Edelman

# In Brands We Trust?

## 2019 Edelman Trust Barometer Special Report

The 2019 Edelman Trust Barometer is the firm's 19th annual trust and credibility survey. Research was conducted by Edelman Intelligence, a global insight and analytics consultancy.

## Methodology
## Special Report: In Brands We Trust?

Fielded in eight markets: Brazil, China, France, Germany, India, Japan, the U.K. and the U.S.

**Online Survey**
General attitudes toward brands, and the importance of brand trust in the buying process

16,000 respondents (2,000 per market)

Fieldwork: April 15 - May 9, 2019

**Mobile Survey**
Signal-contingent experience sampling to measure reactions to specific brand messages

8,000 respondents (1,000 per market)

Fieldwork: April 11 - April 26, 2019

Fielded in three markets: China, U.K. and the U.S.

**Influencer Survey**
How consumers aged 18-34 interact with influencers in three markets (China, U.K. and the U.S.)

1,500 respondents (500 per market)

Fieldwork: April 30 – May 8, 2019

All data is nationally representative based on age, region and gender.

**On the cover, clockwise from top right:** Li Jiaqi, male beauty blogger, applies lipstick while livestreaming in Shanghai, China: Imaginechina via AP Images; Dove® Men+Care campaign champions paternity leave for dads everywhere: Unilever; Gillette® campaign inspires men to re-examine what it means to be their best: Procter & Gamble; Billboard featuring former San Francisco 49ers quarterback Colin Kaepernick displayed on the roof of the Nike Store in San Francisco, California: Justin Sullivan/Getty Images; Bollywood actor Bhumi Pednekar takes part in United Colors of Benetton campaign to encourage voting: -/AFP/Getty Images.

# 2019 Edelman Trust Barometer

## Special Report: In Brands We Trust?

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# Trust and Brands: The Next Giant Step

**Richard Edelman**
President and CEO

@RichardWEdelman

Trust has always played an important role in brand purchase. Since the inception of brand as a means of differentiating products, there has been a promise made to consumers on quality, performance, ingredients and availability. In the U.K. in the 1880s, William Lever, the founder of Lever Brothers (now Unilever), launched Sunlight Soap, which guaranteed consistent quality at a time when the origins and ingredients of a bar of soap were uncertain. In the United States, *Good Housekeeping* magazine introduced the Good Housekeeping Seal over a century ago to reassure consumers of the quality and integrity of products, pledging a money-back guarantee for products that advertised in the publication.

Now there is a larger expectation of brands, as Edelman has found that nearly two-thirds of consumers are belief-driven buyers. Purchase conveys agreement with the values and purpose of the brand, with functional attributes now simply the price of entry. At the same time, consumers are looking to brands to fill a void in global governance left by divided and populist government. My purchase of products each week makes more of a difference than my vote every four years in the broader debate on issues such as tolerance, environment and education. I want brands to stand with me. An enduring consumer relationship is now built on the basis of delivering on the promise of Brand Democracy.

The 2019 Edelman Trust Barometer Special Report: In Brands We Trust?, conducted this spring among 16,000 respondents in eight developed and developing nations, shows this brand evolution from function to belief. On par with the usual product attributes of quality, value, convenience and ingredients, a major consideration for brand purchase is now "I can trust the brand to do what is right," at 81 percent of respondents. More than 70 percent of respondents also link purchase to considerations that historically were tied to trust in corporations, including supply chain, reputation, values, environmental impact and customer before profit.

Brand trust is essential to purchase across diverse countries, from Brazil (91 percent) to France (63 percent), and across categories as disparate as banking (83 percent) and technology (80 percent). It's true for men and women, for all age groups and income brackets. As our Edelman Trust Barometer study from January 2019 showed, two-thirds of respondents agree that a good reputation may get me to try a product, but I will soon stop buying it unless I trust the company behind the brand.

Brands are largely failing the trust test. Shockingly, just one in three respondents said that they trust most of the brands they buy and use (fewer than one-in-four respondents in France and Germany). Only 21 percent of respondents know from personal experience that the brands they use keep the best interests of society in mind. More than half of respondents (56 percent) said that too many brands are using societal issues as a marketing ploy. In a turnaround from last year, consumers have lost confidence that brands have better ideas for solving

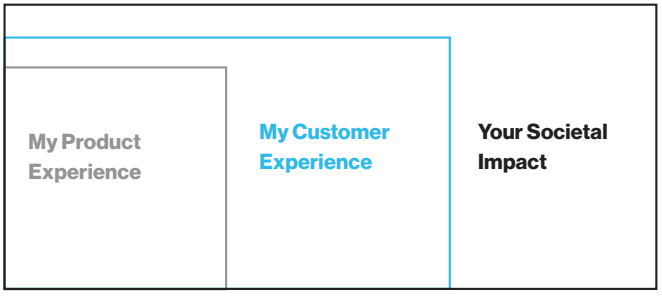
problems than government (down five points to 41 percent).

Where is the disconnect? First, brands need to do, not just differentiate; among people's reasons for trusting a brand, ethical behavior (82 percent) is just as important as user experience (87 percent). Second, there's too much reliance on advertising. Nearly three-quarters of respondents say they find ways to avoid advertising (up 10 points from last year), from ad blockers to use of ad-free networks. Our online influencer survey found 63 percent of respondents aged 18-to-34 trust what an influencer says about a brand more than what the brand says about itself in advertising. Third, brands must deploy new kinds of spokespeople to build trust; most effective is "a person like me" (38 percent) or an expert (35 percent), not a celebrity (13 percent). Fourth, in a skeptical world, persuasion is achieved through repetition; only 35 percent trust a brand message after a single exposure to it, rising to 97 percent after seven exposures.

Brands that build trust earn big rewards in purchasing, loyalty, advocacy, defense and communications. When a brand is trusted, buying accelerates (53 percent versus 25 percent). More than twice as many respondents said that they would be loyal to a brand they trust versus one they do not in the face of a competitive launch (62 percent versus 29 percent). More than twice as many will advocate for you (51 percent versus 24 percent) and nearly twice as many will defend you (43 percent versus 22 percent). When they trust, people will also pay more attention to advertising (76 percent versus 48 percent).

It's time for brands to take the next giant step. They must accept the responsibility conferred by consumers, welcoming greater accountability and measurement of their impact. They should take the risk of bold societal commitments, staying within their areas of core competence; this makes them worthy of relevance. When 61 percent of respondents say their trust in a brand is fueled by how much the brand acts on their personal beliefs, brands must move from making an impression to making a difference.

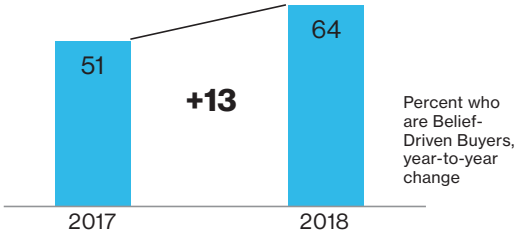
## The Three Gates of Brand Trust



# Brand Trust Matters

In recent years, Edelman's research has shown that as the role of brands in our lives and society has expanded, people's expectations for brands have evolved. As always, brands must provide a reliable product and a rewarding customer experience. But now consumers have many more reasons to question how much they can trust a brand. Will it protect their data and privacy? Use automation responsibly? Tell the truth in this era of disinformation? In short: Can consumers trust a brand to do the right thing? The question is especially crucial because, as Edelman reported last year, the majority of consumers are Belief-Driven Buyers who buy – or boycott – brands to demonstrate their personal values. Now the research shows that the vast majority of consumers across markets, ages, incomes and gender say that brand trust is essential to buying. Only quality, convenience, value and ingredients rank higher in importance as a deal breaker or deciding factor when a consumer decides to purchase – or not.

## Nearly 2/3 of consumers are Belief-Driven Buyers




Percent who are Belief-Driven Buyers, year-to-year change

## Consumers have many reasons for needing to trust brands

Reasons why trusting the brands I buy is becoming more important

### My Product Experience

**62%**

Net of product-oriented concerns:

- Pace of innovation
- Increasing reliance on brands to automate my life
- Can't afford a bad purchase

### My Customer Experience

**55%**

Net of customer-oriented concerns:

- Personal data
- Brands can track and target me
- Use of AI for customer service

### Your Impact on Society

**69%**

Net of societal-oriented concerns:

- Fake news and misinformation
- Brands more involved in societal issues
- I want brands to express my values

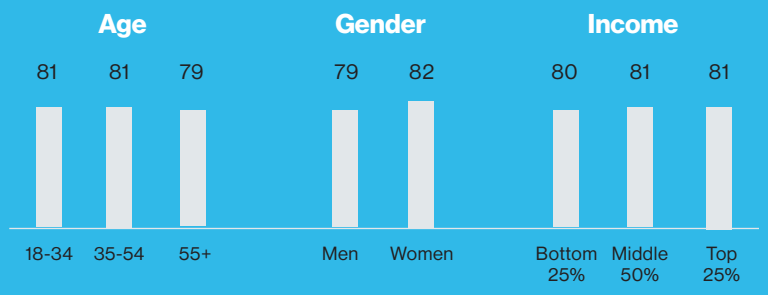
## When making a buying decision, which of these is a deal breaker or deciding factor?

Percent who selected each attribute

| | | |
|---|---|---|
| Product attributes | Quality | 85 |
| | Convenience | 84 |
| | Value | 84 |
| | Ingredients | 82 |
| | I must be able to trust the brand to do what is right | 81 |
| Brand and company attributes | Supply chain | 79 |
| | Customer before profits | 78 |
| | Good reviews | 77 |
| | Reputation | 73 |
| | Values | 72 |
| | Environmental impact | 71 |

**81%**

**buy on trust**

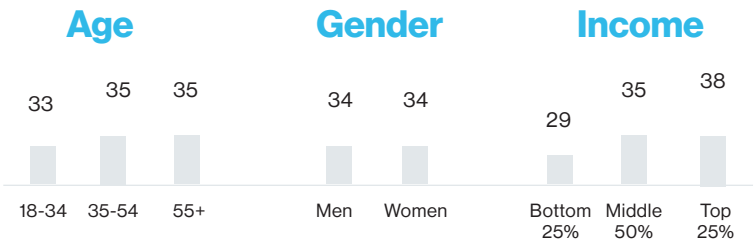


# Brand Trust at Risk

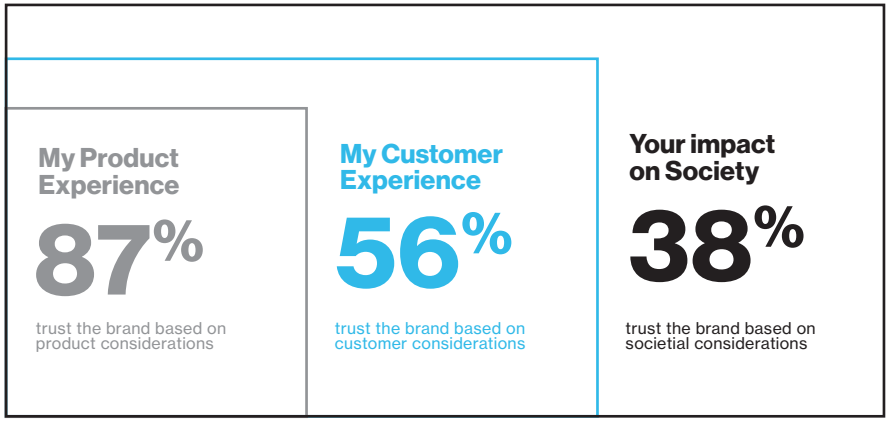
When asked about their overall trust in brands, only one in three consumers said they can trust most of the brands they buy or use – a shockingly large shortfall given how important brand trust is in their decision to purchase. Among those consumers who do trust a brand, the majority feel they can trust it for its product experience, and more than half for the customer experience it provides, but their trust that brands will make an impact on society is relatively low. Many consumers are unconvinced that brands are truly committed to societal action and are suspicious that brands are "trustwashing," highlighted by a drop in their belief that brands can have more impact than government. This is a significant untapped opportunity for brands to reach consumers – and earn great rewards (see The Rewards of Brand Trust, p. 12) – by taking societal action and effecting real change.

## Only 1 in 3 can trust most of the brands they buy or use

**34%**




Percent who trust most of the brands they buy or use




## Only about 1 in 3 are sure they can trust brands to do what is right for society

Percent who say each is an important reason they trust a given brand

## I expect you to make a difference

# 53%

Every brand has a responsibility to get involved in at least one social issue that does not directly impact its business

## I'm wary of your intentions

# 56%

Too many brands use societal issues as a marketing ploy to sell more of their product

## I'm not experiencing your social impact

# 21%

I know from personal experience that the brands I use keep the best interests of society in mind

## I'm losing faith in your power to make change

# 49%

4 pts
2018-19

Brands can do more to solve social ills than government

# How Brands Can Earn Trust

## Make a Stand—But Make It Real

**Amanda Glasgow**
Global Brand
Community Chair
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Over the past few years, Edelman's consumer research has uncovered the rise of belief-driven buying and highlighted the phenomenon of brands taking a stand. We've watched – popcorn in hand – as brands from Nike to AirBnB have used paid content and advertising to promote their shared values with consumers.

Our research this year confirms that this is a valid strategy. Ninety percent of consumers globally said it's more important that they can trust the brands they buy. Product efficacy is still very much top of mind for them ("I can't afford a bad purchase"). But 55 percent of consumers say that trusting a brand now matters more to them because they feel vulnerable, due to brands' use of personal data and customer tracking; and because they feel that a brand should serve as their conduit for societal change (69 percent). In fact, 68 percent of respondents said that when a brand earns their full trust – across product, customer experience and societal impact – they will buy first, stay loyal to, advocate for and defend that brand, compared to just 47 percent who trust only the product alone.

However, there is a warning for brands on the horizon. While societal trust is an accelerant to purchase, consumers are becoming increasingly concerned that brands are taking victory laps on social issues without actually effecting any change. This "trustwashing" phenomenon is confirmed by 56 percent of global respondents who agree that brands are using a stance on social issues as a marketing ploy, and 53 percent who believe brands are less than truthful when talking about their impact on society.

For example, "Fearless Girl," the statue of a defiant girl placed to face down the Wall Street bull statue, was quickly lauded as a powerful example of a societal stance. But almost as quickly, the company behind it, State Street Global Advisors, came under fire for systemic issues of gender pay equity and a lack of female executives. Contrast that with Dove Men+Care, which recently made hay on a stance supporting broader access to paternity leave. The content was supported by a $1 million fund offering microgrants to fathers who wouldn't otherwise be able to take time off.

Beyond making a tangible commitment, the research points to other key trust levers for brands to pull. First, the obvious: Be honest in your marketing. Authentic and sincere marketing strengthens enduring trust with consumers. And when you're trusted, you'll have their attention; 76 percent of consumers report that they pay attention to communications from a brand they trust versus 48 percent of people who don't fully trust a brand.

Second, consider the voices you're using to tell your story. This year, 74 percent of respondents report they are actively avoiding advertising. Our online influencer survey of 18-to-34-year-olds found that 63 percent trust what influencers say about a brand more than what the brand says about itself. In addition, who are the top three most trusted spokespeople for a brand message? People like me, experts and company employees – more authentic and relatable voices.

Third, not only is repetition of your message important, but sequencing also makes a difference. The research shows that it's better to lead with peer voices. Then deploy owned, social and paid channels to build the most trust in your message.

The lesson to be learned here? Harken back to the early days of Google, and "don't be evil." Let's make sure as marketers we're holding our organizations' collective feet to the fire and deliver on the opportunity to make real change in society.

## Don't rely on advertising

**74%** 10 pts 2018-19

avoid advertisting using one or more strategies

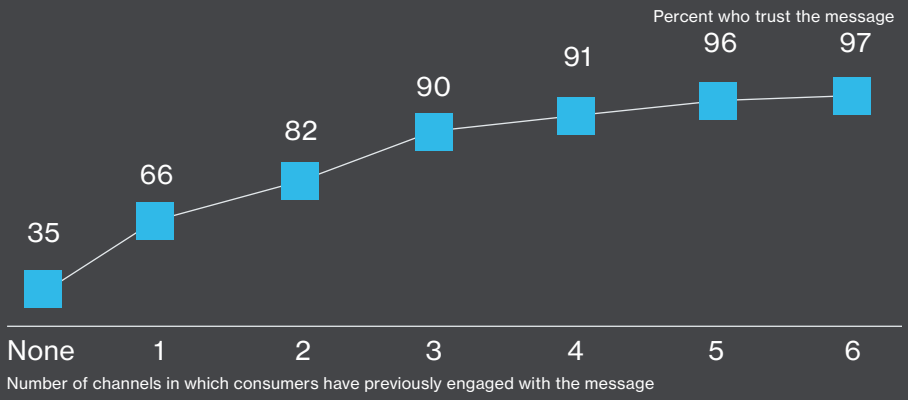
## Lead with peer, amplify with owned, social, paid

| First Exposure | | Second Exposure | Percent who trust message |
|---|---|---|---|
| Peer | + | Owned | 74 |
| Social | + | Social | 72 |
| Peer | + | Paid | 70 |

Most effective channel sequences for earning trust in a brand message, among non-customers

## Use surround sound

As consumers see a message repeated across channels, their trust in it increases



# The Power of Influencers

## Trusted Influence in a Culture of Co-Creation

Influencer marketing is well past its infancy. In fact, this fast-growing part of today's marketing mix was estimated as a $4.6 billion industry in 2018 in the U.S. and is expected to grow to approximately $10 billion in 2019. And it's not just Instagram or YouTube; in China, for example, "WeChat Famous" influencers are starting their own fashion lines (and selling out). China's influencer economy alone is estimated at $116 billion and growing.

But can influencers and the brands they partner with be trusted by the consumers who follow them? The dust is still settling from numerous high-profile missteps of well-known influencers, and fraud is pervasive. From bots to fake followers to fake engagement in the form of comments, fraudulent actors are working hard to stay one step ahead of platform algorithms, and brand reputation is at stake.

We wanted to better understand the dynamics of "trusted influence" by talking to 1,500 consumers aged 18-to-34 across the U.S., U.K and China about their relationships with influencers and the brands who collaborate with them.

The correlation between influencers and trust is evident among savvy 18-to-34-year-old consumers who seek out trusted influencers and follow their every move. Sixty-three percent of consumers told us they trust what influencers say about brands more than they trust the brand's advertisements. Consumers are following influencers primarily because they have interesting ideas or are entertaining. Also, they are more concerned about quality over quantity – only 18 percent of the consumers we spoke with indicated they are attracted to influencers for their huge following. In terms of trusted influence, size doesn't always matter.

Consumers will continue to follow influencers as sources of information and inspiration as long as they feel trust is part of the value proposition. We believe that trusted influence – the thing that inspires taking action – is built on real relationships, and it's these trusted relationships that influencers of all sizes and specialties should be judged by. Influencers are only as effective and compelling as the trust they receive from the consumers who support them.

**Ann Newland**
U.S. Head of Strategic Operations, Edelman Influence
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**Melinda Po**
Managing Director, Shanghai

And it's not just the relationships between consumers and influencers – but between influencers and brands as well. We believe that these relationships are also built on mutual trust and an alignment of values. Thirty-five percent of the consumers we surveyed say they pay attention to and trust what influencers say because they share their values. When brands and influencers align, they possess the potential not only to amplify influence and engage targeted audiences, but also to co-create cultural relevance for the brands they partner with.

## Influencers more trusted than brands

I trust what influencers say about brands much more than what brands say about themselves in their advertising

**63%**

Percent of 18-to-34-year-olds who agree, 3-market average

## Relatability beats popularity

Relatability nearly

**2x**

as important as popularity as a quality that attracts people to influencers

## Influencers earn sales, trust and advocacy

Because of an influencer, in the past six months...

| | |
|---|---|
| **I bought a new product** | **58** |
| **I trusted the brand** | **40** |
| **I talked about the brand** | **33** |

# Earned Creative

**Judy John**
Global Chief Creative Officer

**@whothehellisJJ**

People have so many options on whether they choose to interact with content or not. That's why an Earned Creative approach is earned at the core and social by design. To earn people's trust, brands should create content that is:

- Driven by a brand's purpose
- As fast as the news cycle
- Owned by the community

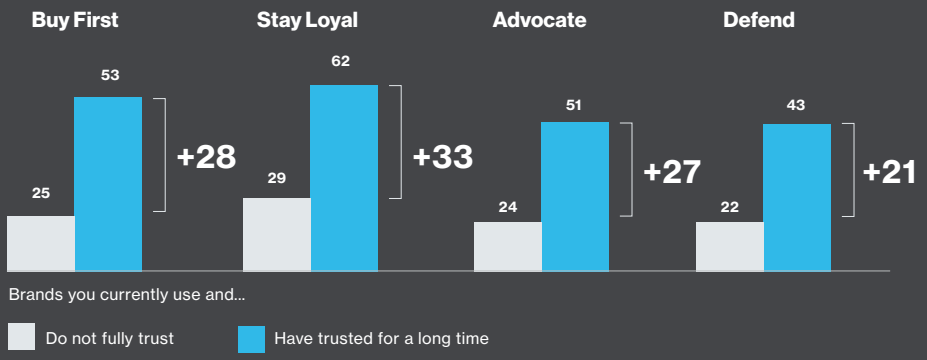
Whether it's paid or unpaid, the goal is always to move people to share and act.

# The Rewards of Brand Trust

Many consumers buy products without really trusting them. But when consumers buy with trust, brands reap significant rewards. Consumers are more than twice as likely to be the first to buy a brand's new products when they trust that brand. They are more than twice as likely to stay loyal to a brand they trust, even in the face of disruption, such as a trendy or innovative competitor. They are more than twice as likely to advocate for a brand they trust, and almost twice as likely to defend it when things go wrong. And when a brand passes all three gates of trust – product, customer service and societal impact – the percentage of consumers who will buy first, stay loyal to, advocate for and defend it (68 percent) is 21 points higher than consumers who buy on product trust only (47 percent). A brand that strengthens all three kinds of consumer trust realizes considerably more customer value.

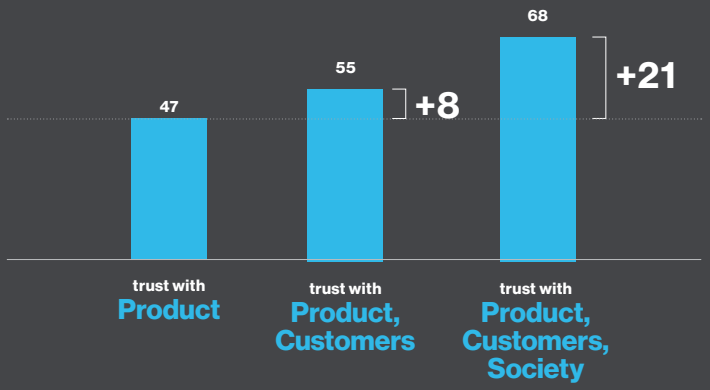
## When brands build trust, consumers reward them

Percent who will engage in each behavior on behalf of a brand




## When brands earn full trust, the rewards multiply

Percent who buy first, stay loyal to, advocate for and defend a brand



# In Brands We Trust

Consumers have long used trust as a filter for their product choices, but recently their reasons for trusting – or distrusting – a brand have grown in number and scope. Today's most trusted – and rewarded – brands make a difference in consumers' lives and in the society they care about. To earn the highest levels of consumer trust, brands must back up their brand promise with action. Consumers know that brands have the power to effect real change, and they will place their trust in brands that use that power on their behalf.

## They Buy On Trust

Consumers rank trust with product, brand and company attributes as an essential buying consideration

## Three Gates of Trust

Consumers want to trust brands to do what is right with their product, for customers and for society

## Do As You Say

Consumers expect brands to keep their promises by taking action that makes a real difference

## About Edelman

Edelman is a global communications firm that partners with businesses and organizations to evolve, promote and protect their brands and reputations. Our 6,000 people in more than 60 offices deliver communications strategies that give our clients the confidence to lead and act with certainty, earning the trust of their stakeholders.

Our honors include the Cannes Lions Grand Prix for PR; Advertising Age's 2019 A-List; the Holmes Report's 2018 Global Digital Agency of the Year; and, five times, Glassdoor's Best Places to Work. Since our founding in 1952, we have remained an independent, family-run business. Edelman owns specialty companies Edelman Intelligence (research) and United Entertainment Group (entertainment, sports, lifestyle).

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