CARAT

Intelligence in trust.

A new approach

Why trust?

Trust has the capacity to both create and destroy brand value. When people trust a brand they are likely to buy more, try more and pay more. Brands that are trusted can have better, more in-depth conversations with people, which is critical in a world where many of us are increasingly ignoring brands or actively avoiding them.

Historically, marketing strategies for establishing trust and minimising "reputational risk" centred on public and community activities: creating (at least the appearance of) openness, transparency and honesty; behaving responsibly to employees, consumers and communities and the environment.

Fundamental changes in the nature of trust mean that these legacy strategies are no longer sufficient. In a digital age, building and retaining trust has become more complex.

1. Trust is in short supply. There's a huge deficit of trust in brands, business and institutions – it is simply more challenging to build trust than it has ever been.
2. Trust is more volatile. It can be lost much more rapidly, as social media makes every mistake and wrongdoing (real, perceived or even fake) more visible and viral. This correlates with the fact that while trust in institutions has gone down, trust in "people like me" has gone up.What makes people trust a brand or business has become more varied by market, sector and audience – there is not one standard solution.
3. Trust is more nuanced. What builds trust in a brand or business has become more varied by market, sector and audience - there is not one standard solution.

Does trust matter in media?

Categorically yes.

Data is transforming media's capacity to deliver business value. But trust is key to unlocking the value in that data: without trust, a brand can't gather, access or use the wealth of data now available.

There's an interesting paradox at play – as marketers' capacity to be more personal, valuable, adaptive and meaningful has grown, so has people's ability to block them. Whether this is due to privacy concerns, a sense of intrusion or simply irritation at the tactics employed, it's clear that having a long-term strategy for building trust is essential if brands are to unlock the potential of data.

So what have we done?

Through extensive interviews with 6,400 consumers worldwide, we set out to build a new trust framework, building on the Trust Equation by Dr Charles Green/David Maister which was primarily designed for trusted relationships in business.

Structural Equation modelling was then used to interrogate how consumers perceptions of trust and brands in different sectors correlated to whether they actually trusted a brand or not.

Building a new trust framework

Our analysis uncovered three critical factors for brand-owners to consider:

- → Eight primary drivers of trust in the digital economy
- → How the nature of trust flexes by category
- → How the nature of trust flexes by geography

By combining these perspectives, we're able to provide a new, more actionable lens on trust-building for brands in the digital age.

The eight drivers

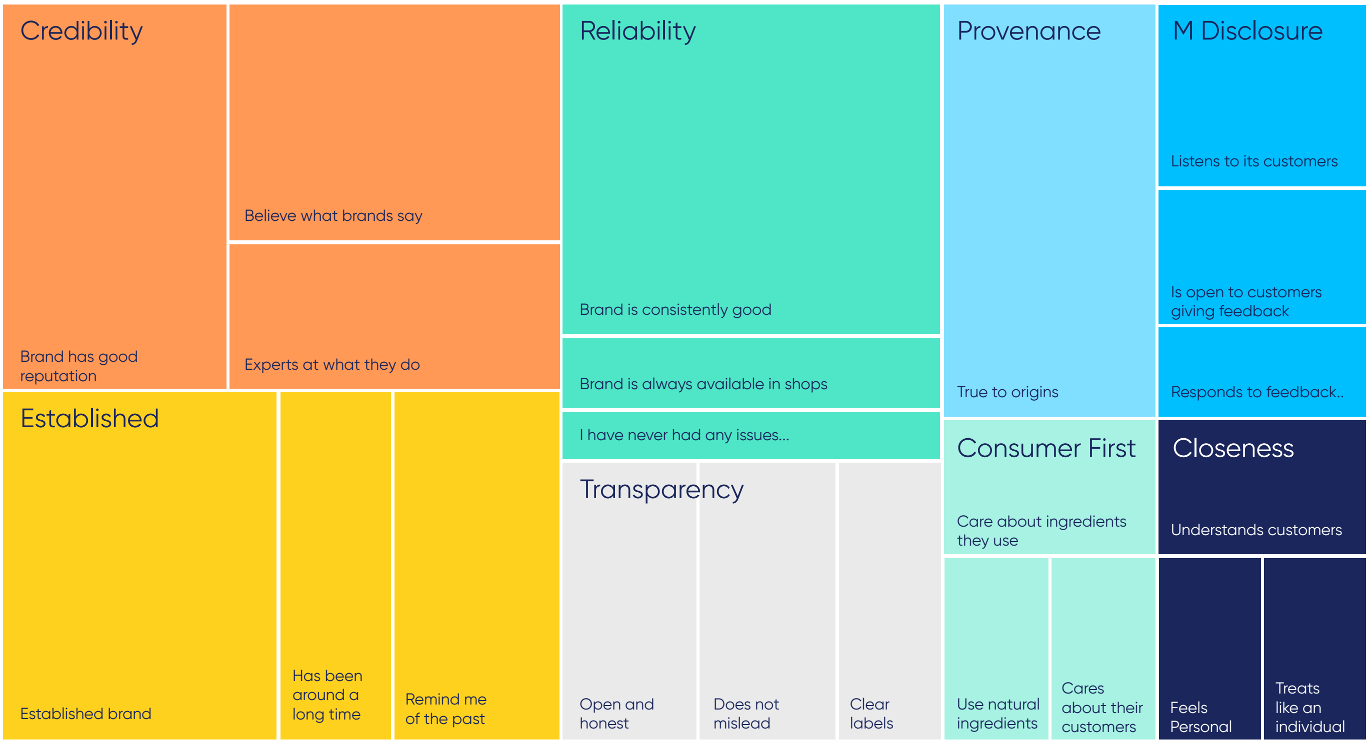
Our analysis identified eight primary drivers of trust, each of these comprising of a number of 'sub-drivers':

1. **Reliability:** "You consistently deliver"
2. **Credibility:** "You know what you're talking about
3. **Established:** "You've been around for a long time"
4. **Transparency:** "You don't hide anything"
5. **Provenance:** "I know where you come from"
6. **Mutual disclosure:** "I want you to value me"
7. **Closeness:** "I feel close to you"
8. **Consumer first:** "You act in my interests"

Trust by category

Analysing the data at a category level reveals some important differences in the way trust works, creating a more specific and useful framework for brand owners.

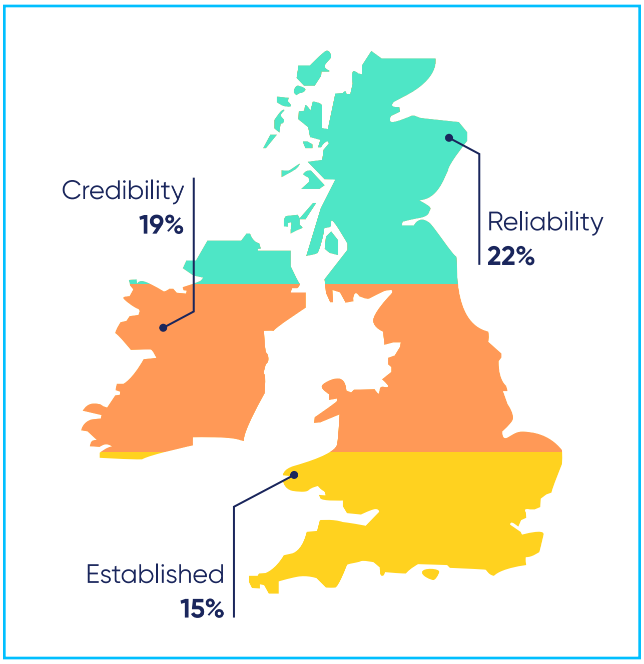
Figure 1: Trust in the food sector



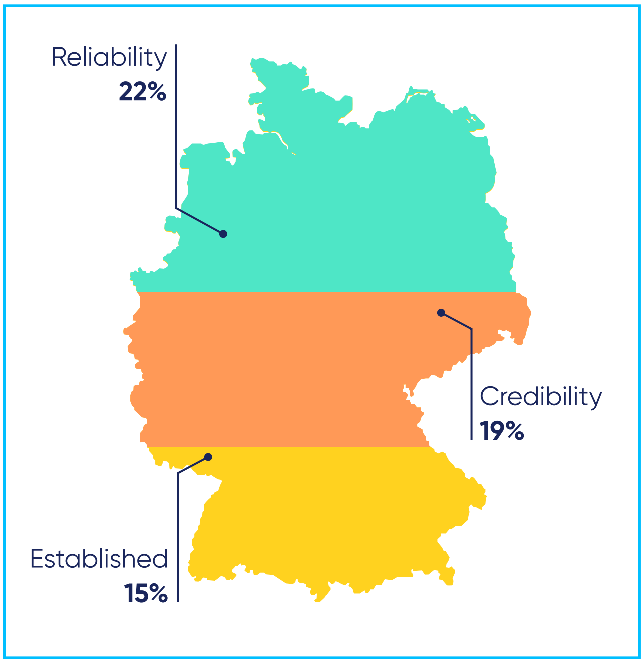
Trust by geography

Some aspects of trust are very consistent across geography – most notably the dominance of reliability, which we will examine in the next section. However, there are important nuances too. Layering geographic data on to category data reveals an even more sophisticated picture of how trust is working

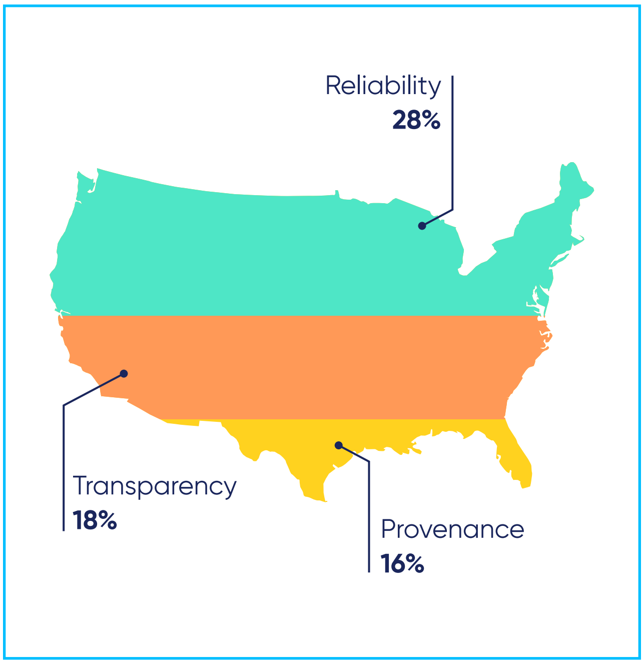
United Kingdom



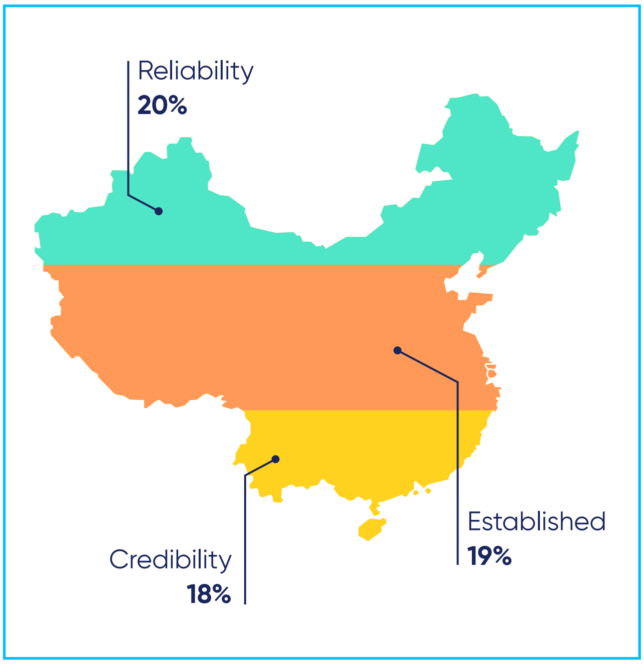
Germany



USA



China



While our model teases out a much more nuanced picture of trust, there are some big themes too. Above all, reliability rules.

Reliability was the single most important driver in every market studied, accounting for up to 25% of brand trust. This shouldn't surprise us. As news can be shared globally at the touch of a button and consumers are increasingly prone to switching, getting the basics right is more important than ever.

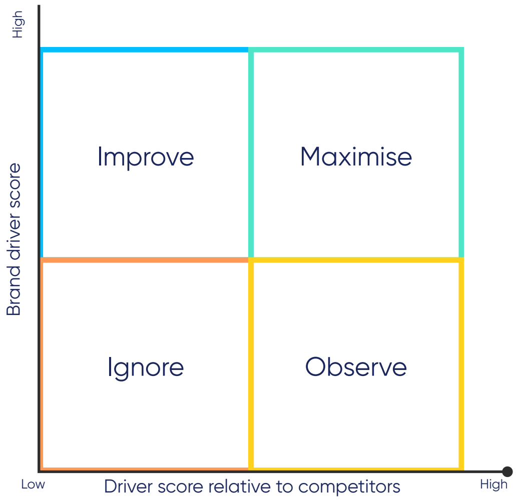
In the financial services and automotive sectors, reliability is especially important – in the United States, the top two payment brands each have nearly one third of their overall trust score accounted for by reliability, with a similar proportion for the most trusted car brands in the United States.

Reliability may be key, but there remains a clear opportunity for brands to be smarter and more precise at choosing the right trust driver for the right audience and right channel. And to do this in the context of their competition.

Five steps towards a competitive trust advantage

1. **Understand performance on trust-building drivers versus competitors:** Disaggregate and prioritise the different drivers of trust to help focus resources more effectively.

   Example 3: A framework for prioritising action in financial services



2. **Fit channel mix to trust driver and audience:** Brands need to adapt their approach across drivers, audiences and channels.

   Our research shows that to drive Reliability, conversation and peer-to-peer channels and touchpoints are key. Recommendations from friends and family rank highest across all markets, with online reviews and blog endorsements featuring in the top ten. Compare this to building Credibility, where traditional paid channels such as TV, outdoor and sponsorship perform particularly well. For a financial brand in a market where this driver is in the "Maximise" quadrant, we're now using its sponsorship assets for new product launches, with the aim of instilling Credibility and therefore trust, from the start. Equally, can your media budget flex to respond to issues that arise in the sector? For example, in finance when a competitor brand has a security issue, this can be opportunity for a brand with security USP.

3. **Integrate insights into core business decision-making**
   Trust insights are too valuable not to share widely across key internal functions. Align community management closely with PR and Media so that positive or negative commentary on social media can not only be measured, but reacted to with editorial and, if necessary, paid media.

4. **Engage the outliers**
   Brands can utilise those consumers who trust them, as well as those who do not. Identify these people and focus on strengthening relationships even further, to drive advocacy.

5. **Track the business impact**
   Consumer trust manifests itself across a number of business metrics: loyalty and retention, revenue and even share price. For consumer-facing companies (e.g. in the retail and fast-moving consumer goods sectors) in particular being able to track consumer trust against other potential metrics can yield insight into the bottom-line impact of trust as well as the value to the business of an effective consumer engagement strategy.