

Trust in Global Companies

A GlobeScan Public Opinion eBrief

February 2016

Why Trust?

Trust is the foundation for all social, economic and emotional transactions. Yet trust in global companies “to operate in the best interests of our society” is both low and volatile, especially following the financial crisis. Consequently, companies must meaningfully and transparently engage with their stakeholders to create the preconditions they need for societal and financial success in the long-term.

The benefits of trust can be broken down into three types of equity: brand equity (sales, consumer loyalty, etc.), talent equity (ability to retain and attract highly motivated employees) and reputation equity (reduce risk from issues, be partners of choice among NGOs and government, and enjoy greater influence in public policy issues, etc.)

Tracking Trust

The following is a data driven summary of GlobeScan’s trust insights for important global markets.

Since 2001, GlobeScan’s international public opinion research has tracked the responses of representative samples of approximately 1,000 people in 20-plus countries to the following question:

Please tell me how much you trust each of the following institutions to operate in the best interest of our society. Would you say you have a lot of trust, some trust, not much trust, or no trust at all in: Large [NATIONAL] companies; Global companies operating in [COUNTRY]; Non-governmental organizations such as environmental and social advocacy groups; Press and media; Scientific and academic research institutions; The United Nations; Trade or labor unions; Religious groups and churches.

Set within a survey exploring global concerns and issues, GlobeScan describes the resulting measure as “thick trust” or permissive trust (related to the social license to operate), as opposed to “thin” or transactional trust (related only to the customer/brand experience) measured by other surveys.



Trust is a complex concept:
from compliance-supporting thin trust,
to opportunity-creating thick trust.



Thin trust

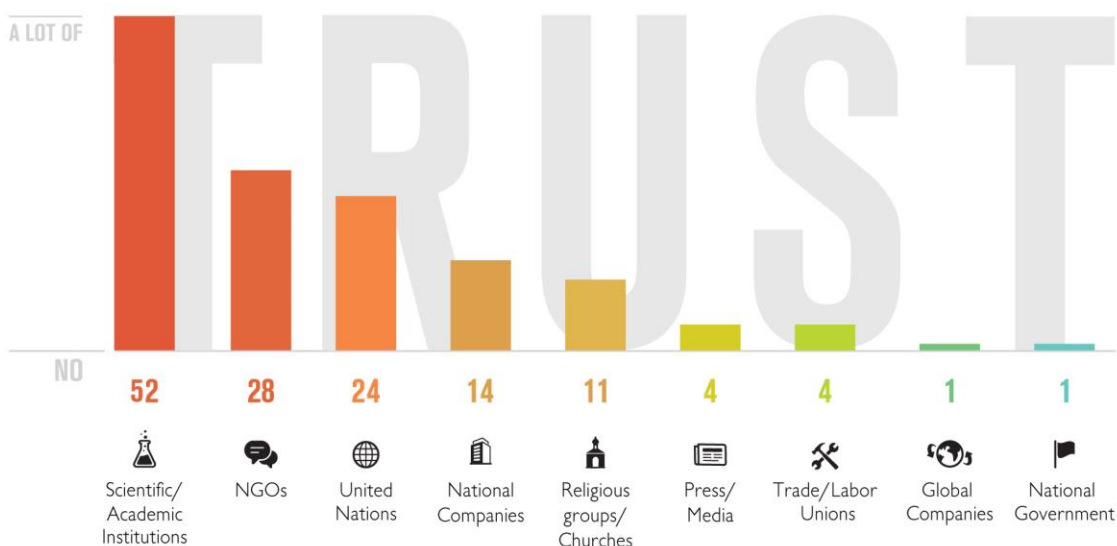


Thick trust - dynamic,
supportive stakeholder networks

GlobeScan compresses results into net scores, which are the sum of “a lot” and “some” trust, minus the sum of “not much” and “no trust at all.” These ratings are an indicator of how people react to both the behavior of institutions and the tone and content of their communications, as well as the extent to which these are aligned with each other.

Globally, trust in global companies is low with net trust at 1, meaning roughly equal numbers of consumers trust and distrust global companies. Along with national governments, global business is the least trusted of all institutions investigated. In contrast, scientific and academic institutions, followed by NGOs, possess the most trust capital. Yet trust varies by region, as different actors are seen to meet various societal needs to varying degrees in different markets.

Net Trust* in Institutions
Average of 22 Countries, 2015



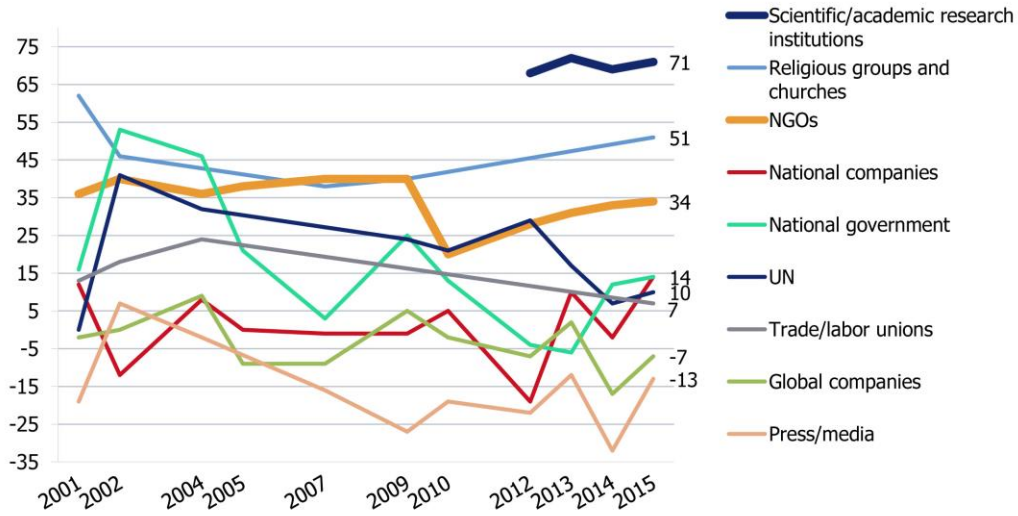
*A lot of trust” and “Some trust” minus “Not much trust” a “No trust at all”

Major Markets

Generally, trust in global companies is lower in Europe than it is in North America (-21 and -1 respectively), with people in the latter also being more trusting of their national governments. Trust in companies varies less among the USA, Australia, Canada, France, Germany and the UK, and is not far off the global average. Canadians and Germans are most trusting (nets of 5 and 1), with the others clustering together as a somewhat less trusting group (-10 to -7).

Net Trust* in Institutions

All Respondents, USA, 2001–2015**



**A lot of trust” and “Some trust” minus “Not much trust” and “No Trust at all”

**Two or more data points missing for UN, Religious groups and churches, and Trade/labor unions. One data point missing for Press/media.

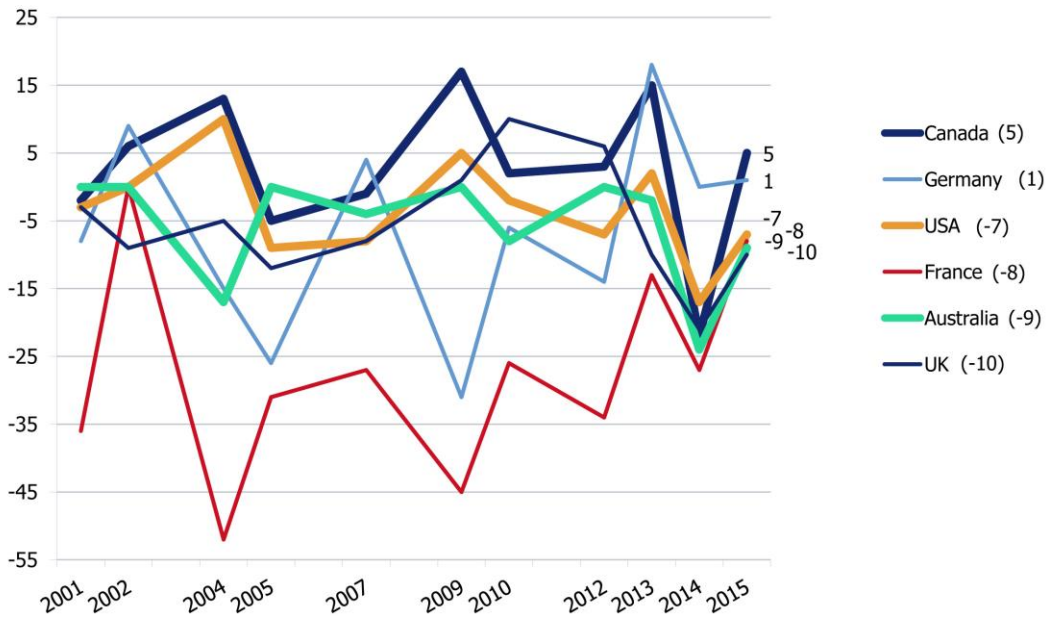
Q3bt_bt. Please tell me how much you trust each of the following institutions to operate in the best interest of our society.

Yet data from all six of these countries demonstrate how fragile trust can be; two consecutive years of movement in the same direction have been rare. Despite a good deal of well-intentioned consumer engagement by business, it seems the ability to sustain efforts at scale has been limited. Entirely new approaches to doing business may be needed to build lasting trust. Among developed markets, North America may represent the more fertile testing ground.

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Net Trust* in Global Companies

All Respondents, by Country, 2001–2015



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

Q3bt_ct. Please tell me how much you trust each of the following institutions to operate in the best interest of our society – Global companies operating in [COUNTRY]

Net Trust* in Institutions

All Respondents, by Country, 2015

	Scientific/academic research institutions	NGOs	UN	Religious groups and churches	Trade/labor unions	Global companies	National companies	Press/media	National government
Australia	80	42	53	2	-4	-9	34	-17	30
Canada	82	40	50	13	23	5	34	17	33
France	82	48	22	-33	-20	-8	21	-18	-46
Germany	52	30	18	7	16	1	26	4	25
UK	78	48	51	7	14	-10	23	-33	5
USA	71	34	10	51	7	-7	15	-13	14

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

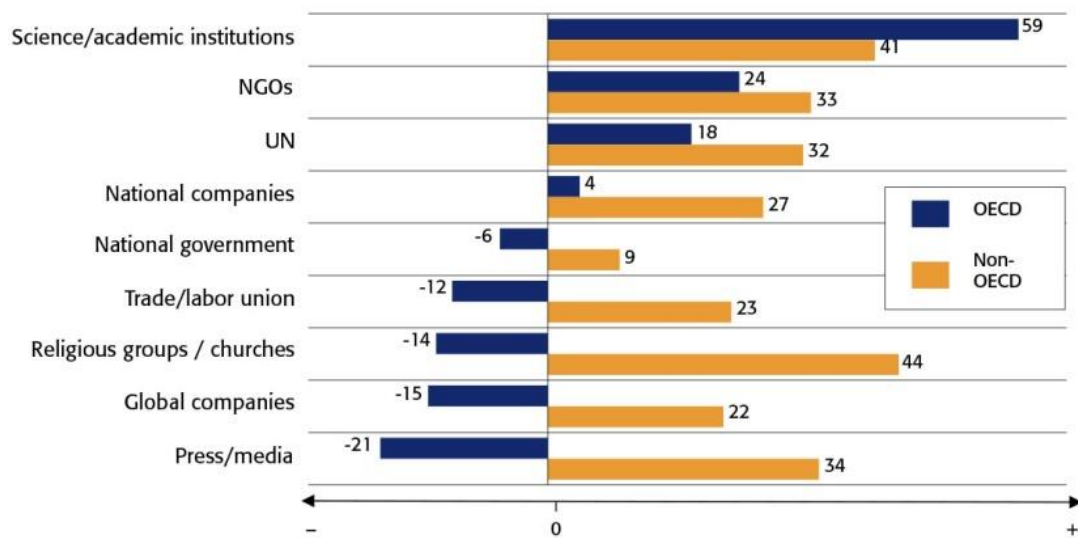
Q3bt. Please tell me how much you trust each of the following institutions to operate in the best interest of our society.

OECD and Non-OECD Countries

The trust landscape is quite different when comparing OECD countries vs others. People in non-OECD countries are much more likely to trust business to operate in the best interest of society than those within the OECD (+22 vs -15). While this dynamic is not at all unique to global companies, they may be seen as more capable than governments to solve acute challenges in developing markets that crave social and economic innovation. Herein lies the real opportunity for progressive companies.

Trust in Institutions

Net Trust,* OECD vs Non-OECD Countries,** 2015



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

R15_3_OECD_net

**OECD countries include Australia, Canada, Chile, France, Germany, Greece, Mexico, South Korea, Spain, Turkey, UK, and USA; non-OECD countries include Argentina, Brazil, China, Ghana, India, Indonesia, Kenya, Nigeria, Pakistan, and Peru. Not all countries were asked in all years.

Top Implications

As a consequence of the current state of trust, the implications for large companies are multi-faceted:

- | **A Time for Partnership and Collaboration:** given the low levels of trust in business, it is critical that companies work to build alliances, partnerships and collaborations with the most trusted institutions in society, especially scientific/academic institutions and NGOs;
- | **Public-Private Partnerships May Not Be Sufficient:** Given the equally low levels of trust in government, the older model of public-private partnerships will not suffice going forward on major societal issues;
- | **Local is Trusted:** There is a large gap between trust in national companies and trust in global companies and previous GlobeScan research has indicated this has more to do with a commitment to the local market than necessarily being a global enterprise – work to be relevant locally and continue to demonstrate a commitment to national and community aspirations wherever it operates;
- | **Less Need to Be Ginger in Emerging Markets:** Trust levels are significantly higher in Asia and Africa and companies can generally feel more confident in traditional communications strategies in these markets directly with consumers, given higher levels of trust.

About GlobeScan

GlobeScan is an evidence-led strategy consultancy focused on stakeholder intelligence and engagement.

Offering a suite of specialist research and advisory services, GlobeScan partners with clients to meet strategic objectives across reputation, sustainability and purpose.

GlobeScan's overarching purpose is to help our clients redefine what it means to be in business.

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 GlobeScan Stakeholder Intelligence and Engagement: central to our three specialist practice areas.

