

Consumers and the Quest for Transparency

Insights & Trends

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Our Purpose

Building trusted leadership to create a better future

GlobeScan is an insights and strategy firm that helps companies, NGOs, and governmental organisations build the trust they need to create enduring value for themselves and society.

Agenda

1. Why is Transparency Important?
2. How to Build Trust through Transparency?
3. How to take Transparency to the Next Level?

Framework of Evidence

GlobeScan Proprietary Surveys:

Consumer & Expert
Opinion Tracking
and Thought
Leadership

GlobeScan Custom Research:

Studies on
Sustainability,
Transparency, Brand
Communications

Desk Research:

Wider Evidence,
Best Practice Review
and Case Studies



Healthy &
Sustainable
Living

A Global Consumer
Insights Project

Greenindex



BSR



M&S
EST. 1884



Sustainable
Apparel Coalition



GLOBESCAN

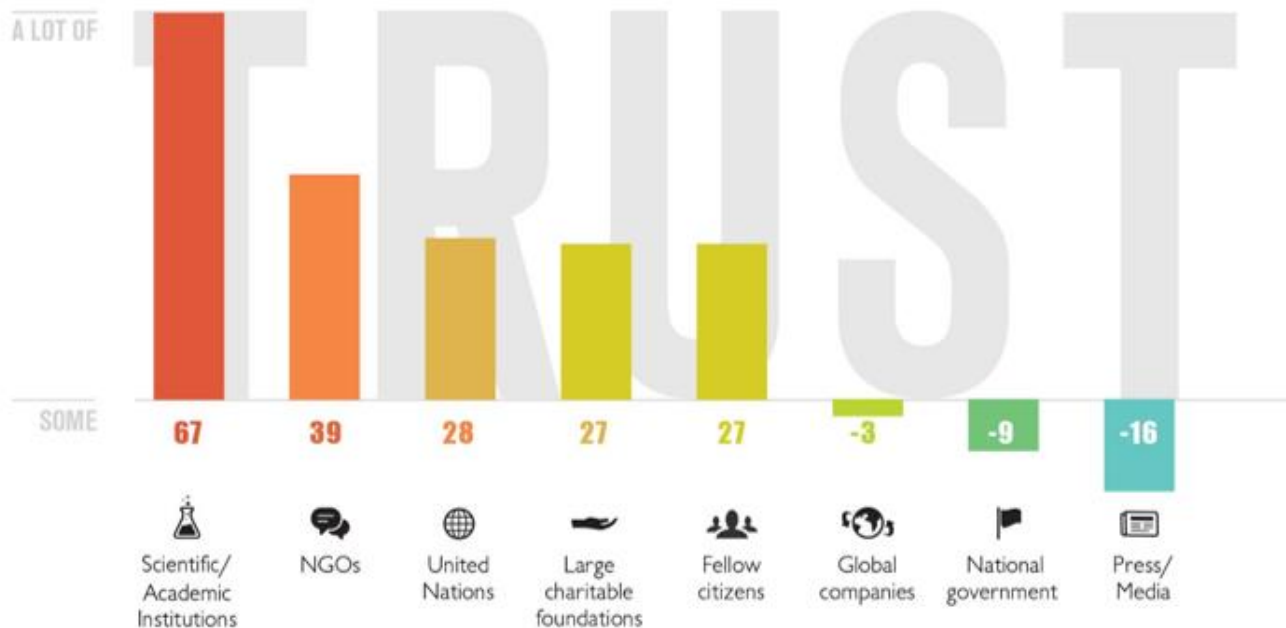


Why is Transparency Important?

It's a low trust environment for brands generally

Net Trust* in Institutions

Average of 25 Countries,**2019

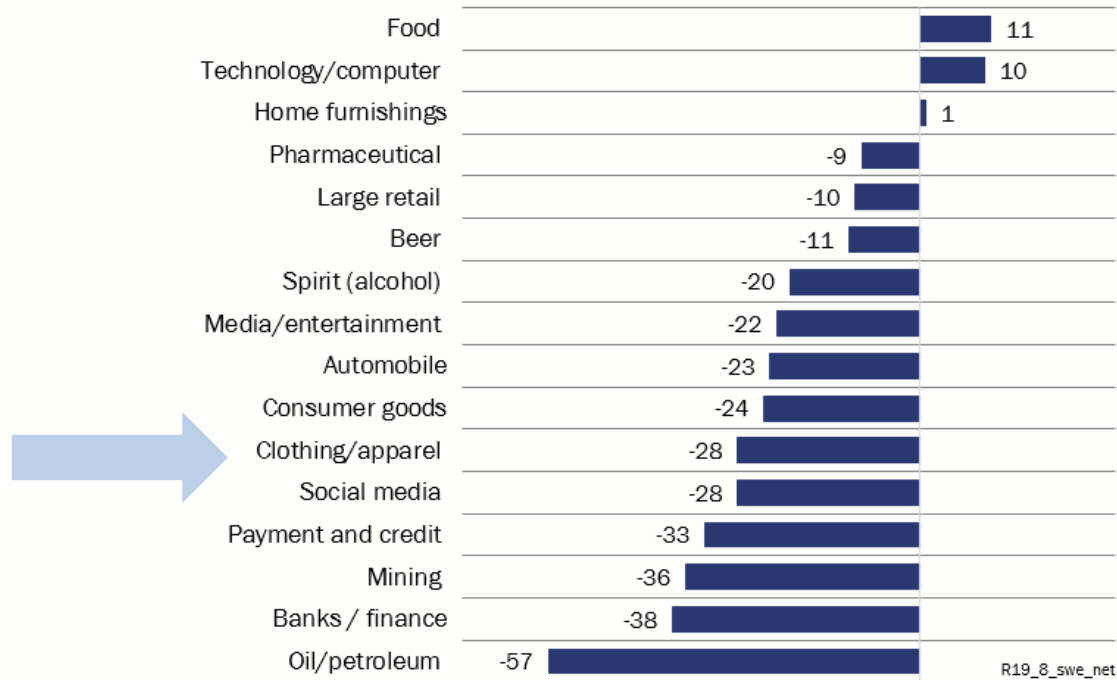


**A lot of trust" and "Some trust" minus "Not much trust" and "No trust at all"

**Includes Argentina, Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Italy, Indonesia, Japan, Kenya, Mexico, Nigeria, Philippines, Russia, Saudi Arabia, South Africa, South Korea, Spain, Sweden, Turkey, UK, and USA

But especially the apparel sector

Performance of Sectors in Fulfilling their Responsibilities to Society, Net Performance,*
Sweden, 2019

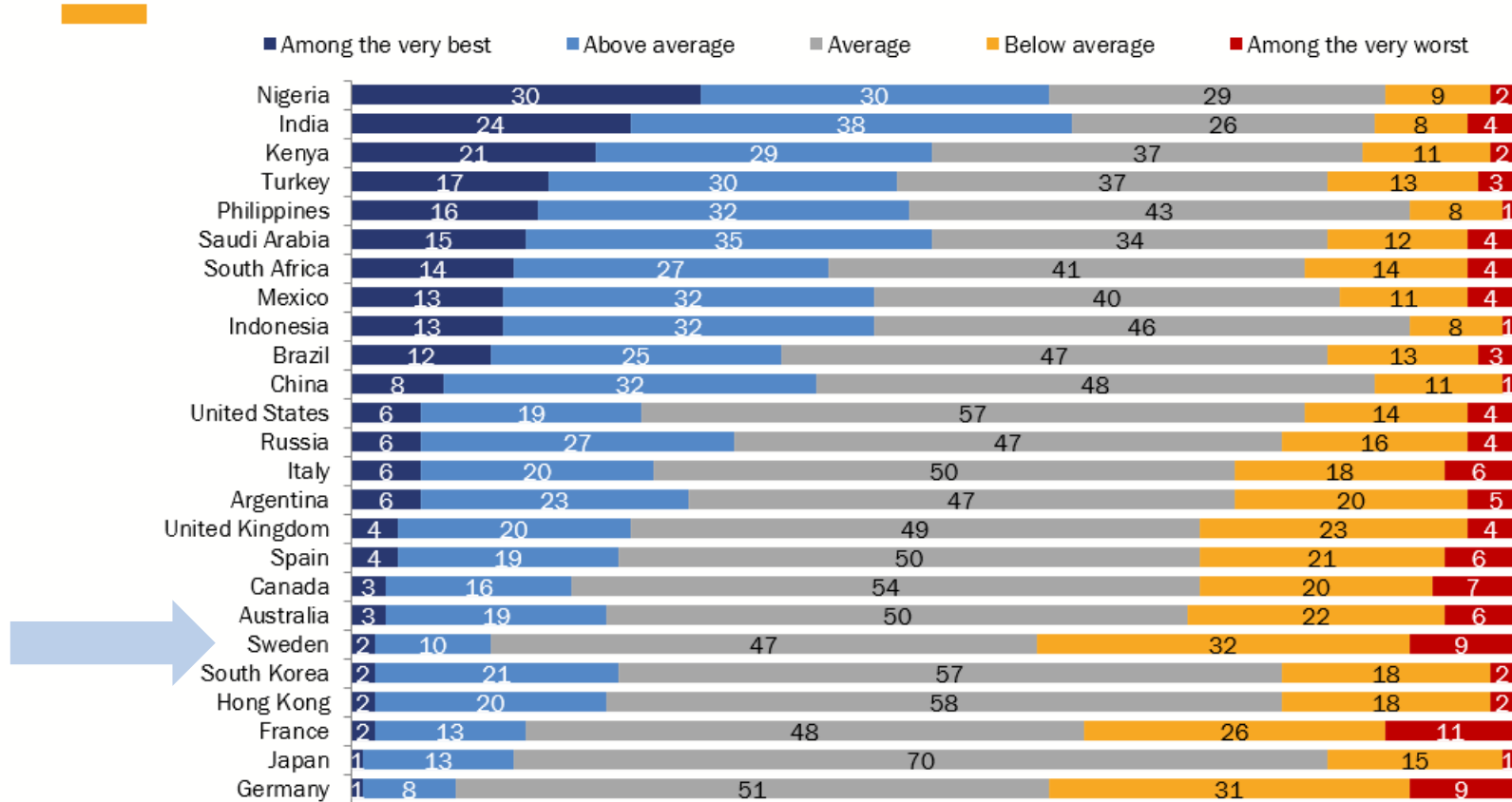


*"Among the very best" and "Above average" minus "Below average" and "Among the very worst"

T8. Please rate each of the following types of companies on how well they fulfil their responsibilities to society compared to other types of companies.

And especially in Sweden

Performance of Sectors in Fulfilling their Responsibilities to Society, by Country, 2019

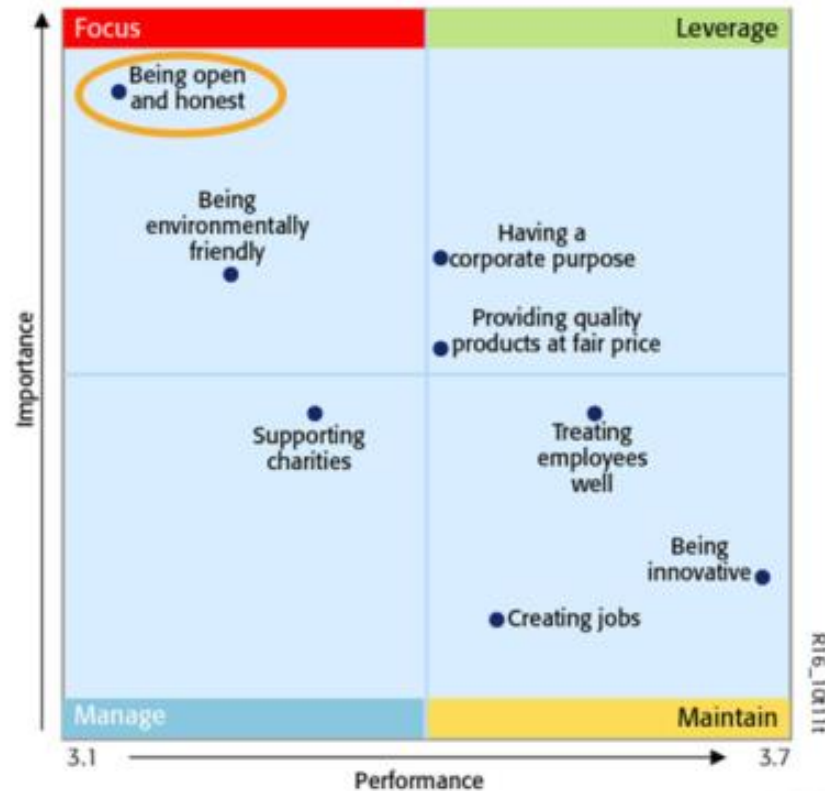


Transparency builds trust



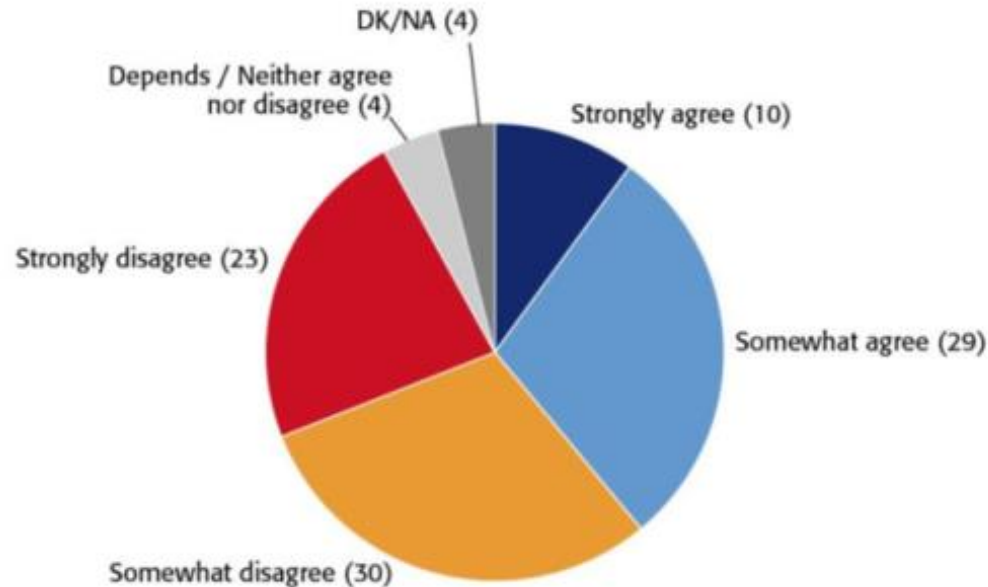
Drivers Analysis: All Companies

Performance vs Importance, 2016



But consumers question the reliability of information shared

Companies Communicate Honestly about Social/Environmental Performance
Average of 10 Countries, 2016



Technology is making radical transparency possible

NEWS >

Alibaba launches blockchain technology to improve supply chain integrity and enhance trust in platform



ДОДО ПИЦЦА



The Case for Transparency – An Opportunity for Brands

- 1 Transparency helps address ethical concerns:** Consumers have negative views of the apparel sector. If information isn't there then the assumption will be there is something to hide.
- 2 Proactive transparency builds trust:** There is a proven link between perceptions that a brand is open and honest with trust in the brand. Transparency helps reduce risks to reputation and gives opportunities to build trust.
- 3 Shoppers need trusted guides:** Consumers don't trust brands' claims but their lives are busy and they often need to make decisions and purchases quickly. Therefore, there is a big opportunity for labelling that is understood and trusted.
- 4 Technology is transforming transparency into a brand asset:** Rather than being onerous, transparency is becoming an area where leaders can put a flag in the ground and show what their brand stands for.

A photograph of a woman in a blue shirt working at a sewing machine in a factory. The machine is a JUKI model with a Brother logo. In the background, other workers and stacks of fabric are visible. A semi-transparent white box with a light blue border is centered over the image, containing the title text.

How to Build Trust through Transparency? ‘Must Haves’

Consumers increasingly demand all the facts to be available

Expectations of Companies

Companies "Held Responsible for," Net Expectations,* Average of 15 Countries,** 2017



R17_9_net

Case Study Examples: Easy deep-dive

What's Inside SCJ – was developed in response to growing demands from consumers and NGOs to disclose its ingredients.

<http://www.whatsinsidescjohnson.com/gb/en>



Language used needs to be simple and consumer-friendly

SUSTAINABILITY

Three factors making the S concept less emotionally appealing and engaging:

- ☒ Linked to long-term action (no quick payback / benefit)
- ☒ Needs to involve large groups of people in order to have an impact
- ☒ Implies responsibility / guilt

Findings from GlobeScan Qualitative Research across 6 Markets, 2016

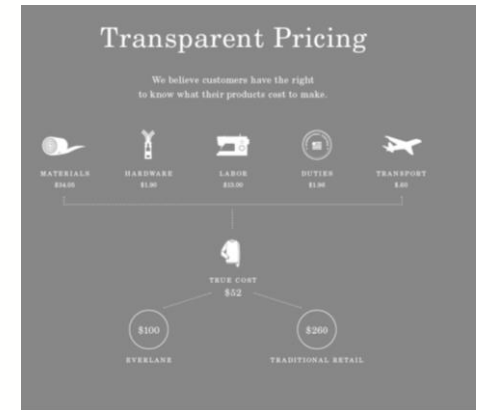
Case Study Example: Simple, consumer-friendly style

Fashion house Everlane has made radical transparency an essential part of its brand promise, providing detailed information and costs on every step of its manufacturing process and inviting customers to “know your factories, know your costs and always ask why.”

Language and visual style make the detail accessible to all, telling the product story without complex language or concepts.

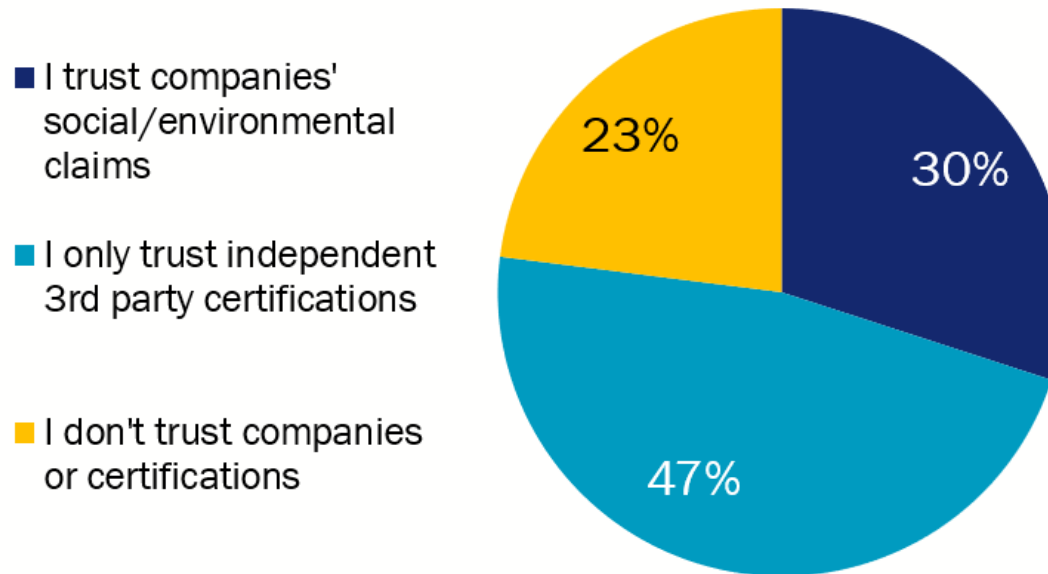


EVERLANE



Consumers value independent certification highly

Trust in Social/Environmental Claims, UK and USA, 2019



Brands need to clearly convey the ‘WHY’ behind their actions

*“They should always relate it to their brand...not as something temporary. It **has to be something linked to the brand itself.**” Spanish Consumer (Focus Groups 2016)*

*“Marketing will no longer be the department that puts lipstick on the gorilla. It needs to be about truth well told.”
Steven Althuas, Global Director of Brand, BMW*

Guidelines for Transparency that Builds Trust

- 1 Use clear, consumer-friendly language and simple data:** Industry speak and technical terms create distance for consumers. Share data that's easy to understand and adds up to real impact
- 2 Make it easy to access full information:** Consumers want to know the detail is there, even if they aren't likely to read the detail
- 3 Leverage the value of independent marks / partners:** Brands' sustainability information is often distrusted, but consumers place high value in independent marks and partnerships with non-profits
- 4 Explain the 'why':** Transparency is often disconnected from the brand, making it seem marginal and inauthentic. Clearly articulating the 'why' behind sustainability actions is vital for credibility

A woman with long brown hair, wearing a yellow cable-knit sweater and dark jeans, is sitting on a blue couch. She is using a silver laptop on her lap and drinking from a clear straw. The background is a modern living room with a yellow armchair and a white fireplace.

How to Take Transparency to the Next Level?

Link sustainability to personal benefits and impact

Personal benefits connected to sustainability

Financial benefits:

- Getting more value for money
- Saving money
- Discounts

Functional benefits:

- Performance / efficacy
- Design
- Quality and safety
- Generally making life easier (less hassle, less time)

Emotional benefits:

- Excitement / “new”
- Personal feel of wellbeing
- Self-esteem
- Generally making life better

Societal benefits:

- Bonding
- Sense of community / belonging
- Sense of giving back / sharing

Findings from GlobeScan Qualitative Research across 6 Markets, 2016

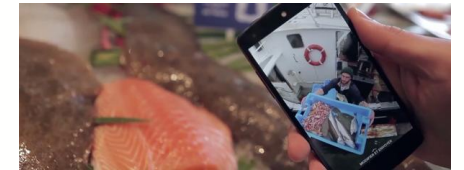
Take a more creative approach to storytelling around transparency

Taking consumers behind the curtain

Human / emotional storytelling

Building engagement in-store communications.

Findings from GlobeScan Qualitative Research across 6 Markets, 2016



Demonstrate progress, impact and intent

*“Put the facts out there...a **visual effect that shows what your little purchase** is doing to the environment” US Consumer (Focus Groups 2016)*

“It’s not just a word on a box. [For example].....we planted two new trees ...

*You know, just **something to put it into perspective for every individual.**” German Consumer (Focus Groups 2016)*

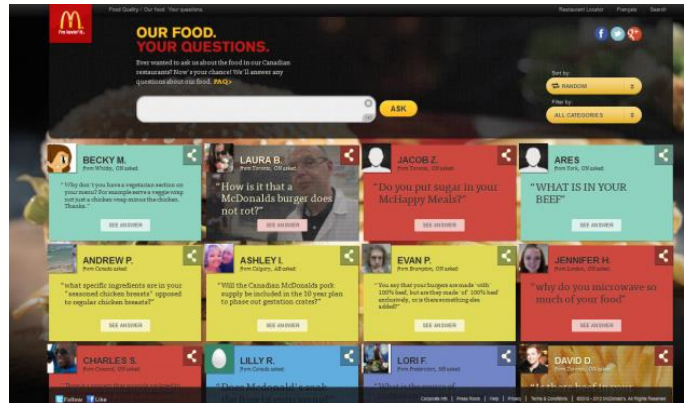
*“It is more believable **when you see the progression that they have a plan to go to**, not just “we’re gonna do it”. This is giving a timeline, kind of.” US Consumer (Focus Groups 2016)*

Be open and create dialogue

“People want a genuine connection with the brands in their lives. They want brands to move from an ‘us and them’ society to a ‘we’ society. Looking forward, that’s not going to change.”

Scott Novak, Senior Vice President of Communications Time Inc.

Case Study: Inviting dialogue



Guidelines for Transparency that Truly Engages

- 1 **Convey personal benefits:** Aligning the brand's good actions with benefits to consumers is highly motivating
- 2 **Demonstrate progress, intent and impact:** Consumers are happy to see brands are on a journey and perfection is not expected.
- 3 **Be creative and take consumers 'behind the curtain':** Consumers want to see positive human stories incorporated and the product journey brought to life through creative storytelling
- 4 **Openness and dialogue:** There is real value in building a community and connecting with people – communication does not need to be one-way

THANK YOU

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