

Gustavson Brand Trust Index 2020

Most Authoritative and Comprehensive
Study on Brand Trust in Canada



Gustavson
School of Business
University of Victoria
BRAND TRUST INDEX

AGENDA



Why Trust
Matters



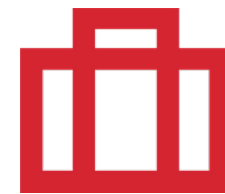
Brand Trust in
Retrospect



Canada's
Most Trusted
Brands



Top Stories
from the
Field



Stories from
2019
Followed in
2020



How we
Measure Trust
& Our
Methodology



Move the
Conversation
Forward



Dean's Message



2020 marks the sixth year of the Gustavson Brand Trust Index study tracking Canadians' trust in consumer brands. Like most things in 2020, we were thrown a curveball in March when the impact of COVID-19 fully hit Canada.

Initially, we had gathered data from consumers during the weeks of January and February, tracking the trust in brands across a variety of dimensions. In light of the global pandemic, the GBTI team conducted a second research study to gauge changes in consumer trust with brands.

Long before the coronavirus emerged, consumer trust in both institutions and large corporations had eroded. This year, in both surveys (post- and pre-COVID-19), Canadian trust in consumer brands is on the decline. In fact, this year's data shows that trust in brands is at an all-time low. Despite rising consumer skepticism, trust is more paramount now than it ever was given the current crisis the world is facing.

We are proud to present our sixth annual edition of the Gustavson Brand Trust Index as well as our follow-up study, wherein we explore the consumer experience and the role brand trust plays in the minds of consumers and employees when assigning their loyalties to organizations and recommending a brand to their friends and family.

We believe organizations that demonstrate a good sense of concern for their customers and employees' wellbeing while ensuring the availability and competitiveness of its product and supply chain through the current crisis will benefit from lasting effects on consumers' perceptions of brand trust.

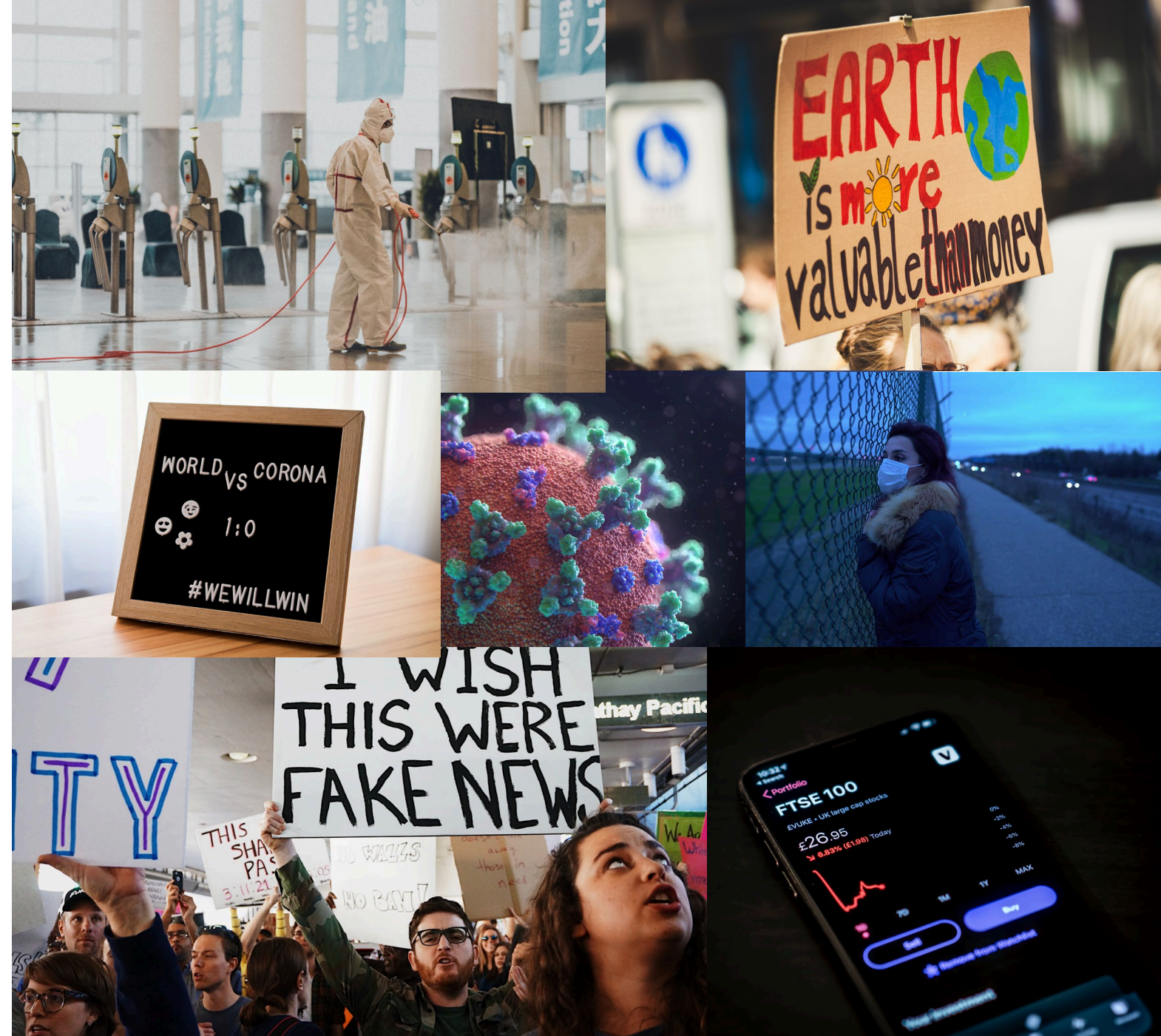
A handwritten signature in black ink that reads "Saul Klein".

SAUL KLEIN

Dean of the Gustavson School of Business

Why **Trust** Matters

- Trust is both the glue that holds a society together and the lubricant that enables it to function.
- Current fracturing of society can be looked at through a trust lens where the erosion of trust is both a cause and an effect.



BRAND TRUST IN RETROSPECT

2016

Values-based trust is becoming a key area for brands to differentiate themselves from their competitors in garnering consumer loyalty.

2017

Consumers place more value on relationship trust with service-based brands. In contrast, consumers place more value on functional trust with product based brands.

2018

Social media is less trusted as a news source than traditional media outlets.

2019

Consumers are more forgiving when responded to with honest and authentic remedies.

Market Evolution



VALUES-BASED ECONOMY

Sustainability



SERVICE-BASED ECONOMY

Relationships



PRODUCT-BASED ECONOMY

Functionality

One finding keeps coming back stronger each year; besides the functional performance of a brand (quality, reliability, value for money) and the way it relates to its customers, consumers also pay close attention to a brand's values and its social responsibility. In other words, consumers embrace brands that reflect the values they hold in high regard and they shun those that fall short.



GBTI 2020

January 2020

Fielded between January 8 – February 10, the GBTI measured 7800 Canadian consumers' opinions about 342 very well-known corporate and product brands across 27 categories. The key finding of the 2020 Index is that consumer trust in brands is at an all-time low.

April 2020

In response to the COVID-19 pandemic, the brand trust research team quickly mobilized a follow-up study to gauge changes in consumer trust for a sub-set of brands. For some brands, even as we find ourselves more reliant on their services and products during the pandemic, we trust them less.

Lessons to Learn from the 2020 GBTI Results

- While trust in key institutions has been eroding significantly over the past few years, the average brand trust scores for all brands surveyed in both 2020 brand trust surveys are at an all-time low.
- In both surveys, social media is less trusted as a news source than traditional media outlets.
- Brands that violate our trust through active malfeasance or a lack of transparency, such as social media brands, remain mired at the bottom of our rankings.
- Although millennials are less trusting compared to any other generation, they assign their loyalties to organizations that are proactive in solving longstanding societal issues and contribute to making the world a better place.
- For an organization to be trusted and seen as credible in playing a positive role in society, it must first ensure the quality and competitiveness of its products and the reliability of its supply chain.
















CANADA'S MOST TRUSTED BRANDS

Across Trust Factors:

Top Brands Maintain Trust in Factors

Top Most Trusted Brands 2020

Rank 2020	Canada's Most Trusted Brands for 2020		Rank 2019	Rank 2020	Canada's Most Trusted Brands for 2020		Rank 2019
1		Mountain Equipment Co-op (MEC) BT 2020: 55 • BT 2019: 59	1 →	7		Canadian Tire BT 2020: 49 • BT 2019: 50	10 ↑
1		Canadian Automobile Association BT 2020: 55 • BT 2019: 58	2 ↑	8		Shoppers Drug Mart/Pharmaprix BT 2020: 48 • BT 2019: 52	6 ↓
3		Costco Wholesale BT 2020: 54 • BT 2019: 57	3 →	9		Home Hardware BT 2020: 47 • BT 2019: 53	4 ↓
4		Dyson BT 2020: 51 • BT 2019: n/a	n/a	9		LEGO BT 2019: 47 • BT 2019: n/a	n/a
5		Home Depot BT 2020: 50 • BT 2019: 53	4 ↓	9		BOSE BT 2020: 47 • BT 2019: 44	41 ↑
5		Sony BT 2019: 50 • BT 2019: 48	15 ↑	9		Band-Aid BT 2020: 47 • BT 2019: 52	6 ↓
				9		Kleenex BT 2020: 47 • BT 2019: 49	12 ↑

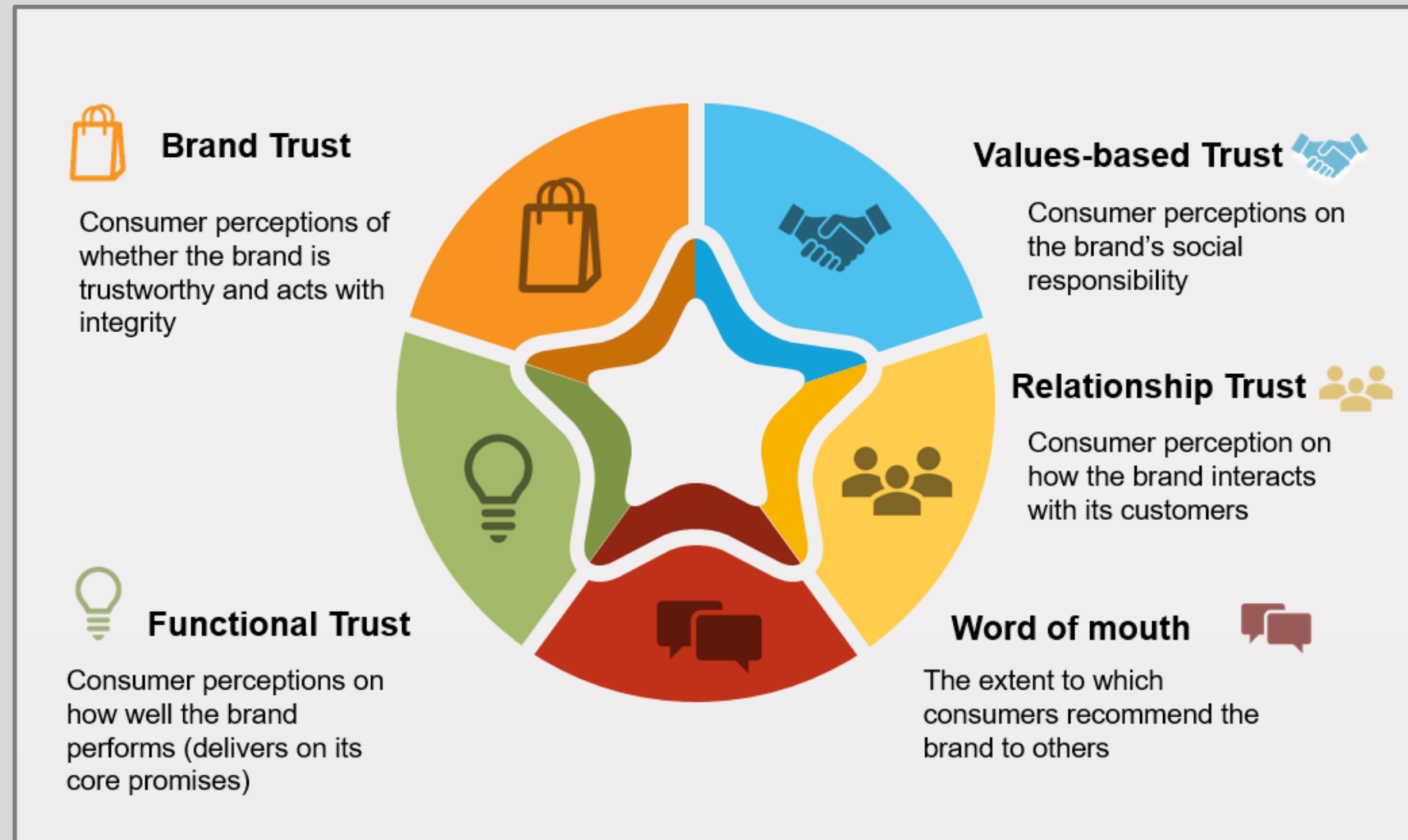
Most Trusted Brands by Category (1)

 		 TOYOTA		
Alcohol	Appliances	Automotive	Automobile Rental	Beverages
			 	
Coffee/Tea	Confectionery/Snack Foods	Dairy Products & Alternatives	Delivery Services	Electronics & AV Equipment
 				
Financial Services	Food & Drug Retailers	Gas Stations		

Most Trusted Brands by Category (2)

				
Hotels	Household Care	Insurance	Media & Entertainment	Packaged Foods
				
Personal & Beauty Care	Restaurants/Takeout	Specialty Retailers	Sportswear	Technology
				
Telecoms/Cable	Transportation	Travel	Toys and Games	

How Are We Measuring Trust?



Functional Trust Factors & Winners



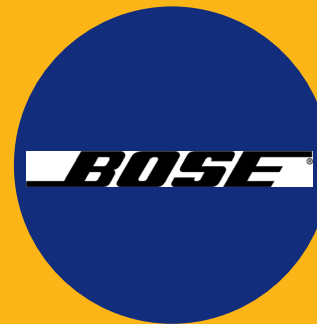
Innovative



Delivers on promises



Reliable



High quality



Good value

Relationship Trust Factors & Winners



Protecting privacy



Good customer treatment



Responding to feedback



Honest communications

Values-Based Trust Factors & Winners



Environmental consciousness



Societal well-being



Local community support

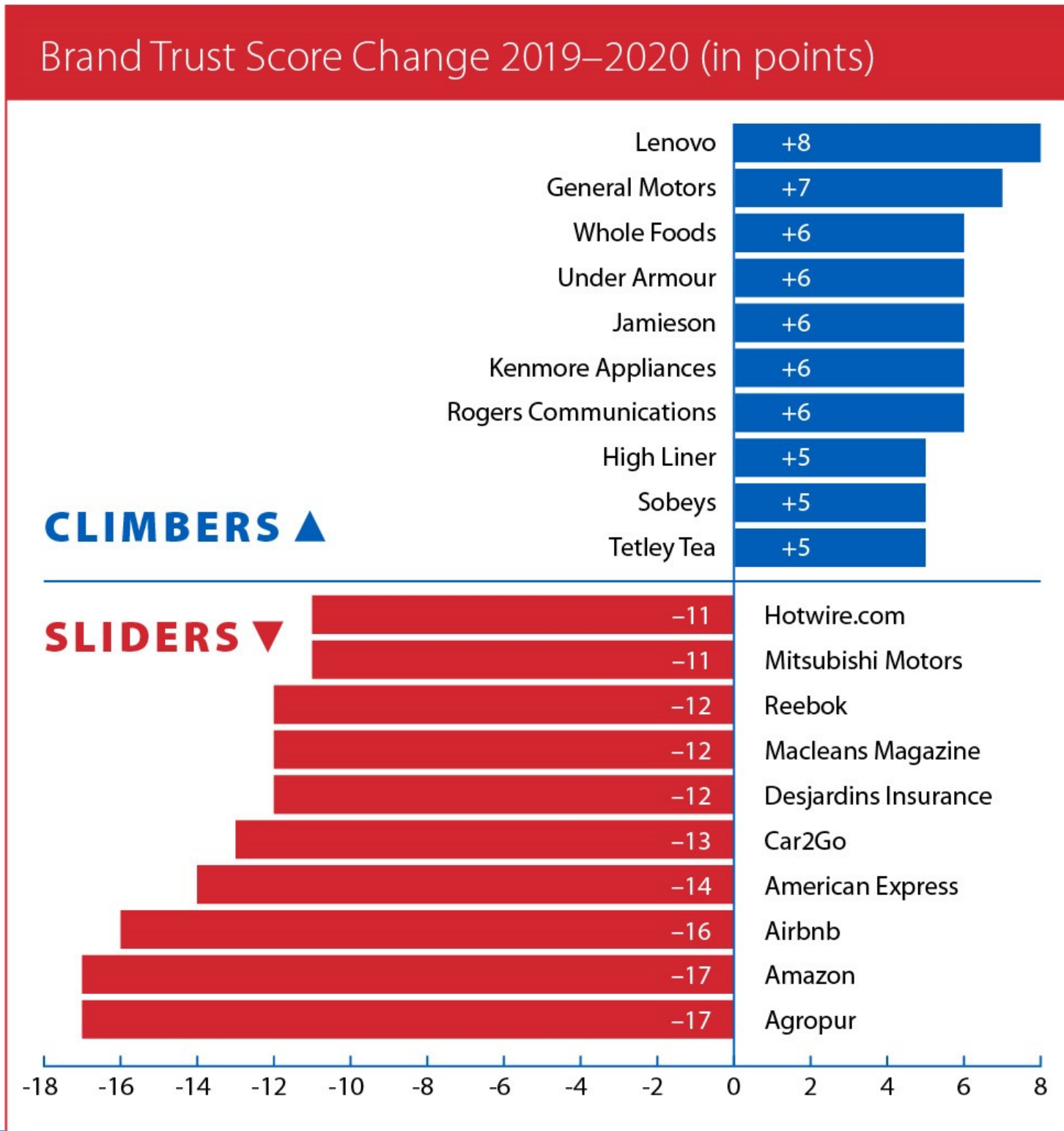


Employee treatment

BRAND TRUST MOVERS & SHAKERS

Top Stories from the Field

Some Brands Recover
Lost Trust...



... While Others
Fall Out of Favour

Amazon started falling out of favour with Canadians

- Amazon lost 17 points in the overall brand trust score in the GBTI 2020.
- We may attribute this sharp decrease in its brand trust score to the numerous controversies Amazon has faced including accusations of monopolistic behaviour and allegations of poor employee treatment/working conditions, which have culminated in employee rallies and concerns over privacy.
- Amazon's scores decreased on 13/13 trust attributes and all dimensions, with the **sharpest decrease seen for caring about societal wellbeing**.
- While Amazon led the specialty retailers category across six attributes in 2019, it led in only one in 2020: delivering on promises (#3 in 2020), reliability (#8 in 2020), good value (#3 in 2020), innovativeness (#1 in 2020), responding to customer concerns (#4 in 2020), and word-of-mouth (#6 in 2020).
- Even while consumers are using Amazon services more during the pandemic than before, trust scores did not recover during the pandemic. We will continue to monitor this effect over the course of 2021.



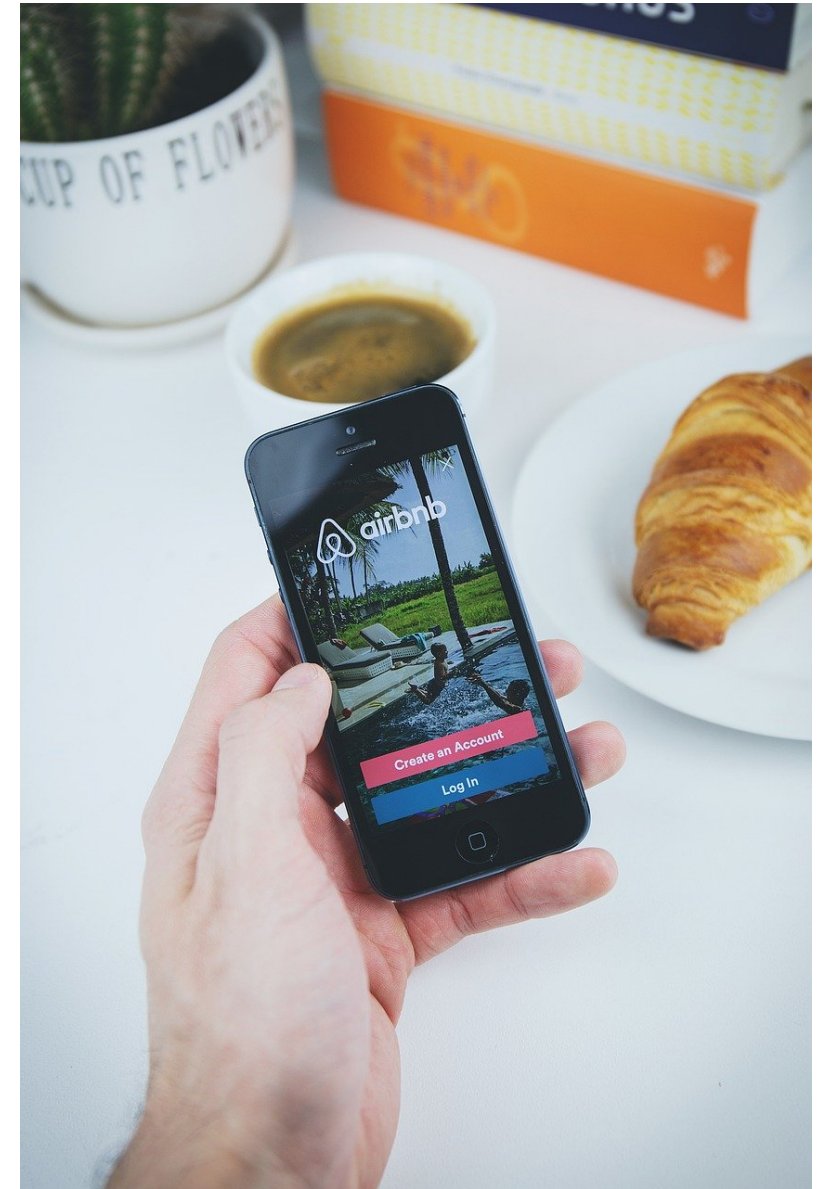
The Power of Purpose in Building Trust with Millennials



- Lush has a history of donating to progressive groups and supporting grassroots campaigns that advocate for the environment, human rights and animal welfare. Such causes appear to resonate with the target customer; millennials and Gen Z's.
- For example, in September 2019, Lush closed retail stores and online sales for a day in support of a global climate strike.
- Those aged 18-35 recognized Lush as **the most trusted brand in Canada**, not only **on overall brand trust** but also on **functional and relationship trust**.

The Trust Paradox in the Sharing Economy

- Every business is in the business of trust; however, for sharing economy companies like Airbnb and Uber, trust is the very core of their business model.
- Ironically, Airbnb, which is the world's largest accommodation provider, while owning no real estate, chronically receives low trust scores in our Index and remains mired at the bottom of our rankings.
- Based on the 2020 results, **Airbnb reached a new low in consumer trust**, with a whopping 17-point drop in its overall trust score and a negative values-based trust score.
- This drastic year-over-year decline may be attributed to some serious challenges that threatened the notion of Airbnb's trust and safety in 2019, including a deadly Halloween shooting at a California Airbnb that left five guests dead, increasing complaints from neighbours and a range of host scams.



Dyson: An Unlikely Front-runner



- Dyson's ranking (#4) in the top 10 most trusted brands comes as a surprise, since its closest rival in the category received at least 11 points lower brand trust score.
- With a 51-point overall brand trust score, Dyson is not only the Appliances category leader but also the most trusted product-based brand in Canada, according to the 2020 GBTI results.
- Dyson has built a brand that's clearly trustworthy, especially in functionality, as the brand received the second-highest functional trust score among 342 national brands.

Hotel Industry Faces Decline of Consumer Trust

- In 2018, the Hotels category was the highest-ranked category on brand trust for the third consecutive year. In 2019, we started to see brand trust in hotels declining slightly.
- This year, the category continued its slide. The undisputed category leader, Fairmont, did not make the cut onto the list of top ten most trusted brands for the first time in the history of the Gustavson Brand Trust Index.
- The famous hotel chain remained as the category leader; however, it lost eight points on overall trust and ranked in the 23rd spot among 342 brands.
- In our follow-up survey, brands in the hotel category continued their slide. The hotel sector has unquestionably been hit hard by COVID-19 and had already been facing distrust from consumers prior to the pandemic; therefore, we will be closely watching the extent to which consumer anxieties around shared spaces and the risk of infection persist.



Your Supply Chain's New Role: Retaining Customer Trust



- Although consumers find themselves more reliant on their products during the pandemic, the overall brand trust for Lysol and Clorox dropped slightly in the follow-up survey.
- As we expected, these two household care brands scored better on caring about the well-being of society than previously, but dropped overall.
- It is likely that in response to the panic-buying of food and household supplies that took place around the globe during the pandemic, supply shortages of these brands undermined Canadians trust, putting greater focus on the reliability of their supply chains.

Employee Treatment Fuels Brand Trust

- Metro, Walmart and Loblaw companies including Shoppers Drug Mart pharmacies and Real Canadian Superstores, were among the first major Canadian food and drug retailers to give front-line workers a raise during the COVID-19 pandemic.
- As a result, in our follow-up survey, Loblaw, Real Canadian Superstores and Walmart's trust scores on employee treatment jumped by 19, 15 and 13 points respectively.
- Costco continues to lead the pack with the highest score on employee treatment.
- Gig economy companies like Uber and Lyft, on the other hand, promised workers paid leave if they were affected by the virus or were quarantined. However, many stories of workers struggling to get help appeared in the media. Consequently, in both surveys, Uber, SkipTheDishes and Lyft, alongside Amazon, received low trust scores on employee treatment.



Summary

- Consistency in quality and innovation is critical. Those organizations that consistently improve their products/services and refuse to sit back and rest on their laurels engender greater consumer trust and loyalty (e.g. Dyson).
- Innovation contributes to trust, but not if it comes at the expense of other values (e.g. Airbnb).
- For an organization to be trusted and seen as credible in playing a positive role in society, it must also ensure the availability and competitiveness of its product and supply chain (e.g. Lysol and Clorox).
- Organizations that demonstrate a good sense of concern for employees' well-being and empathize with the employees and their experience, build (or recover) and retain trust in their brands (e.g. Loblaw).
- For some brands, even as shoppers find themselves more reliant on their services and products during the pandemic, consumers trust them less (e.g. Amazon).
- Brands can win millennials and Gen Z's hearts and minds by playing a positive role in society and speaking to the environmental and social causes young people care about (e.g. Lush).



Stories from 2019 Followed in 2020

RETAILERS

Will retailers dominate the ranks of Canada's most trusted brands, again?

GILLETTE

Will the immediate benefit for Gillette taking a stance on toxic masculinity turn into a long-term success?


NEW ENTRANTS

What are Canadian consumers' opinions about successful brands in fast fashion, delivery services, retail, toys and games.

SOCIAL MEDIA

Are social media brands recovering from their erosion in trust?

Retailers in the GBTI 2020




Six out of Canada's 13 most trusted brands this year are retailers; MEC, Costco, Home Depot, Canadian Tire, Shoppers Drug Mart and Home Hardware.


For the first time, the Food/Drug Retailer sector ranked as the most trusted category across all dimensions.

Food and Drug retailers who demonstrated caring for their employees during the pandemic saw their trust levels increase sharply.


Gillette in the GBTI 2020



Gillette saw a jump in trust last year in the wake of its advertising campaign combating "toxic masculinity," particularly in consumer perceptions of it caring about societal wellbeing.



The effect of this campaign, however, was short-lived and 2020 brand trust scores for Gillette returned to their 2018 levels.




It is likely that consumers expected more ongoing attention to the topic than they saw demonstrated, and may have interpreted the previous year's stance as mere lip-service.


New Entrants in the GBTI 2020



This year, 30 brands and one category (Toys and Games) were added to the study.



Newly added brands are: Dyson, Lego, The North Face, Patagonia, The Weather Network, Crayola, Sensodyne, Tums, Arc'teryx, Seagram's, Mattel (Barbie), Roloids, Hasbro, Sephora, Bayer, Victoria's Secret, Canada Goose, La Senza, GAP, London Life, Wayfair, Zara, Kijiji, H&M, SkipTheDishes, Lyft and Craigslist.




Of the brands listed above, Dyson and Lego featured amongst the most trusted brands in Canada in 2020.


Social Media in the GBTI 2020



Social media brands have not recovered from their dramatic fall in trust in 2019.



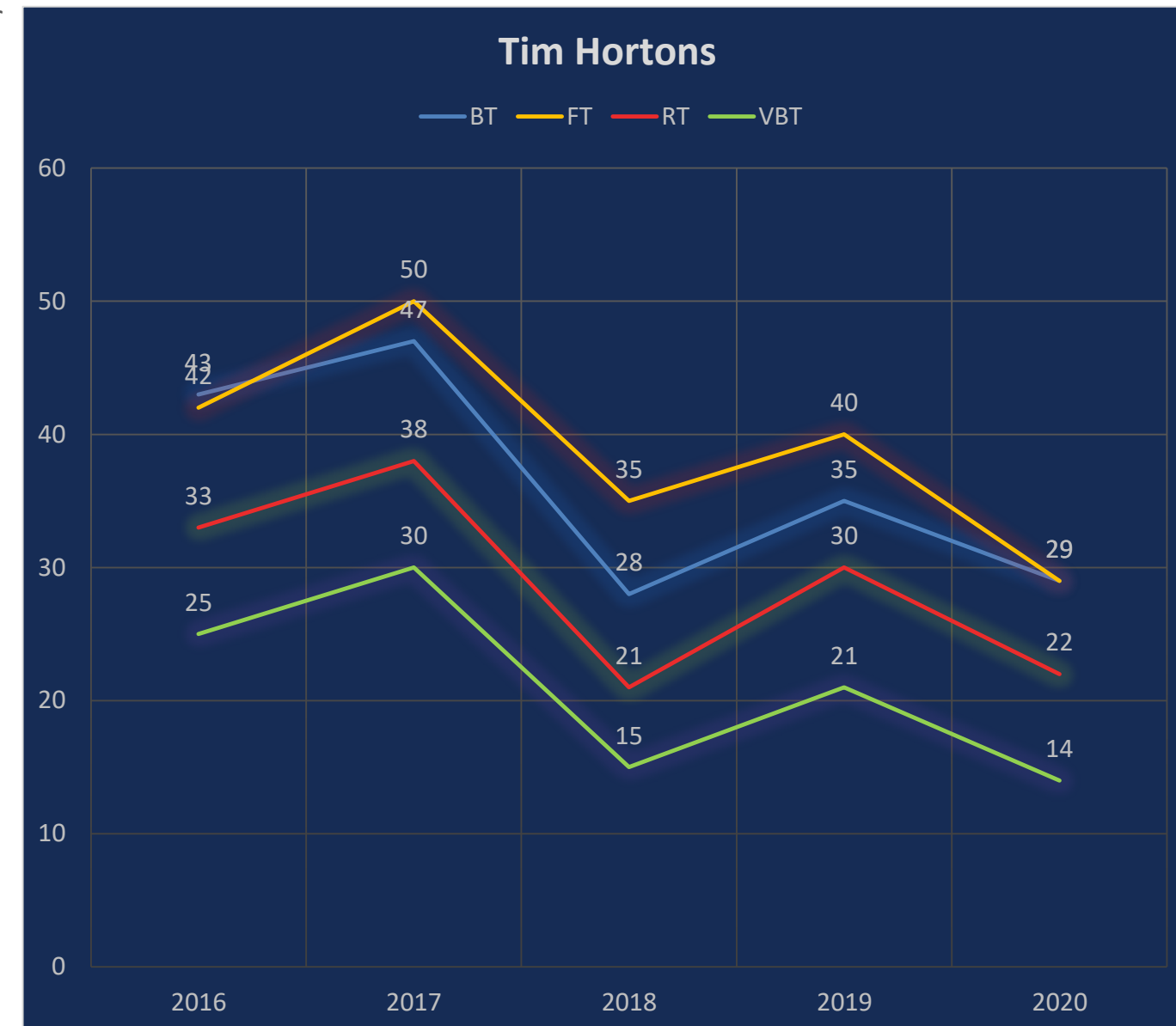
Following a 29 point decrease in their trust score in 2019, Facebook fell another 2 points in 2020, remaining at the bottom of the pack in both our pre- and post-pandemic surveys.



Facebook, Snapchat and Twitter received negative trust scores overall; and social media brands captured 4 of the 9 least trusted brands in Canada spots.

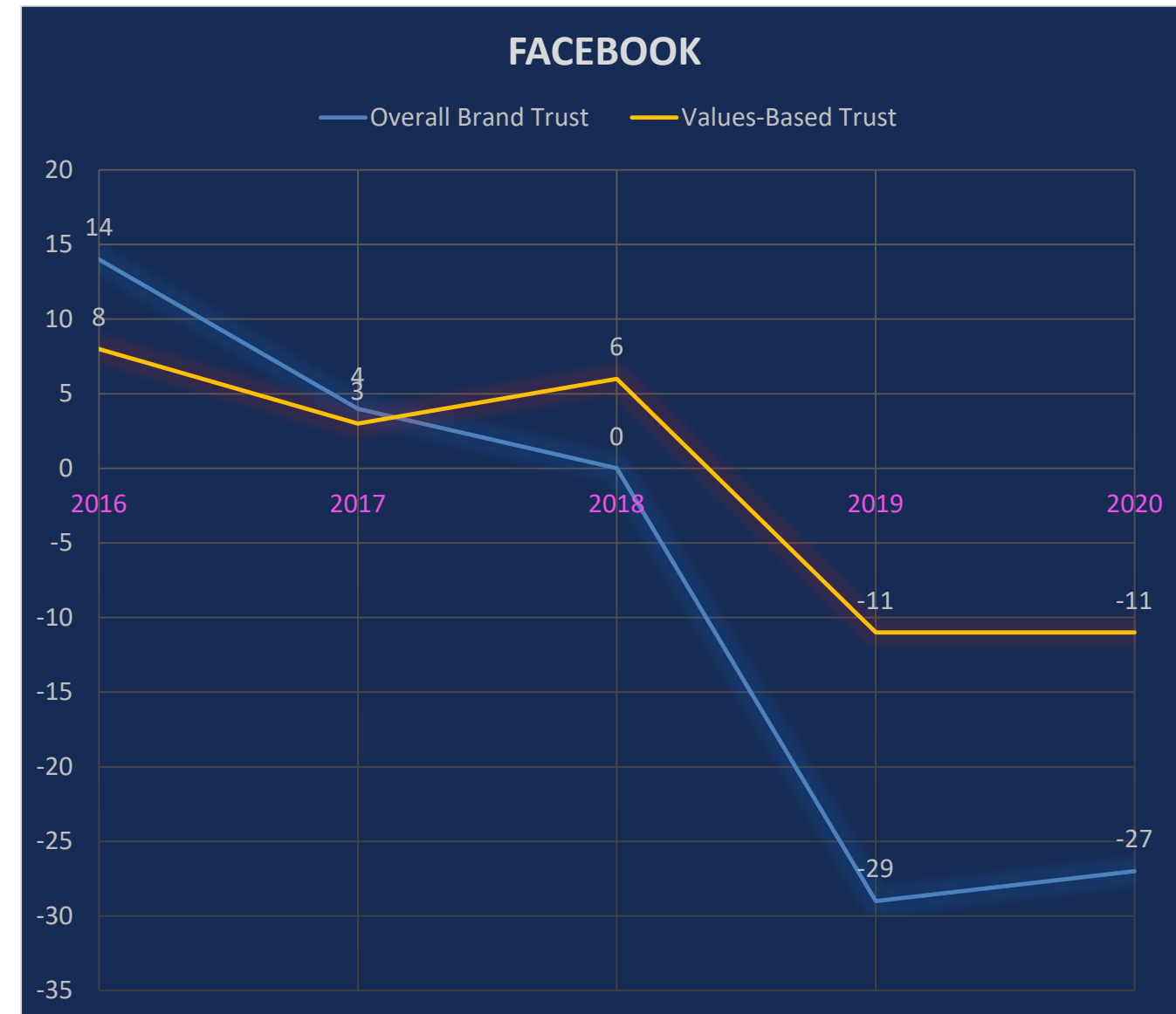
Has Tim Hortons Recovered Lost Trust Yet?

- After cutting benefits and other incentives following the province's minimum wage hike in Ontario, the iconic brand came under fire for its treatment of employees.
- In 2018, Tim Hortons' trust ranking collapsed from #27 to #203 out of almost 300 brands surveyed. Given the brand was voted the most trusted brand in Canada according to the GBTI 2015 results, this dramatic fall came as a surprise.
- In 2019, Tim Hortons climbed 67 places to 136th although the brand was still nowhere near its former iconic status.
- In 2020, Tim Hortons' trust scores went back to almost where they were in 2018, except for the Functional Trust score, which saw an additional 11-point drop.
- On the positive side, the iconic brand bounced back in terms of its local community support ranking. Among 342 brands, Tim Hortons came in at the very top of rankings on this specific trust factor.



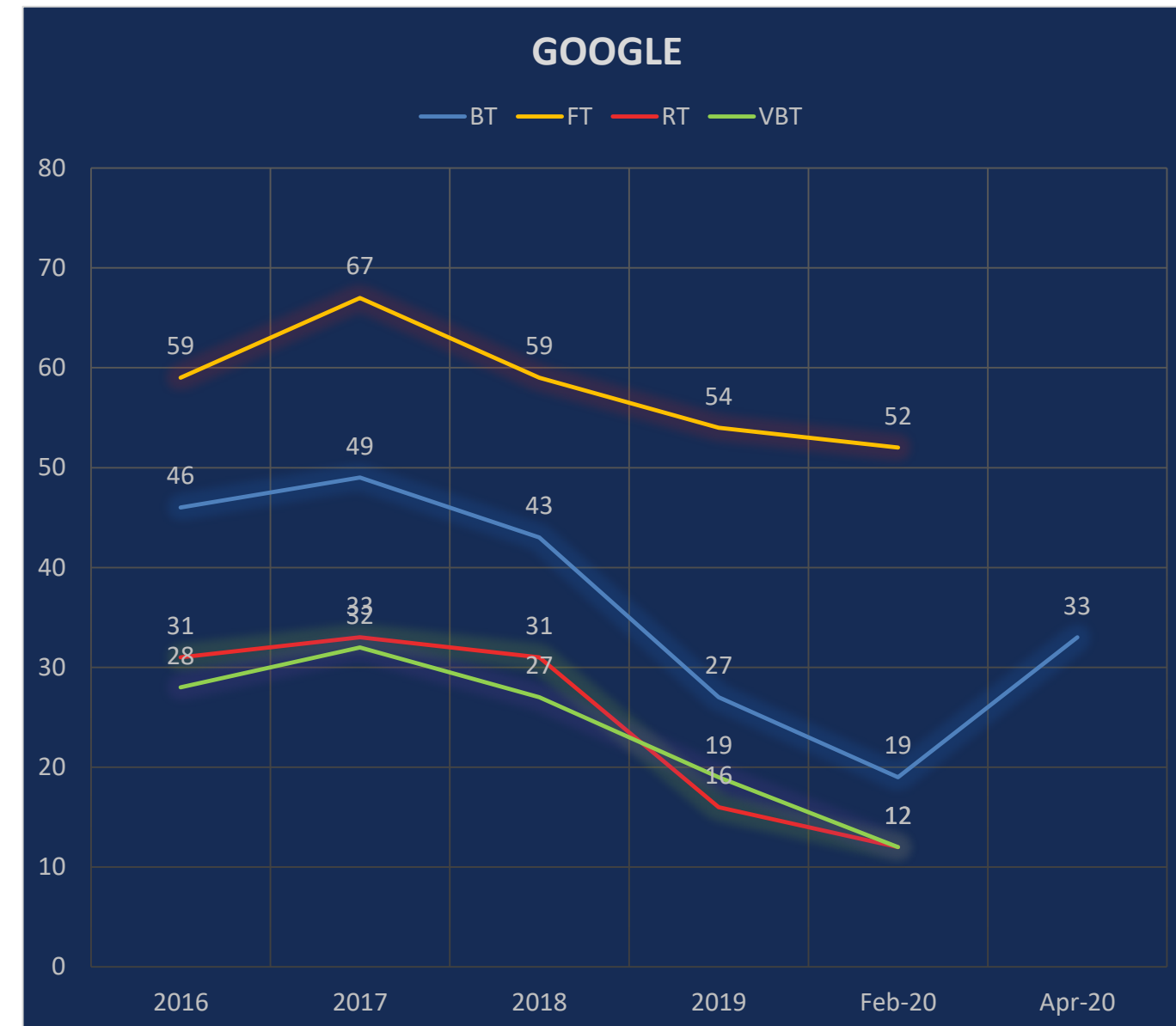
Facebook has Trust Issues

- What was once seen as the advent of a new era of free and open communications has turned into a nightmare of manipulation, loss of privacy and hate-speech.
- Rather than new media creating strong alternatives to traditional channels allowing a greater diversity of viewpoints, with governments and other powerful stakeholders having less control over access to information the opposite has happened.
- In the 2018 results, the trust gap between traditional media (i.e. CBC, CTV) and new media (i.e. Facebook, Twitter, Snapchat) exploded. Post-COVID-19, the gap has widened further with CBC ranking #6 (#2 for values-based trust) and CTV at #71 (#4 for values-based trust), compared with Facebook (#295), Twitter (#296) and Snapchat (#294).



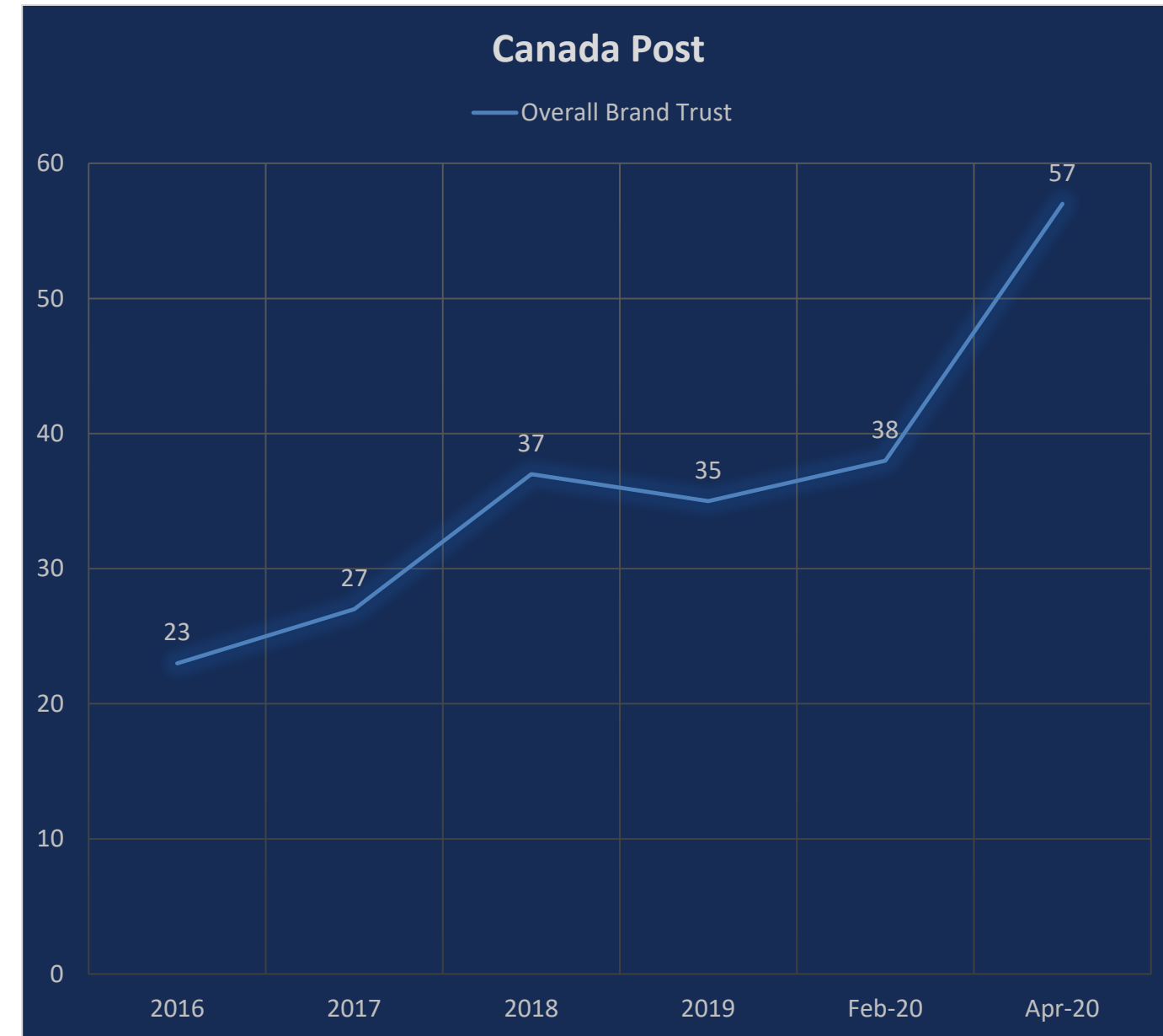
Trust in Google - The Rise and Fall...And Rise Again?

- In 2017, Google climbed six places in the overall brand trust rankings and made its debut among the top 20 most trusted brands in Canada. In 2018, the world's biggest search engine saw a slight decline in its brand trust score.
- Following revelations about its data privacy policies, Google's trust ranking plummeted in 2019 from #39 to #230 among over 300 brands.
- In the follow-up study, we saw a 14-point jump in Google's brand trust score, which raises the question of whether Google's recovery will be sustained.



Canada Post Experiences a Surge in Demand and Trust

- With a 15-point increase in overall brand trust score between the 2016 and 2020 survey results, Canada Post has evidenced the most pronounced increase in brand trust. This increase was more than doubled in our post-COVID survey.
- This increase in trust is coming as Canada Post is delivering Christmas-level shipping volumes as Canadians have embraced online shopping during the COVID-19 pandemic.
- The brand received the highest scores in the follow-up survey when it comes to honest communication and care for societal well-being.
- Coming off low expectations, the increase in trust in Canada may be attributed to doing an excellent job at keeping staff and customers safe while providing an essential service.

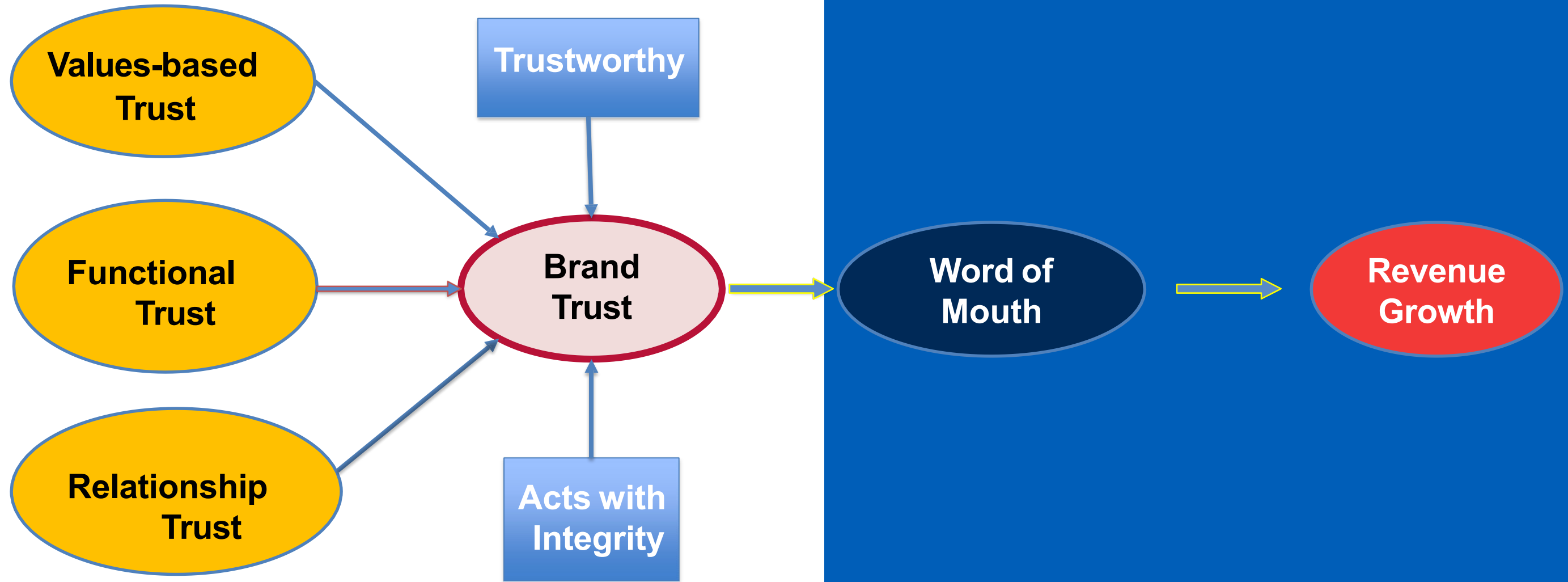


Our Methodology

- 7,800 Canadian adult consumers aged 18+ responded to the main survey. The follow-up study evaluated responses collected from 1,050 Canadian consumers.
- The main survey measured opinions about over 342 national corporate and product brands across 27 categories. The follow-up study gauged changes in consumer trust for a sub-set of 105 brands.
- In both surveys, respondents are statistically representative of the Canadian population.
- Via online questionnaire, each respondent rated 20 brands in the main study and 30 brands in the follow-up survey. Both were randomly generated.
- AskingCanadians managed the online surveys.
- Fieldwork occurred between January 8-February 10, 2020 for the main survey. In response to the COVID-19 pandemic, the brand trust research team mobilized a follow-up study that was fielded between April 8-23, 2020.
- Measures are based on net scores of the differences between the proportion of respondents who trust and those who distrust individual brands.
- The index is scored from a theoretical -100 to +100 points, where a score of -100 would mean total distrust (indicating that no respondents trust the brand at all) and +100 total trust (i.e. no respondents distrust the brand).



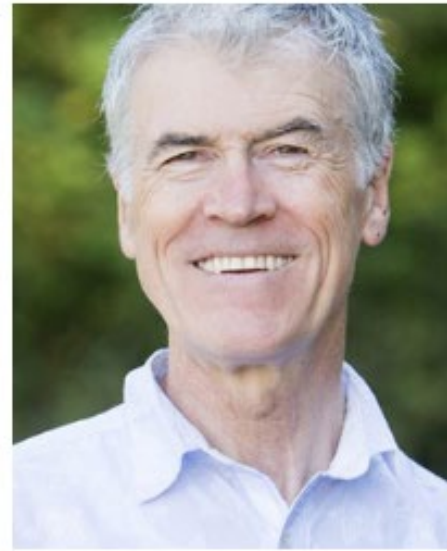
Gustavson Brand Trust Model



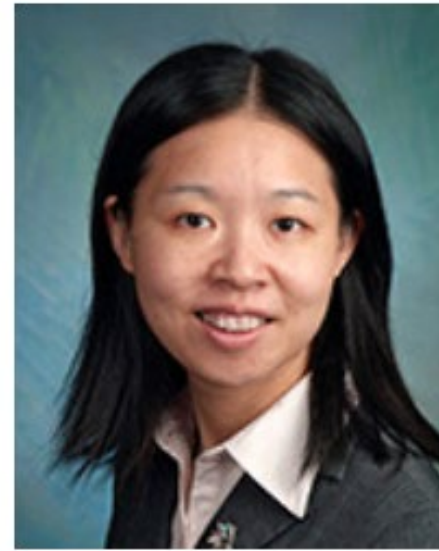
Meet the GBTI Core Team



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BUSINESS

**Want to move the
conversation forward?**



Data has a better idea



Request your Brand Trust Report

A Brand Trust report provides a complete demographic breakdown of consumer perceptions of trust for a brand across all trust dimensions (overall brand trust, values-based trust, functional trust and relationship trust).
There are no fees associated.

What is in a Brand Trust Report for You?



INSIGHT



POSITIONING



BENCHMARKING



BUSINESS ANALYSIS



COMMUNICATION

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THANK YOU

For more information on the GBTI,
please visit uvic.ca/gustavson/brandtrust
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Disclaimer

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Data are provided on a complimentary basis to provide management insights, and while best efforts have been made to ensure accuracy, the Gustavson School of Business and the University of Victoria may not be held accountable for any errors or omissions.

Any external claims made based on these data must be approved in advance by the Gustavson School of Business and the source of the information must be fully acknowledged.

The opinions expressed herein are based on an analysis of publicly available information combined with the data collected.

The Gustavson Brand Trust Index is the only study on how consumers trust brands done by an academic institution. As we see this as a public service in the interests of promoting responsible management, there are no fees associated with the brand inclusion process.

