage




**Step-change your
marketing impact**
to ensure your
brand
communications
help build trust



Support you to
**deliver positive
innovations**



Provide valuable
**insight into what
care &
competence
means** for your
category & brand



**IF YOU'RE READY TO GROW YOUR BRAND BY GROWING
CONSUMER TRUST, WE'D LOVE TO CHAT.**

London | Rio | New York
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Unlocking growth
by thinking human first

FOOTNOTES

1. [The 2022 Edelman Trust Barometer](#)
2. [OECD: For Good Measure: Advancing Research on Well-being Metrics Beyond GDP](#)
3. [World Happiness Report 2021](#)
4. [The 2022 Edelman Trust Barometer](#)
5. [Chris Malone & Susan Fiske: The Human Brand](#)
6. [Investopedia](#)
7. [Google finance 21/6/22](#)
8. [Marketing Week](#)
9. [adbrands](#)
10. [Capstone](#)

