



Brands and Consumer Trust

Europanel, London

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A study commissioned by brand associations in Europe

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I. Executive Summary

Brand associations in Europe and AIM (the European Brands Association) commissioned a major multi-phase study to better understand consumer trust in relation to brands in the FMCG industry, co-ordinated by the British Brands Group. This involved how consumer trust is won, how it is sustained and the implications for consumers, companies and the wider economy. The study comprises several stages covering desk research, original research and economic & policy analysis.

This report covers the second, original research stage and is based on two sources of data:

- Consumer purchasing behaviour using continuous household panels belonging to GfK and Kantar Worldpanel
- Consumer attitudes obtained from specific surveys

The focus of the study is on 9 European countries – Denmark, France, Germany, Italy, Netherlands, Norway, Spain, Sweden and the UK. The consumer surveys were conducted in these 9 countries in January 2015 and the results linked to current and historical household panel data in the 9 countries plus another 7 countries in the behavioural dataset.

The objectives of this stage are to identify:

- If Trust matters
- Who is trusted?
- How to drive and maintain trust?

1. Does Trust Matter?

From consumer buying behaviour, the key driver of brand share size and growth is getting more category buyers (penetration). It is not due to how often a brand is bought or how loyal its buyers are. So, how is trust linked to this?

Taking the results of the consumer survey which focused on the top 3 share brands in 30 categories per country, brands were split into 3 equally-sized groups in each country – the most trusted (Tier 1), the middle group (Tier 2) and the least trusted (Tier 3). Please keep in mind that even the Tier 3 brands are likely to enjoy comparably high levels of trust (as indicated by their market position), but are the least trusted tier within our sampled brands. Comparing these groups with each other showed that the most trusted (Tier 1) brands are:

- **Bigger:** twice as many category buyers as the Tier 3 brands
- **Growing:** 1 percentage point of share gained per year over the last 4 years compared with share reductions for Tier 2 and 3 brands
- **Gain advocacy:** 1 in 3 consumers would recommend the most trusted brands to others, twice as much recommendation as for the Tier 3 brands
- **Less price sensitive:** 1 in 6 consumers are prepared to pay a higher price for these brands than for other brands, more than twice the level compared with the Tier 3 brands
- **Not cheap or too pricey:** the price level for the Tier 1 brands is the same as for the Tier 3 ones but they are much less likely to be cheap or super-premium

Yes, trust matters!

2. Who is Trusted?

Naturally there are brands and sectors that exhibit higher trust levels than others:

- **Food:** we have more trust in what we eat than in what we give to our pets. The most trusted brands are much more likely to be Food brands than other types of category whilst Petfood brands are much less likely to have high levels of consumer trust
- **Big brands:** the most trusted brands have twice as many category buyers as the less trusted brands in Tier 3
- **Pan-European brands:** brands which are ranked in the top 3 in more than three markets surveyed are much more likely to be in the top trusted tier than brands which are only sold in one country; presence in many markets could create trust, but it could also be that the trust they have earned makes them attractive for consumers in many markets

However, trust in brands

- **Differs:** few brands are universally trusted and many brands can have high trust in one country/category and not in another country/category
- **Depends on context:** for example, more likely to be in indulgence brands in the UK, local brands in Italy and cleaning brands in Sweden
- **Is not related to price:** Both high-priced and low-priced brands can garner high levels of consumer trust although being cheap or super-premium makes this less likely.

- Is **not related to PL share**: Trusted brands are equally likely to be found in categories with high PL shares as in categories with low PL shares.

3. How to drive and maintain trust

To understand this, the project considered a number of attitudinal and behavioural relationships – marketing activity, reputation, functional performance and emotional resonance.

- **Marketing activity**: perception as an innovator creates the most trust; this is more important than social media presence or advertising perception. These effects are confirmed by purchasing behaviour, which also shows the importance of innovation activity. Perceived promotional activity, on the other hand, has no impact on trust and actual levels of promotion are related negatively to trust: It seems, and this is in line with the desk research, that brands relying too much on price discounting to move their product, may undermine the credibility of their offering.
- **Reputation**: being a brand with a reputation for being ‘current’ (modern, for today) is most related to trust. Being a brand with a heritage/history comes next whilst being either local or global has the least impact.
- **Function**: being of consistently good quality is highly relevant to trust whilst superior quality and value for money are important but less so
- **Emotion**: as with function, one attribute stands out and that is being ‘prestigious’ more than being ‘fun’ or ‘exciting’ as a brand.

In **summary**, attracting more buyers and building trust is a ‘virtuous circle’. So what is the best recipe for driving this circle into growth?

As described in the ‘who is trusted’ section above, the recipe will depend on context – who you are, where you are and your starting point but possible avenues to drive trust include:

- **Driving quality reputation**: the perception of being a brand with consistently good quality is one of the strongest drivers of brand trust
- **Being loud**: a perception of being active with respect to advertising and social media (especially in Foods) is linked to more trust
- **Re-inventing yourself**: driving more and better innovation is confirmed as a major factor to increase consumer trust – both in terms of innovation perception as well as actual innovation activity

Developing an outstanding reputation based on consistent quality and being perceived as prestigious is the strongest driver although this may take time and may not work for every brand (given its price positioning). As an example of its potential, if improved reputation moved trust from a score of 4.7 to 5.0, this would bring 6.5% more buyers and increase share by 4.4%. Slightly lower share improvements could be delivered from being loud and from innovation. Overall, trust delivers a significant 'size of the prize'.

II. Study Background and Objectives

Brand associations in Europe and AIM (the European Brands Association) commissioned a major multi-phase study to better understand consumer trust in relation to brands in the FMCG industry, co-ordinated by the British Brands Group. This involved how consumer trust is won, how it is sustained and the implications for consumers, companies and the wider economy. The study comprises several stages covering desk research, original research and economic & policy analysis. This report covers the second, original research stage and is based on two sources of data:

- data on actual consumer behaviour using continuous household panels belonging to GfK and Kantar Worldpanel;
- linked to consumer attitudes obtained from specific surveys.

The focus of the study is on 9 European countries – Denmark, France, Germany, Italy, Netherlands, Norway, Spain, Sweden and the UK. The consumer surveys were conducted in these 9 countries in January 2015 and the results linked to current and historical household panel data in the 9 countries plus another 7 countries in the behavioural dataset.

The objectives of this stage are to identify:

- If Trust matters
- Who is trusted
- How to foster and maintain trust

The framework for the study is based on the first stage of the project – the review of existing knowledge – and on statements and constructs validated in prior published work.

III. Panel and Survey Scope

1. Project Framework

The focus of this study is brand trust, how it is developed and what it delivers in terms of consumer behaviour and attitudes. While there are many definitions of the trust construct, we look at it from two different angles:

(A) In the consumer survey, respondents provide their level of agreement with two statements used in previous academic research:

1. Brand X is a brand I trust
2. Brand X delivers what it promises.

The average of the two ratings is used as an indication of the level of trust a brand commands and is linked with various drivers (marketing actions, consumer beliefs) and outcomes (willingness to pay, willingness to recommend). In addition, we look at context factors like category type, category PL share, or country.

(B) In the panel-based part of the report, we are focusing on likely consequences of brand trust, that is brand penetration (the percentage of category buyers choosing the brand) and brand growth. Both of these outcomes are likely to be related to the level of trust a brand commands.

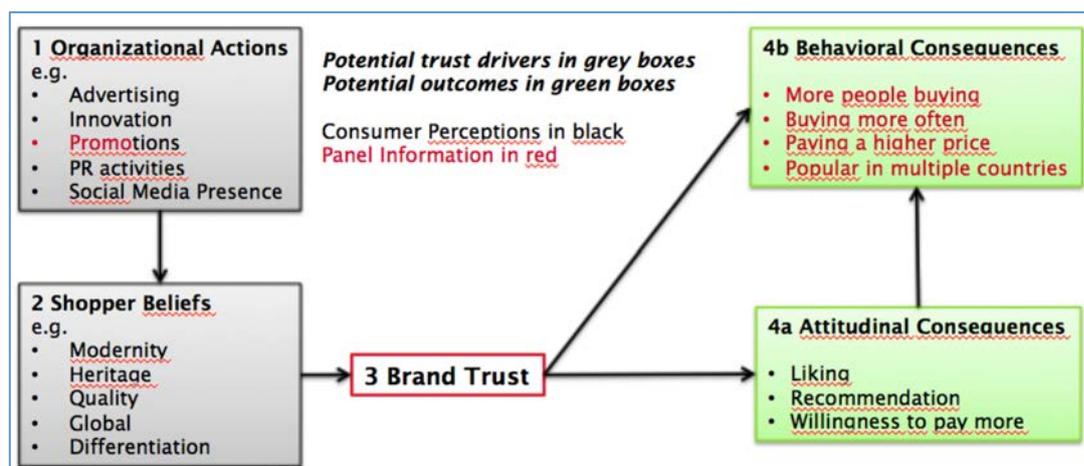


Exhibit 1: Research Framework (Exemplary Drivers and Outcomes)

2. The Survey

The attitudinal surveys were conducted online in January 2015 in 9 Western European countries – Denmark, France, Germany, Italy, Netherlands, Norway, Spain, Sweden and the UK. In each country the top 3 manufacturer brands in 30 different categories were covered subject to each brand having a buyer base of at least 2% of the category buyers. The reason for this restriction was the cost of trying to find respondents who knew these small brands. In total, 757 brands were measured.

The categories themselves were selected to represent a range of attributes - Foods, Beverages, Household Care, Personal Care, different purchase frequencies and different levels of Private Label share. The top 3 brands were selected based on volume rankings in the household panel data in 2013.

The surveys were based on a representative sample of main household buyers and were designed to yield a minimum of 50 respondents per brand. Respondents had to be both a recent buyer in the category and to know all 3 brands. Each respondent answered the survey for one category only and in total, the sample across the nine countries contained 13,900 respondents.

The structure of the survey was designed to measure attitudes to the category, attitudes to the focal brands and general consumer traits and attitudes. The survey details, statements and references can be found in **Appendix 1**, but in summary the survey measured the following attitudes and perceptions towards a brand:

Brand Activities

- Perceived Advertising Intensity
- Perceived Innovation activity
- Perceived Usage of Price promotions
- Social Media Activity

Benefits provided

Functional benefits

- Product superiority
- Consistent quality
- Value for Money

Emotional benefits

- Fun
- Excitement
- Prestige

Brand Positioning Aspects

- Heritage
- Currency/Modernity
- Global Presence
- Local icon

Outcomes

- Brand loyalty
- Self-brand connection
- Trust
- Willingness to pay more
- Willingness to recommend

The 30 categories surveyed were the same for each country – however, in case panel data was not available for a certain category a replacement category was chosen. **Appendix 2** shows the categories surveyed by country

3. Household Panel

The household panel data have been sourced from GfK and Kantar Worldpanel in the 9 focal countries for this study - Denmark, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, UK – and in 7 other countries – Austria, Belgium, Hungary, Poland, Portugal, Russia, USA. In total the sample includes some 500,000 nationally representative households.

The dataset includes:

- Up to 79 categories representing Foods, Beverages, Household Care and Personal Care. Whilst generally consistent across countries, there are fewer categories in cases

where a category is not measured locally. The categories measured in the survey are all included in the panel dataset.

- For each category, the dataset includes the total category, the top 10 Brands by volume in 2013 and Private Label (in total across retailers). 'Brand' is defined at the total level such as Coca Cola rather than Coke Lite.
- In total, nearly 10,000 brands are included in the panel dataset.
- 4 years of annual data from 2010 to 2013.
- Panel metrics include:
 - purchasing value, purchasing volume, price paid
 - penetration, buying frequency, loyalty
 - number of SKUs
 - promotions (% of purchases on promotion, average price reduction, number of weeks), retail distribution
 - number of new products split into innovations (new brand or sub-brand) and renovations (new size, flavour)
 - value of new products split into innovations and renovations.

IV. Trusted Brands from a Behavioural Perspective

The analyses in this section are based on the FMCG purchasing behavior of nationally representative samples of households in Norway, Sweden, Denmark, Germany, Poland, Hungary, Russia, UK, France, Netherlands, Belgium, Austria, Italy, Spain, Portugal and the USA. The total sample covers some 500,000 households. These samples are part of the panel operations of both GfK and Kantar Worldpanel. The scope includes 79 product categories and focuses on the top 10 national brands (based on volume share) and Private Label (aggregated across retailers). The time period covered spans 2010-2013 and the number of brands under investigation reaches almost 10,000. We focus on two types of brands: Brands with many buyers and brands that grow.

1. Big Brands and their Characteristics

Many Buyers? One indication of trust is that many category buyers buy the brand. In this respect, only 30 brands, out of the 10,000 in this study, are purchased by more than 80% of category buyers in a country. These brands include Always, Ajax, Barilla, Bonduelle, Coca Cola, Danone, Develey, Galbani, Gillette, Kaergarden, Knorr, Milda, Mills, Nesquik, Nutella, Oboy, Philadelphia, Royal Club, Schweppes, Smor, Toro, Walkers, and Zott.

BRANDS PURCHASED „EVERYWHERE“ THESE BRANDS ARE MARKET LEADERS IN A MAJORITY OF MARKETS			
Food	Beverage	Personal Care	Pet Food
			
			
			
			
			
			

Exhibit 2: Brands that are #1 in their category in more than 50% of all countries surveyed

Number 1? A second indication of trust is being Number 1 brand in many countries. In this case only 15 brands are the number one brand in their category for more than half the countries studied – the brands in this ‘club’ are shown below. At the other end of the scale, there are 3 categories (Beer, Cooking Oil and Hard Cheese), where there is a different Number 1 in every country.

Brand Loyalty? It might be assumed that trust is also strongly related to brand loyalty (which measures the average percentage of spend going to the brand of total category spend, for all households purchasing the brand). However, high loyalty is hard to attain in frequently purchased categories because the opportunity to switch is much higher. In fact, average brand loyalties drop massively as purchase frequency increases:

- 50% in categories that are bought less than 5 times a year
- 30% in categories that are bought more than 5 to 10 times a year
- 20% in categories that are bought more than 10 times a year

So brand loyalty is on average much more strongly explained by category purchase frequency than to the levels of trust a brand commands. Still, some brands can attain high loyalty even in frequently bought categories: Coca Cola, many Petfood brands, several large water, coffee and margarine brands provide such examples.

Characteristics? As described above and shown below, there are few dominant brands. Just 2% of all brands surveyed have a volume market share of more than 40%, and less than 10% of brands command more than 20%. Most brands within the top ten of a typical FMCG category are small: 80% have a share of less than 10%. But what differentiates larger from smaller brands:

- Buyers drive share more than frequency: the highest share tier has 15 times more buyers than the lowest one – but its brands are bought only 1.7 times more often.
- Dominant brands are more active in launching new SKUs. This greater activity does not diminish, as brands get bigger.

CHARACTERISTICS OF BIG BRANDS: RARE, MORE PEOPLE BUY, MORE OFTEN, INNOVATE MORE

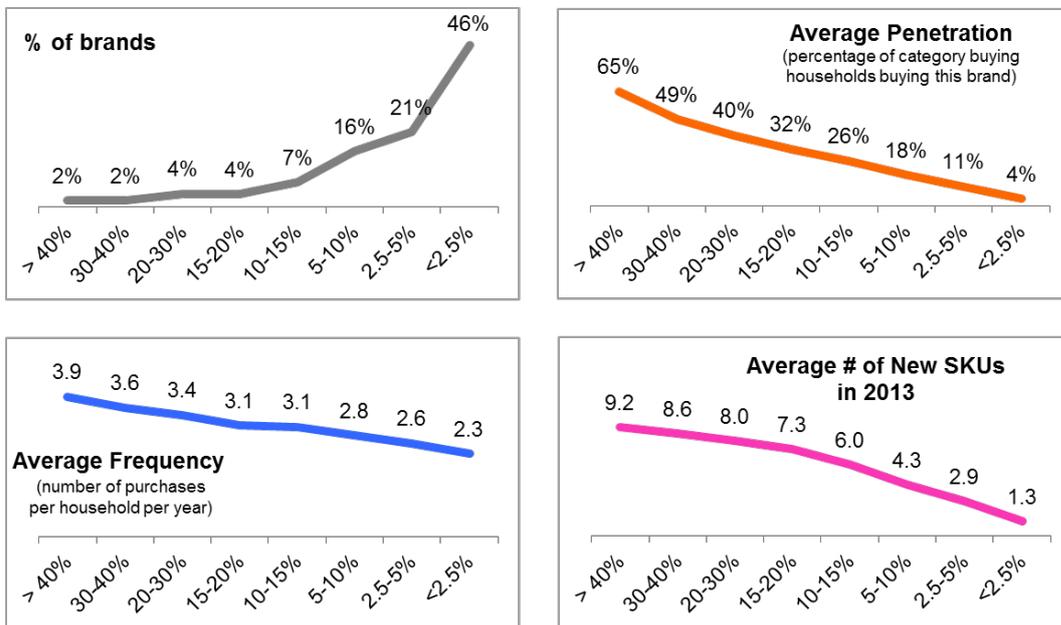


Exhibit 3: Characteristics of Big Brands: More penetration, slightly more often, more new

- For two other attributes higher levels for bigger brands are only true up to a point. Large brands have substantially more SKUs than small brands. But, once a brand reaches about 20% volume share, any extra share is the result of having more successful SKUs. And the same is true for retail distribution in that brands with a share over 10% tend to be as well distributed as brands with 30% share. Hence larger brands leverage their distribution much more effectively than smaller brands.

CHARACTERISTICS OF BIG BRANDS MORE SKUS, BETTER DISTRIBUTION

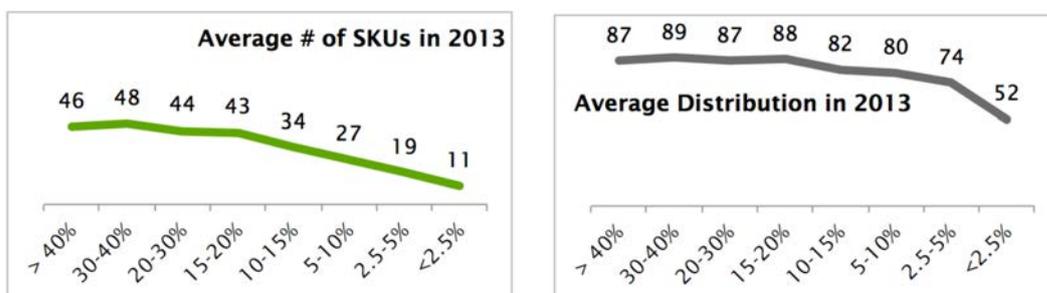


Exhibit 4: Return on range and distribution diminishes

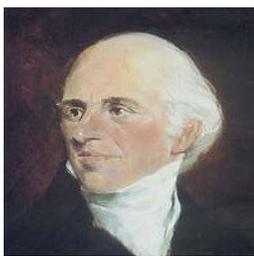
Schweppes - The world's first soft drink

“Schhh... release the Schhh in you” is one of the brand slogans of the oldest soft drink in the world and the schhh ... stands for the sound of the gas escaping as the bottle opens. Schweppes is the real pioneer of the fizz drink. In 1783 Jacob Scheppe, a Swiss amateur scientist, became the first person to master a process for creating carbonated water. Jacob Scheppe founded his company in Geneva but expanded to London seven years later where the first fizzy lemonade was introduced in 1831. Schweppes Indian Tonic Water became famous because of its popularity amongst British army officers in India. It is said that the tonic water was used as malaria prophylaxes because of its originally higher quinine content and was finally used for a mixture with gin. The gin and tonic was born.

Around 1900 Schweppes started to advertise more frequently. In the 1950s David Ogilvy decided to personalize Schweppes commercial campaigns and Commander Whitehead, a former veteran of World War II and the president of

Schweppes USA, starred as a tall and refined English bearded gentlemen promoting the “Schweppervescence” tonic water, which “lasts for the whole drink through”, for a variety of cocktail parties. The idea of presenting a credible brand endorser like Commander Whitehead and adding the association of masculinity to the brand worked out: Tonic water, not the most glamorous thing in the world, turned into a product that gentlemen all over the world wanted to buy. While the contribution of celebrity endorsers to a brand’s credibility and trust are highly dependent on the lifestyle, actions and resulting perception of this person, many brands rely on celebrity endorsers and quite a few have adopted “manly” endorsement to increase trust in their product (e.g. Old Spice, or Dos Equis).

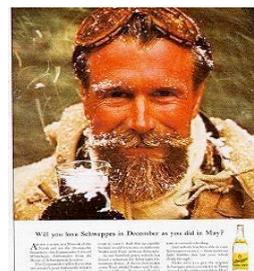
Today Schweppes is part of Cadbury Schweppes and competes in markets worldwide. It lately has broadened its product range to respond to changing and regional consumer preferences (e.g., Russchian, Tonic Water Zero, mixers).



Jacob Scheppe. The founder of the bubbles



Schweppes bottle No. 1



Commander Whitehead



Schweppes advertising



Schweppes Indian Tonic water



Schweppes premium mixers

2. Growing Brands and their Characteristics

What underlies brand growth? A key finding from the section above (Big Brands and their Characteristics) is that it is the number of buyers, which differentiates larger brands from smaller brands, and not how often each brand is bought.

This is also true of brand growth and decline – it is the result of gaining or losing buyers in the category and not because of changes in purchase frequency. This is shown below for over 8,000 brands in the 16 countries over the period 2010 to 2013:

- The brands with the largest absolute share growth increased their volume share by 2.4 percentage points per year. Their penetration (percentage of category buyers) increased by 2.8 percentage points whereas there was little change in how often these brands were bought.
- At the other end of the scale, the brands with the worst share record lost 2.4 share points per year and 2.7 percentage points of category penetration with little change in frequency. And similar aligned percentages apply in between.
- Hence our statement of a 1:1 relationship – although not strictly true because penetration changes are slightly greater than share changes.

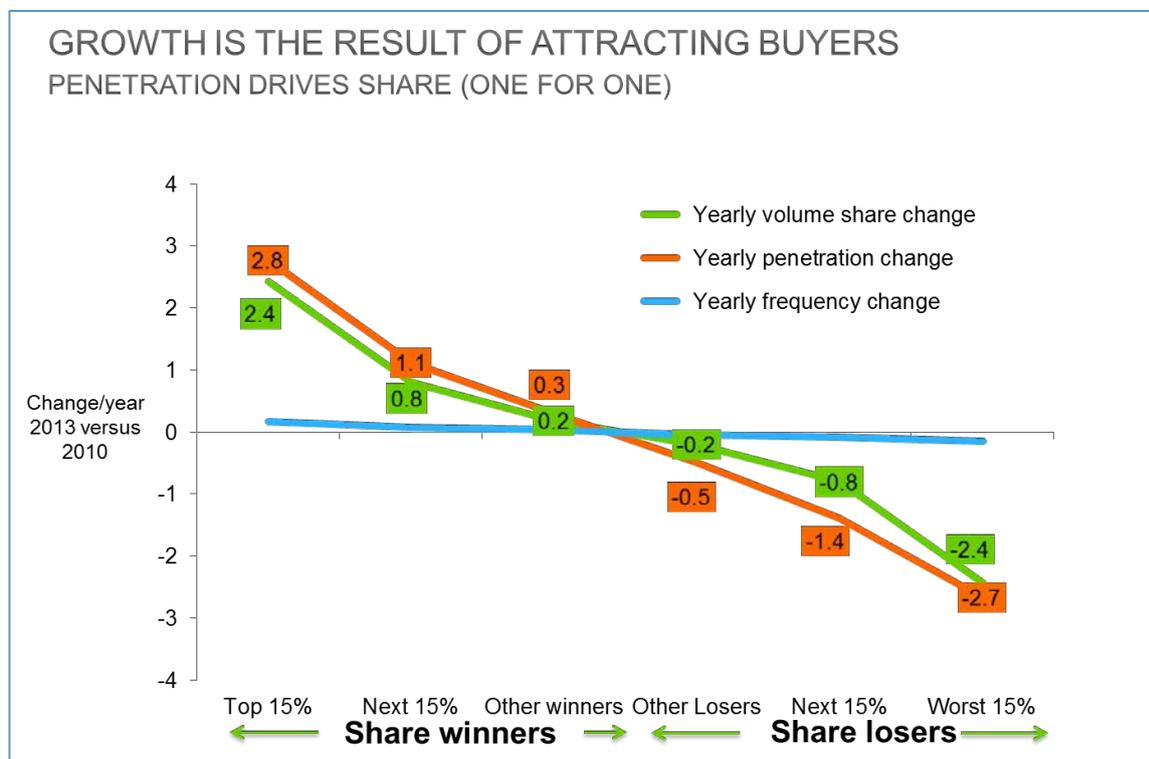


Exhibit 5: How share, penetration and frequency change relate

These patterns are true for every type of category and brand – it is the change in the number of buyers that determines brand share growth or decline.

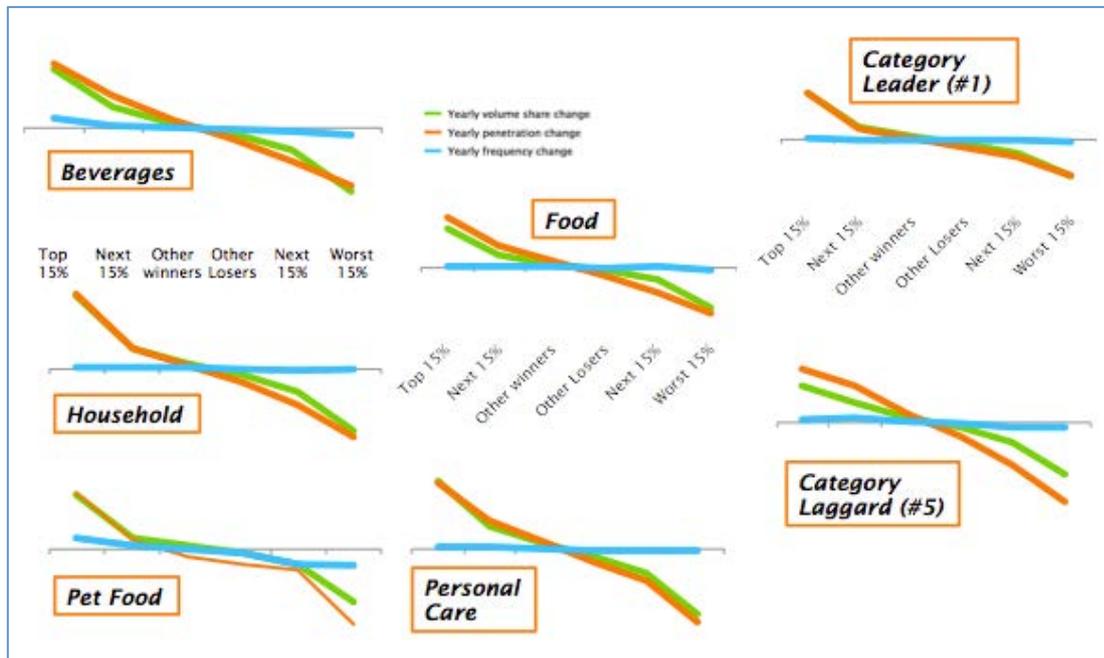


Exhibit 6: Share, penetration and frequency change for different brand types

How much change is there? The section above shows that where there is change, it results from changes in the number of buyers. But how easy or frequent is it for a brand to move up the rankings within a category?

Exhibit 7 below identifies how much change actually occurs within 4 years in terms of brand rankings in the 79 categories and 16 countries in this study. It shows relative stability and that it is rare for any sizeable shifts of position within category – for example 81% of the Number 1 brands in 2013 were Number 1 in 2010 and 12% were Number 2. In addition:

- Newcomers gaining top positions are rare – an indication that it takes time to build trust (and FMCG markets tend not to be highly disruptive)
- Being the share leader is a strong predictor of remaining in the lead – but it is not sufficient: 2% of all 2010 leaders dropped out of the top 3 in 4 years
- Being a low-ranked brand is a strong predictor of remaining there – but not a certain predictor: 10% of all non-top 3 brands in 2010 reached the top 3 in 2013
- These conclusions are equally true by category type – Foods, Beverages, Household and Personal Care

BRAND MOVEMENT 2010-2013

Large positional shifts are rare

2013 rank	2010 rank									
	NB1	NB2	NB3	NB4	NB5	NB6	NB7	NB8	NB9	NB10
NB1	81%	12%	4%	2%	1%	0%	0%	0%	0%	0%
NB2	13%	61%	16%	6%	2%	2%	2%	1%	0%	0%
NB3	4%	16%	46%	18%	8%	5%	4%	2%	3%	2%
NB4	1%	5%	18%	35%	18%	11%	8%	3%	4%	3%
NB5	0%	2%	7%	19%	29%	19%	10%	8%	7%	5%
NB6	0%	2%	4%	8%	18%	25%	17%	11%	12%	11%
NB7	0%	1%	2%	5%	10%	17%	23%	21%	15%	11%
NB8	0%	1%	2%	3%	6%	12%	17%	22%	18%	18%
NB9	0%	0%	1%	3%	4%	6%	12%	21%	21%	20%
NB10	0%	0%	1%	1%	3%	3%	8%	12%	19%	30%

Exhibit 7: Changes in brand rankings between 2010 and 2013

Finally in terms of the extent of brand share change, 46% of all brands were able to increase their volume share over the 4 year period up to 2013. There were similar percentages by type of category – Foods, Beverages, Household and Personal Care. The reason why less than half of all brands increased share is primarily due to continued increases in Retailer Private Label shares over the period.

DISTRIBUTION OF MARKET SHARE CHANGES 2010-2013



Exhibit 8: Market share shifts 2010-2013

The share change distribution looks remarkably similar in each of the major category groups – slightly more than 50% of brands show declining shares and some 10% were able to grow share by at least 1 percentage point per year.

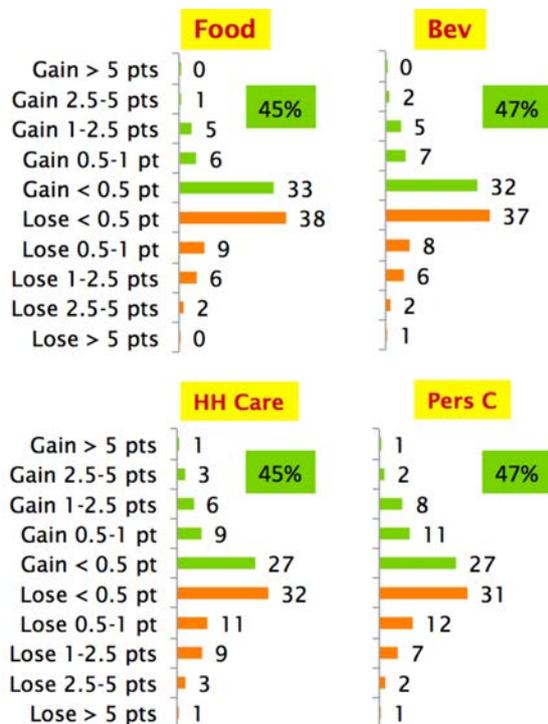


Exhibit 9: Market share shifts for category groups 2010-2013

Nurturing Trust? Whilst brand share growth goes hand-in-hand with getting more category buyers, what other behavioural factors are linked to share increases: pricing, innovation, retail distribution and promotion.

Firstly price: the analysis below ranks the share winners and losers amongst over 8,000 brands in 16 countries in 2013 compared with 2010. The brands that have gained the most share increased the price paid for their brand by just 1% over these 4 years whilst the brands that have lost the most share increased their price paid by 11%. This indicates a key influence from keener prices. It is important to note, however, that the relative price premium for the biggest winner group compared with Private Label was still at 74% in 2013. Hence their average premium versus PL is still almost identical to the premium versus PL of the non-winning brands.

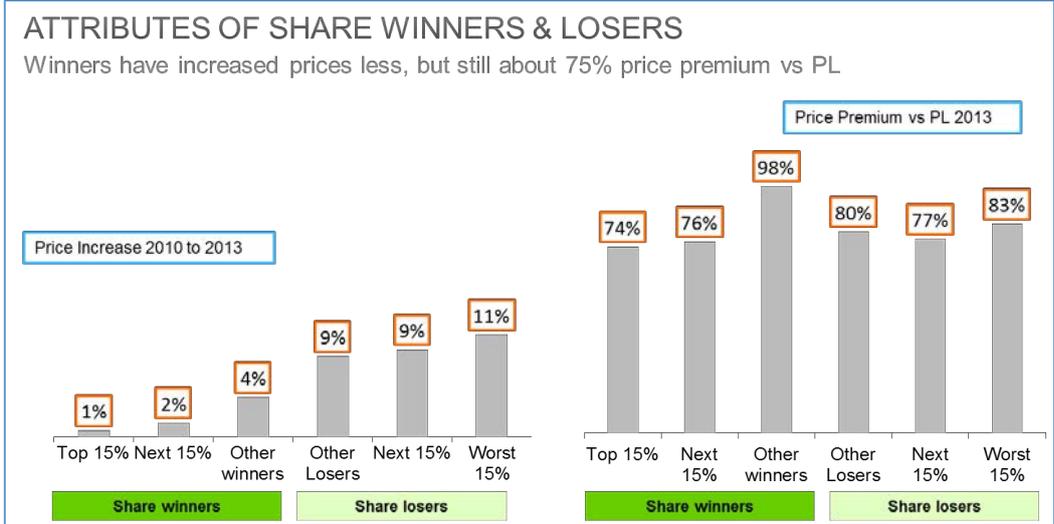


Exhibit 10: Price Changes and Levels relative to Private Labels for different growth tiers

Although the winners in terms of share have brought about greater price parity with their competitors in terms of price paid, they have significantly outperformed other brands on range and availability. The biggest share winners increased their numbers of SKUs by 30% over 4 years and gained slightly more distribution. In combination, their presence in front of consumers increased substantially over the period compared with competitors.

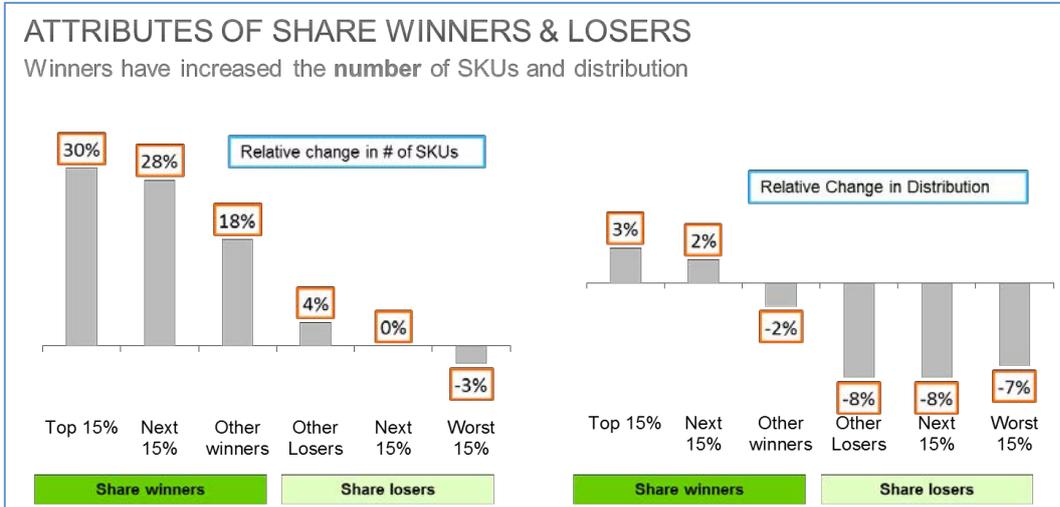


Exhibit 11: Range and Distribution Changes for different growth tiers

In addition to and probably part of their increased presence, the winning share brands were also more active in regard to innovation and promotion. A greater proportion of the winners launched new products and on average those launching also launched more new SKUs (not shown). They were also 13% more active in terms of promotion. However, it is important to

note that this activity only brought these winning brands into line with other brands on the level of promotion.



Exhibit 12: Innovation Activity and Promotion Changes for different growth tiers

In summary, these are key differences between brands growing share and brands losing share:

- Growing brands have increased their prices considerably less over the past few years. While their price relative to PL is still comparable to non-growing brands, the reluctance to increase prices may have helped during the economic crises in the past few years.
- Part of this lesser price increase is driven by more promotional activity: Growing brands have disproportionately increased promotion activities, and have now reached levels comparable to non-growing brands in terms of total brand sales. It is important to note that they are still not promoting more than the average brand in the marketplace (the increase came from a lower base) and that consumers over the past few years have been particularly price-sensitive with lower economic growth and less than stellar consumer confidence levels in most of Europe. Still, it may be interesting to track these brands over the next few years and see whether these short-term share gains may have come at the cost of reduced trust in the long run.
- They have managed to avoid range cuts and distribution cuts by retailers, most likely to create shelf space for Private Labels: Growing brands have increased their ranges and have not seen a decrease in distribution.

Chobani: A Greek yoghurt is the #1 selling brand in the US

The idea came from being disappointed with the flavor and content (too sugary and too watery) of yoghurt in the US. The founder of Chobani, Hamdi Ulukaya, moved to the US in 1994 and if he wanted yoghurt, he usually made it himself at home, because Ulukaya was used to the thick Greek-style yoghurt. One day in 2005 Ulukaya saw an ad for an old yoghurt factory that Kraft wanted to sell. Ulukaya financed the purchase without reliance on external investors, but through bank loans and reinvested profits from his other company Euphrates, a feta cheese company. According to Ulukaya, the sole owner of Chobani, this financing strategy was the key success of his company: having the freedom to run the company according to his agenda without external pressure.

After the purchase, Ulukaya immediately hired a master yoghurt maker from Turkey and they spent about two years to tinker with the perfect recipe. Chobani started selling in mainstream grocery stores rather than in specialty stores and typically placed in the dairy aisle along with all other existing yoghurt brands. The price of Chobani (\$1.50 per cup) was higher than for traditional American yoghurts but lower than European-style yoghurt. Already in

2009 Chobani was the best selling yoghurt brand in the US.

However, the brand has also been facing difficulties: Chobani incensed the entire scientific community with its marketing phrase “Nature got us to 100 calories, not scientists.” As a consequence, researchers used the brand’s hashtag to point out online how many of Chobani’s yoghurts have indeed been developed using science. Chobani has discontinued their #HowMatters campaign and apologized for the “tongue-in-cheek” statement.

This was not the only time that the company’s all-natural claims did get them in trouble. The brand has experienced severe pushback from consumers and retailers alike because its yoghurts supposedly was made of milk from cows that feed on GMOs, an absolute no-go for some consumer segments and retailers like Whole Food. There seems to be some work to do if Chobani wants to reclaim the trust of all consumers.

Still, the Chobani success story remains impressive: It expanded to Australia, Canada and Europe and the 2015 edition of the IRI Pacesetters reported Chobani’s Simply 100 on top of its new Food list.



V. Trusted Brands from a Consumer Perspective

1. Research Framework

For the purpose of this study brand trust was measured using two items previously established in the scientific marketing literature (Chaudhuri and Holbrook 2001, Erdem and Swait 2004).

- *Brand X* is a brand I trust
- *Brand X* delivers what it promises.

Respondents had to indicate their agreement with these statements on a seven point scale ranging from 1 (very strongly disagree) to 7 (very strongly agree). Ratings for the two items were averaged to arrive at the final trust score. Across all brands and countries the average score was 4.67, indicating that the sampled brands tend to enjoy trust rather than distrust.

Appendix 2 shows the categories surveyed in each market.

2. Trust leaders across Europe

Given the sampling procedure for this study (top 3 brands in volume sales by category) and the variations in categories surveyed by country, cross-country comparisons must be interpreted with some caution. Certain brands may enjoy very high levels of trust in all markets, but may not have qualified for our sample, others may enjoy lower or higher levels of trust in markets where they did not qualify compared to their trust in markets where information has been collected. Nonetheless, this chapter discusses some examples of trusted brands across many countries in Europe and examples of brands, which have attained strong positions in specific markets only.

A noteworthy finding is the distribution of trust scores across the 757 brands (see exhibit 13). Our sample includes no brand, which receives an average trust rating below 3.3 and no brand with an average rating above 5.7 on a scale from 1 to 7. In other words, the range of the scale without a single brand (1 to 3.3 and 5.7 to 7) is larger than the range of the scale where all 757 brands end up.

The lack of brands receiving very low trust scores is the result of our sampling procedure including only brands with a certain degree of popularity (e.g. top 3 in their category and at

least 5% penetration in the latest year). It is unlikely that brands with a very low trust rating would be among the top 3 selling brands in a product category.

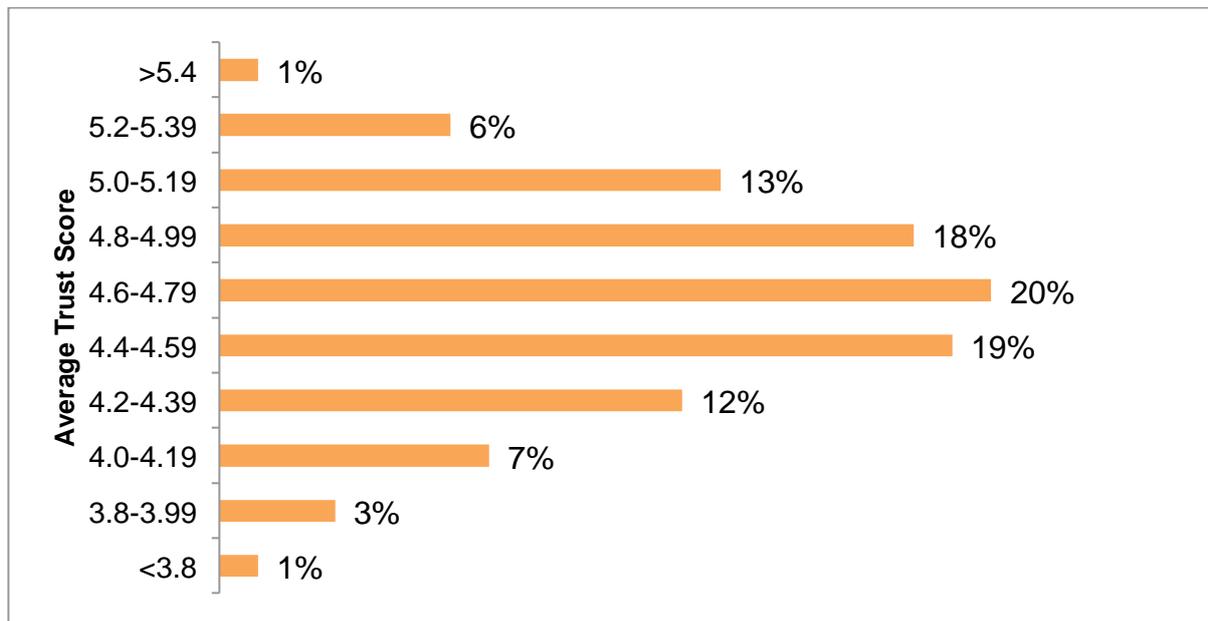


Exhibit 13: Distribution of Brands across different Trust Ranges

What is more noteworthy is the lack of brands with an extremely high trust rating. This may be a result of both the key concept applied (trust is probably an emotion that for many people is difficult to establish towards non-human entities) and the product categories in question: Most FMCG products are low-ticket items. Their selection rarely entails high risk and often is part of a habitual decision process. So an FMCG purchase constitutes substantially less risk than, for example, the purchase of a haircut, holiday vacation or automobile. Given the very tangible nature of FMCG offerings, trust may also play a less important role than in more intangible, service-oriented industries like tourism or consulting.

To simplify some of the analyses to follow we discriminated between three levels of trust by splitting all brands in a country into three equally-sized groups: a high trust tier (Tier 1), a medium trust tier (Tier 2) and a low trust tier (Tier 3). These three tiers signal a rank order within top three share brands, all of which are likely to enjoy above average trust levels relative to the total market.

The following table shows the distribution across these three trust tiers for those brands where data is available for at least three out of nine markets surveyed. This list provides some interesting insights regarding pan-European brands and their respective trust levels.

Brand	Category	# of countries with Top 3 position	Trust Tier 1	Trust Tier 2	Trust Tier 3
Coca Cola	Cola	9	7	2	
Pepsi Cola	Cola	9		3	6
Nivea	Body Cream	8	3	4	1
Nivea	Deodorants	8	4	4	
Dr. Oetker	Frozen Pizza	8	4	4	
Heinz	Ketchup	8	7	1	
Kellogg's	Breakfast Cereal	7	5	2	
Nutella	Chocolate Spread	7	6	1	
Colgate	Dentifrice	7	3	2	2
Ajax	Household Cleaner	7	3	3	1
Gillette	Razor Blades	7	6	1	
Head&Shoulders	Shampoo	7		1	6
Gillette	Shaving Foam	7	7		
Whiskas	Wet Catfood	7	1	4	2
Always	Pads	6	5	1	
Wilkinson	Razor Blades	6	1	1	4
Nestle	Breakfast Cereal	5	1	1	3
Milka	Chocolate Tablets	5	4	1	
Knorr	Cooking Sauce	5	3	2	
Ariel	Heavy Duty Detergent	5	2	3	
WC Duck	Lavatory Cleaners	5	2	3	
Danone	Yoghurt	5	3	1	1
Dove	Body Cream	4	1	3	
Aquafresh	Dentifrice	4		1	3
Axe	Deodorants	4			4
Rexona	Deodorants	4			4
Frolic	Dry Dogfood	4			4
Pedigree	Dry Dogfood	4			4
Lenor	Fabric Conditioner	4	1	2	1
Harpic	Lavatory Cleaners	4	1	2	1
Libresse	Pads	4	2	2	
Bic	Razor Blades	4		2	2
Palmolive	Shower Additive	4		1	3
Lipton	Tea	4	3	1	
Twinings	Tea	4	2	1	1
Felix	Wet Catfood	4		4	
Kitekat	Wet Catfood	4		2	2
Heineken	Beer	3	1	2	
Vaseline	Body Cream	3	1	1	1
Purina	Dry Dogfood	3		1	2

Comfort	Fabric Conditioner	3	3		
Vernel	Fabric Conditioner	3	1		2
Buitoni	Frozen Pizza	3	3		
Persil	Heavy Duty Detergent	3	1		2
Mr Proper	Household Cleaner	3	1	2	
Cif	Household Cleaner	3		3	
Lotus	Kitchen Paper	3		1	2
Regina	Kitchen Paper	3	1		2
Domestos	Lavatory Cleaners	3	2	1	
Lay's	Potato Crisps	3	1	1	1
Pringles	Potato Crisps	3	1	1	1
Pantene	Shampoo	3			3
Nivea	Shaving Foam	3	3		
Sanex	Shower Additive	3	1	2	
Fairy	Washing Up Liquids	3	2		1
Purina	Wet Catfood	3	2		1
Muller	Yoghurt	3	1	1	1
Yoplait	Yoghurt	3	1	1	1

Table 1: Pan-European Brands (surveyed in at least three markets) and their trust tier distribution

The table highlights a number of brands that end up in the top trust tier in a majority of countries where they were surveyed. For example, Coca Cola ranks in the top trust tier in seven out of nine countries, and in the medium trust tier in two more. Heinz in Ketchup or Gillette in shaving foam are equally trusted, with a top tier position in seven out of eight markets surveyed. Nutella and Gillette, this time in razor blades, make the top trust tier in six out of seven markets.

At the same time, we also find examples of brands that tend to be in Trust Tier 3 in a majority of markets. For example, Head & Shoulders and Pepsi find themselves in this tier six times each, and both Axe and Rexona in deodorants and Frolic and Pedigree in dry dogfood always rank in the lower trust tier where surveyed.

Finally, other brands seem to enjoy quite different levels of trust in different markets: For example, out of the brands with at least six country observations, five find themselves at least once in each of the three tiers: Colgate in dentifrice, Nivea in body creams, Whiskas in wet catfood, Wilkinson in razor blades and Ajax in household cleaners.

Table 1 illustrates some other interesting take-aways, which will be the focus of subsequent chapters:

- The 58 brands, which were surveyed in at least three markets, make up more than one third of all country-category-brand combinations. This shows that the FMCG industry boasts a substantial number of multinational or global brands. However, the fact that the 757 country-category-brand combinations consist of 450 different brand names is evidence that European grocery markets are heterogeneous and often dominated by local heroes.
- Being among the top three brands in multiple countries seems to move the trust scale in a brand's favour: Brands with a top three position in at least three countries end up in the top trust tier 42% of the time, and in the bottom trust tier only 28% of the time (as opposed to an expectation level of 33% given the equal size of each trust tier). This relationship is even more pronounced for brands with top three positions in five or more markets: These brands make it into the top trust tier more than half of the time (52%), and are in the lower trust tier only 18% of the time.
- Some categories lack pan-European brands and are dominated by local heroes (see subchapter 5.2.5). For example, in the beer category, within the 27 brand/country combinations investigated, 24 different brands own the top three positions. Only Heineken and Gevalia were sampled in more than one country. Cooking oils or still mineral water are also examples of categories with very few brands making it to the top 3 in more than one country.
- Certain categories, especially human food categories, appear to enjoy an advantageous position when it comes to building trust (see sub-chapter 5.2.4 for details). Not judging the quality of the branding efforts of its top representatives, none of the pan-European brands (i.e. the ones surveyed in more than three countries) in shaving foam, frozen pizza or feminine pads finds itself in a lower trust tier anywhere, whereas no dry dogfood or shampoo brand makes the top trust tier anywhere.
- Finally, it is important to keep in mind that research has shown that buyers of a brand tend to rate this brand more favourably than non-buyers. Whether the perception advantage leads to a higher choice likelihood or whether respondents tend to rationalize their past purchases is an open issue in consumer research. However, the Coca Cola vs Pepsi comparison in the table above is an illustrative example: Pepsi's non-presence in Tier 1 is largely driven by the fact that about half of the respondents do not buy Pepsi whereas almost all respondents buy Coca Cola in a majority of markets. While Coca Cola gets only slightly better trust ratings from its buyers than Pepsi gets from its buyers, its score is much less affected by the much lower ratings from non-buyers respectively. However, the non-buyer group drives down the average score for Pepsi. High penetration and trust indeed form a virtuous circle.

Pedigree: Campaigning to overcome the trust deficit of Petfood?

Our survey data reveals that Petfood brands seem to have troubles garnering high levels of consumer trust. One potential move to counter this issue may be Pedigree's latest campaign: The Mars-owned Petfood brand, is currently launching a global marketing campaign that shows dogs bringing out the best in people.

Australia and Brazil are the first markets where the new campaign will be rolled out, followed by Europe and the US this year and in 2016. The new campaign builds around scientific insights that dogs help bring out the inner good in people. Mars Petcare financed a five-year study about the benefits of dog ownership, which include amongst others helping people recovering from depression and supporting the social capital of communities. Mutuality of benefits is the key message behind the new campaign.

A previous campaign seemed to address trust as well: Just about 5 years ago, Pedigree launched the £ 7 million worldwide campaign "Good Honest Food" aimed at promoting consumer trust in the product.

That campaign did highlight the quality of the dogfood, new recipes, improved appearance and nutritional content and did react to various misconceptions of what goes into wet dogfood. "Good Honest Food" should put dog owners at ease by assuring that contents of are not inferior and that Pedigree contains only quality ingredients.

Below some still images of Pedigree's ***Feed the Good*** You-Tube video for the Australian market



3. Trust and brand size/growth

The sample of brands surveyed in this study consists of relatively large brands. Their average volume market share is about 16% and their average relative penetration (percentage of category buyers choosing the brand at least once in a year) is 29%. Still, among the top three brands in a category we still encounter a substantial number of brands with more than 30% market share or less than 5% market share. Exhibit 14 shows the average market share and relative penetration for each trust tier and Exhibit 15 the respective changes over the past three years.

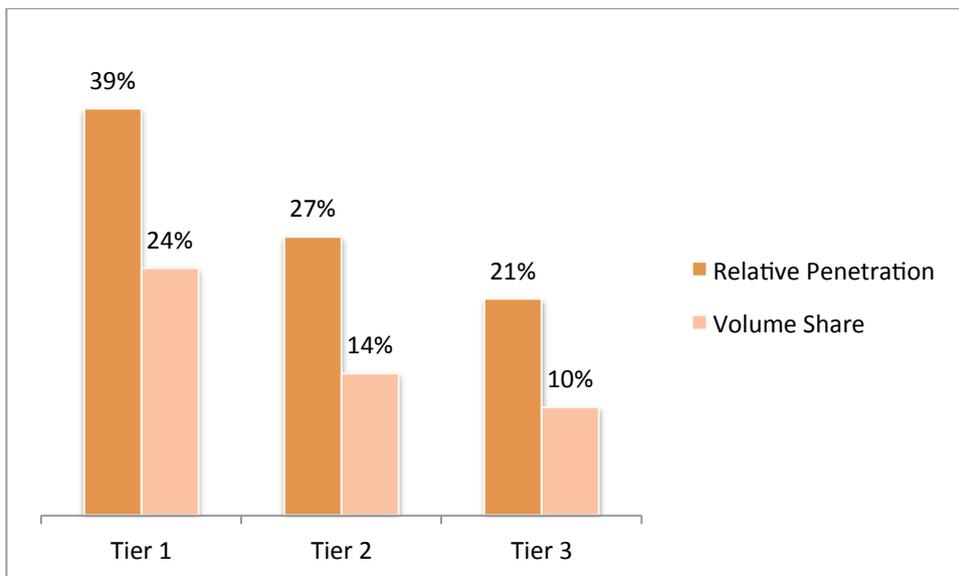


Exhibit 14: Penetration and share by trust tier

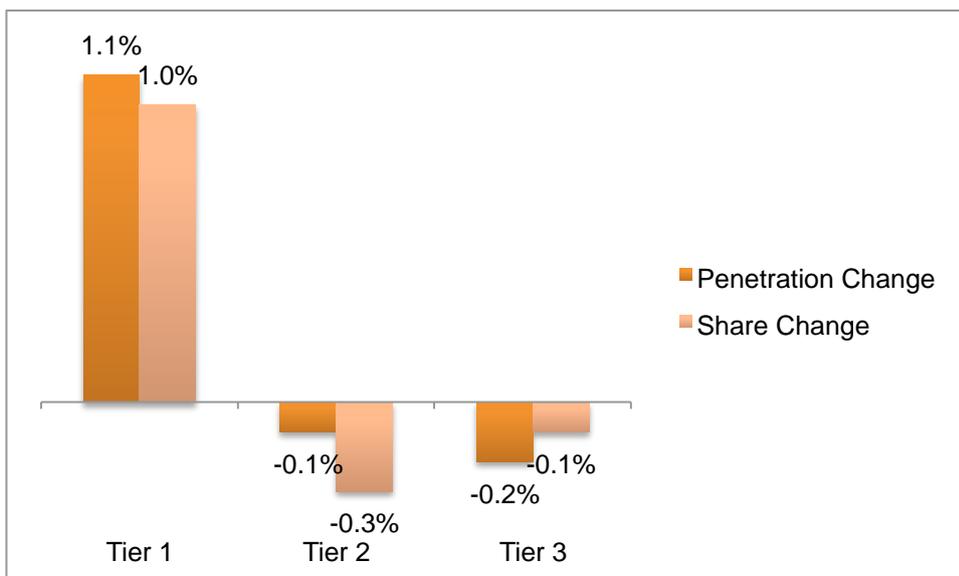


Exhibit 15: Penetration change and share change by trust tier

The exhibits show that more trusted brands are substantially larger than less trusted brands: The average share of the top tier is 2.4 times the average share of the lower trust tier and the relative penetration levels are almost twice as high. In addition, we also see more growth from the brands in the top trusted tier: While both share and penetration increase for this tier, they are stable for the medium and low trust tier. Still, the fact that on average we see no decline among the brands sampled is evidence that top 3 brands are less affected (at least in terms of volume share) by the growth of private labels and the consequential reduction in shelf space allocated to national brands.

This pattern holds throughout all markets with brands in the top trust tier being typically purchased by about twice as many households as brands in the bottom tier. For example, in Italy top trusted brands have an average penetration level of 41% as opposed to 23% in the Trust Tier 3.

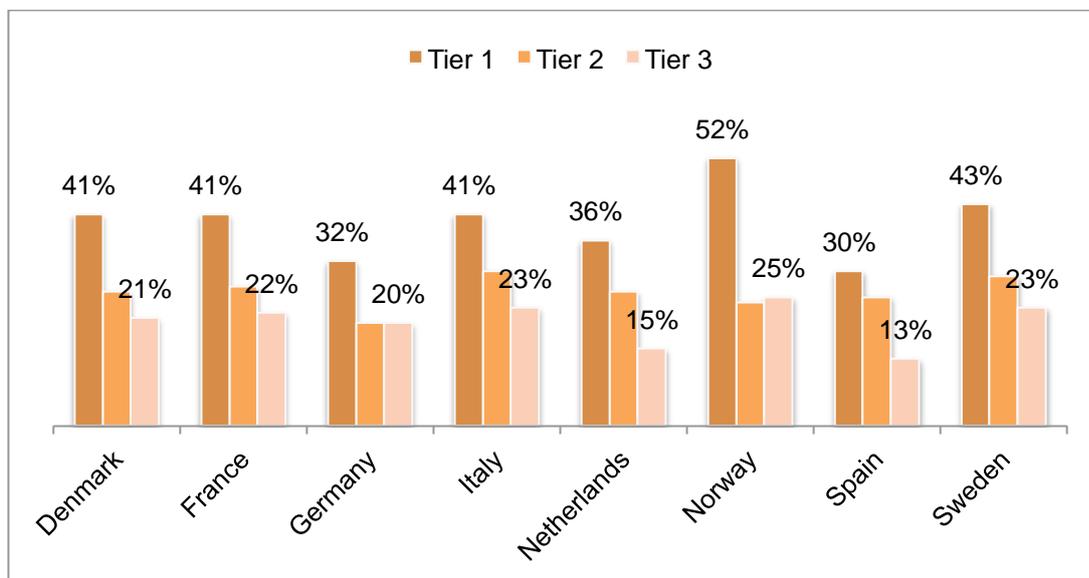


Exhibit 16: Average brand penetration by country and trust tier

Exhibit 17 plots all brands' trust scores against their market shares. Not surprisingly, we see that higher trust tends to be aligned with more share. On average, a ten percent change in market share is related to a 0.1 difference on the seven point trust scale. At the same time, the chart also highlights that even very small brands can enjoy relatively high levels of trust, whereas it is rare for the few truly large brands to have little trust. In other words: Achieving extremely high shares seems almost impossible if trust is low.

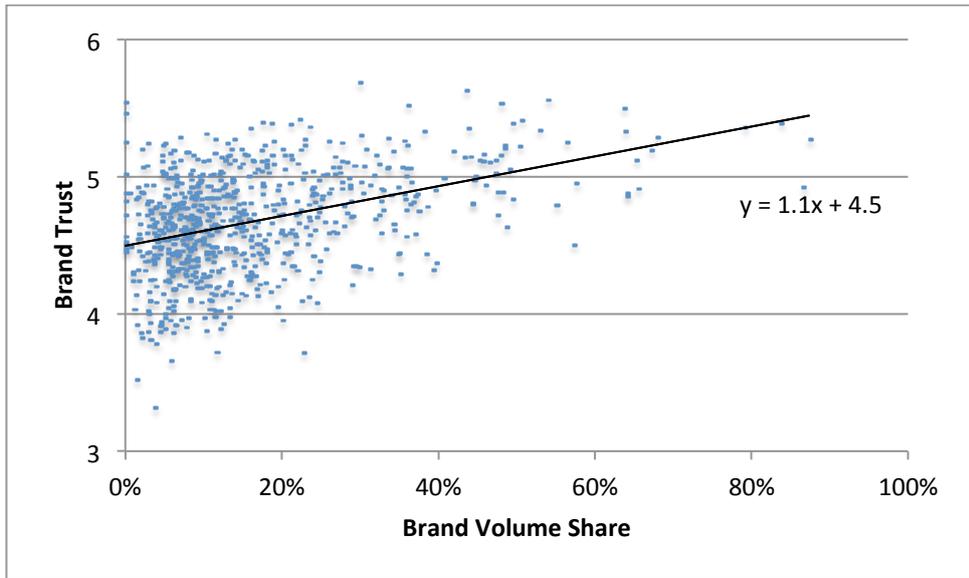


Exhibit 17: The relationship between brand volume share and brand trust

This relationship is similar in all markets studied. What differs, however, is the slope of the relationship, which ranges from a low of 0.67 in the UK to a high of 1.92 in the Netherlands: An increase in trust therefore rewards brands in the Netherlands more than brands in the UK.

4. Trust and price levels

Different, contradictory hypotheses exist regarding the relationship between trust and price paid by consumers: Shoppers may interpret the price set by retailers as a signal for a brand's quality and hence reward more expensive brands with higher levels of trust. At the same time, high prices may not be justified by the perceived performance of the brand and therefore trust may suffer.

This chapter first provides an overview of the price positioning of brands in our sample relative to the average Private Label (PL) price in the category, and then relates these price points to the brand's trust score.

8% of all brands studied are more than three times as expensive as their Private Label peers, and some 60% are priced between the same price and twice the average price of private labels. 1 in 8 brands is cheaper than their PL peer.

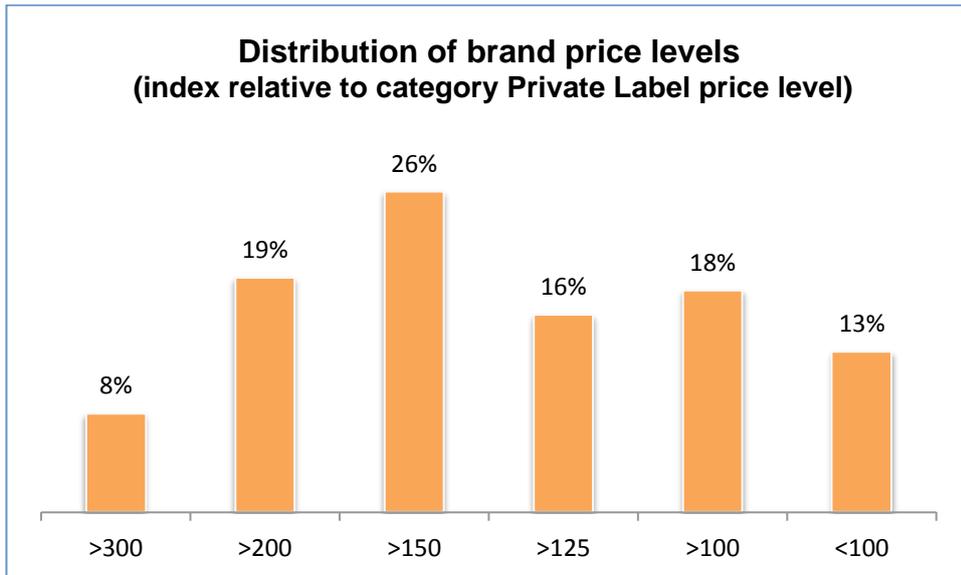


Exhibit 18: Distribution of brand prices relative to their PL peers (100 = same price as PL)

If we relate these price tiers to consumer brand trust, we find that with the exception of the two extreme price groups no price tier contains a disproportionate number of brands that enjoy very high trust. The deviations of the two extreme groups, however, provide some interesting conclusions: An extremely low price may be interpreted as a lack of quality given that many consumers use price as a proxy for quality, at least in certain categories. At the same time, an extremely high price may be difficult to justify, meaning that it is not easy to have a premium price and high trust at the same time. Note, however, that in both these tiers, highly trusted brands do exist.

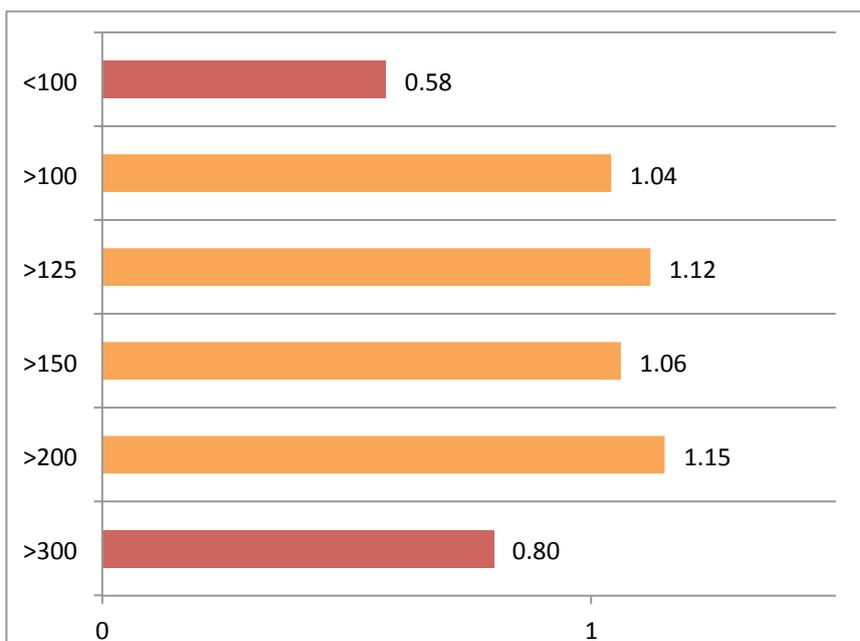


Exhibit 19: Presence of top tier trust brands in each price range (1.0 = Expected)

Given the previous discussion it is not surprising that the scatterplot linking all brands' trust scores to their price premium relative to PL prices in their category, shows no relationship: Brands can enjoy both high and low levels of trust if priced with no premium relative to PL or if priced well above the prices of Private Labels.

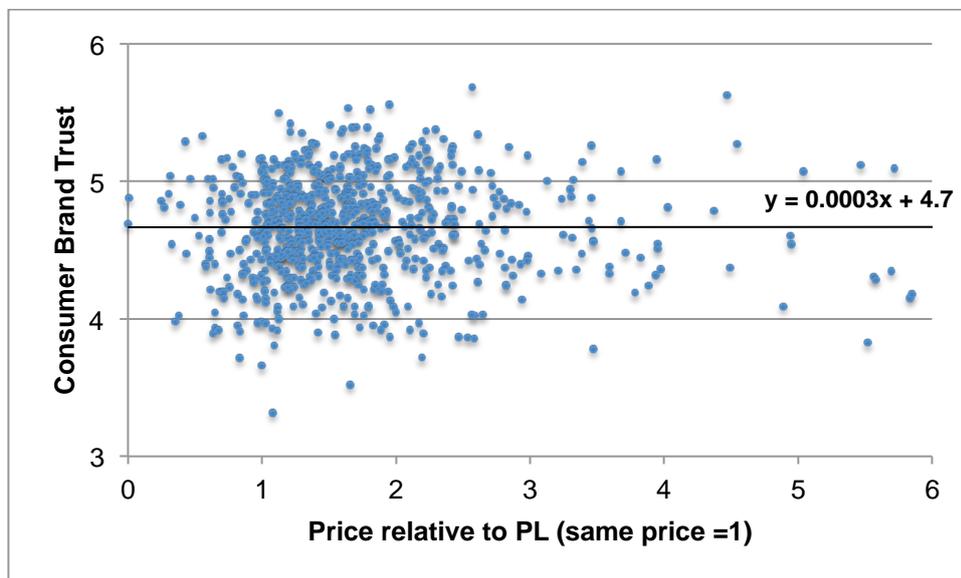


Exhibit 20: The (non-)relationship between brand price and brand trust

To look at this relationship in more detail by country, we split brands in three groups only:

- Brands that are at least twice as expensive as the average Private Label product in their category
- Brands that are at least 1.5 times as expensive as the average Private Label product in their category
- Brands that are less than 1.5 times as expensive as the average Private Label product in their category.

These price tiers contain a vastly different percentage of brands by country. For example, 2 out of three brands in Sweden are priced at less than 1.5 times their PL peers whereas half of all Norwegian brands surveyed are priced at more than twice their PL peers.

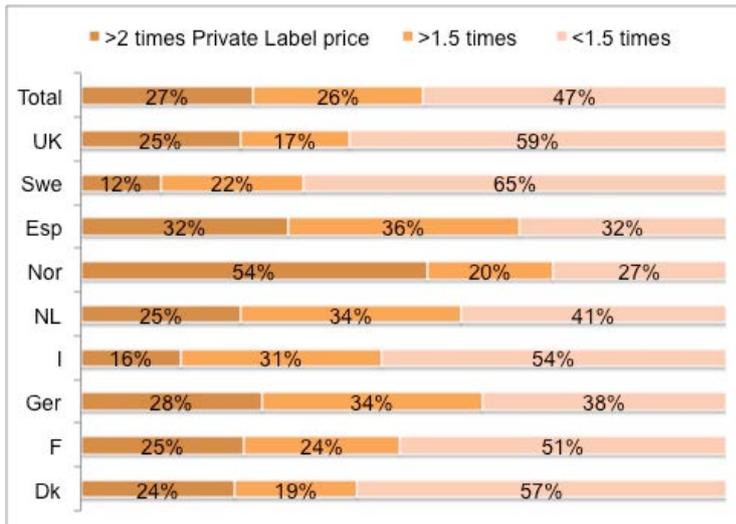


Exhibit 21: Distribution of brand price tiers (relative to PL) by country;

On average across the 9 countries, there isn't much difference in trust for different brand price levels (more than twice PL price, 50-99% more expensive, less than 50% more expensive). However, this hides significant variation by country:

- There are 4 countries where high levels of trust are also found where brand prices are high relative to Private Label – France, Germany, Italy and UK.
- It is the opposite in Scandinavia where lower trust is associated with higher relative price.
- For the remaining 2 countries, Netherlands and Spain, they are in between with higher priced brands more likely to be in the middle in terms of trust.

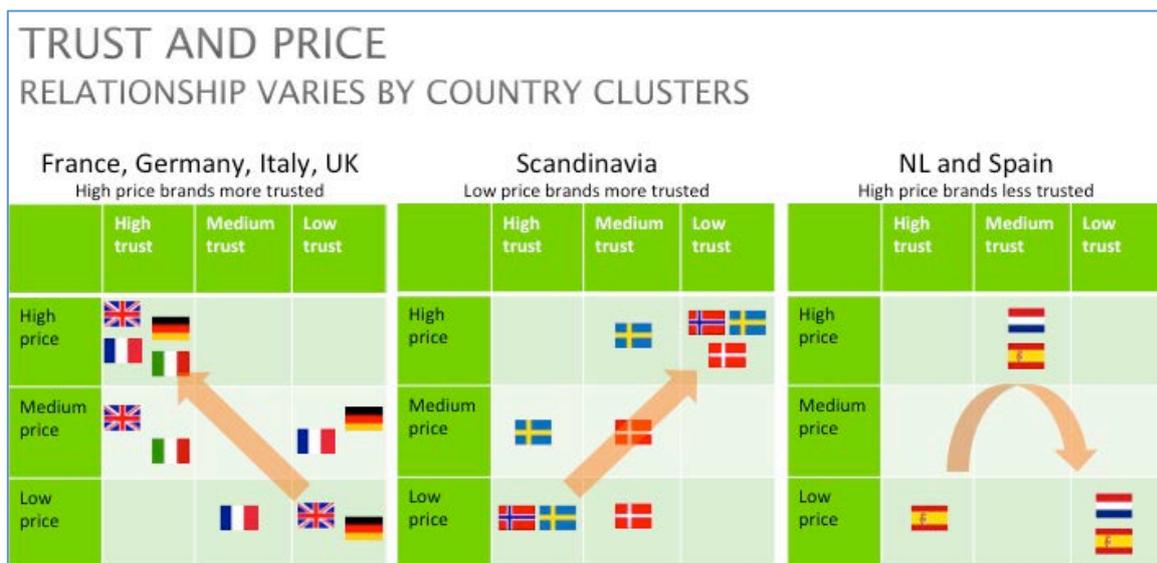


Exhibit 22: Three different patterns between brand price and brand trust

5. Trust in different categories

Behavioral research shows that shopper decision-making differs because of individual peculiarities: some shoppers are more interested in the vintage when purchasing wine than others and some shoppers will seek out products with organic labeling. However, some of these shopper characteristics have been shown to differ systematically across categories and hence may impact the trust levels a category enjoys. Examples of such differences include

- **Involvement:** Shopper interest in a category (regarding new products, marketing strategies, ingredients, manufacturing practices) may range from apathy to extreme attention to detail when making choices. For example, most people spend relatively little time before choosing a toilet paper brand (although some may pay close attention to its colour, number of plies, or price), but may ponder extensively about the chocolate brand to choose (paying attention to variants offered, cocoa percentage, calories, or fair trade signage). One could expect that trust plays a more important role in categories with high consumer involvement.
- **Performance risk:** Every purchase entails some level of risk. This risk stems from the product not meeting the expected level of functional performance and increases if (a) the product has some potential to cause harm (e.g. shampoo irritating the skin is riskier than a lavatory cleaner not performing as expected), (b) is expensive (e.g. the financial outlay for a detergent is typically higher than for chewing gum) or (c) may have social consequences (e.g. a specific choice of beer is likely to have more impact on the shopper's reputation than choice of dishwasher salt). Trust may hence play a more important role (and only manifest itself) in categories with some level of performance risk. In other words, categories where a purchase is related to a small financial outlay, low expectations regarding product performance and little social symbolism are less likely to feature brands enjoying extremely high levels of trust.
- **Price-Quality inference:** Literature distinguishes between three different types of products: Search goods, experience goods and credence products. Search goods are products for which making a quality assessment is possible before purchase or consumption. Many shoppers believe that fresh produce can be judged by its physical appearance or touch. Experience goods are products, which can be judged in terms of quality only after consumption. Many FMCG categories fit this description. Consumers tend to believe they are able to judge the quality of most Foods and

Beverages after tasting them and many Household or Personal Care products after using or applying them. Finally, credence products are products where quality is difficult to assess even after consumption. The perceived quality of skin care products, health pills, but even toothpaste or olive oil may largely rely on beliefs and may not meet objective standards. It is easy to infer that trust plays a much larger role in the latter types of product categories because tangible attributes allowing an „objective“ evaluation of quality are missing. Brands competing in such categories often rely on other cues to foster trust. For example, sophisticated packaging may serve as a quality cue, as may spokespersons (if they deserve trust!).

Whether these systematic variations in decision-making across categories have an impact on the level of trust, which brands can build, will be evaluated by examining inter-category differences (which are the top trust categories?) and inter-basket differences (do shoppers trust Food, Beverage, Household and Personal Care categories differently?).

Inter-category trust differences

Table 2 shows the ten categories with the highest percentage of brands in the top and bottom tier respectively (only categories with at least ten brands surveyed are included). cursory inspection of the high trust categories shows that they contain mostly Food categories, and more specifically, many impulse Food categories. While this ranking can be attributed to some very trusted brands in some of these categories, one can also conclude that people want to trust products which are consumed right from their packaging without additional preparation. While Ketchup and Cooking Sauces are not impulse categories, at least Ketchup also tends to be consumed without substantial further preparation.

The list of top trusted categories also includes two Personal Care categories, shaving foams and pads, where once again a few very trusted brands present in multiple countries are responsible for their position.

In contrast, the list of categories with disproportionately many Tier 3 brands are quite diverse and consists of Food, Beverage, Household Care, Personal Care and Petfood categories. The three Food categories (Pasta, Coffee, Oils) are low-impulse categories, and while the two household categories may be classified as rather low involvement (detergent and washing up liquid), the presence of shampoo and deodorant as relatively high performance-risk categories comes as a surprise.

Highest percentage in Trust Tier 1 (50% or more)	Highest percentage in Trust Tier 3 (45% or more)
<ul style="list-style-type: none"> • Chocolate Tablets and Blocks • Chocolate Spread • Ketchups • Shaving Foams and Soaps • Cooking Sauces • Pads • Potato Crisps • Yoghurt 	<ul style="list-style-type: none"> • Dry • Shampoo • Bean and Ground Coffee • Heavy Duty Washing Powder • Deodorants • Washing Up Liquids • Cooking Fats and Oils • Pasta

Table 2: Categories with high and low brand trust

If we return to the three category characteristics discussed above, we find both high and low involvement and both high and low performance risk categories in each group. A majority of categories in each group appear to be experience products where quality can be assessed only after consuming the product. This is an indication that these specific category characteristics only have limited value when it comes to predicting trust levels for brands competing in these categories. A later chapter will look at the impact of Private Label success in a category as another potential category facet that may impact brand trust.

Notwithstanding the commonalities between the groups above, certain categories appear to be in a more exposed position when it comes to fostering trust: Among the categories where we have information for more than ten brands, no dry dog food or shampoo brand positions itself in the top trust tier. In contrast, chocolate spread brands never end up in the bottom trust tier.

Inter-basket trust differences

Exhibit 23 zooms into the trust range into which a majority of brands were rated and discriminates between, Beverage, Household Care, Personal Care and Petfood brands. The distribution of trust scores is almost identical for the Beverage, Household Care and Personal Care products: About 40% of brands respectively receive a trust score between 4.4 and 4.8, 25% of brands end up in the 4.8-5.2 range and another 25% in the 4.0-4.4 range respectively. Only some 5% of brands receive scores that are below 4 or above 5.2 respectively. Petfood brands (note that the sample for Petfood is much smaller) tend to score worse with almost 30% of brands receiving a rating of less than 4. People may trust their pets, but not necessarily the brands they feed them.

Food brands receive higher scores more often than the other four baskets. About 80% of Food brands are rated between 4.4 and 5.2 and less than 20% receive a score of 4.4 or

less. It seems that we (need to) trust products more that we eat ourselves than the ones that we want our pets to eat.

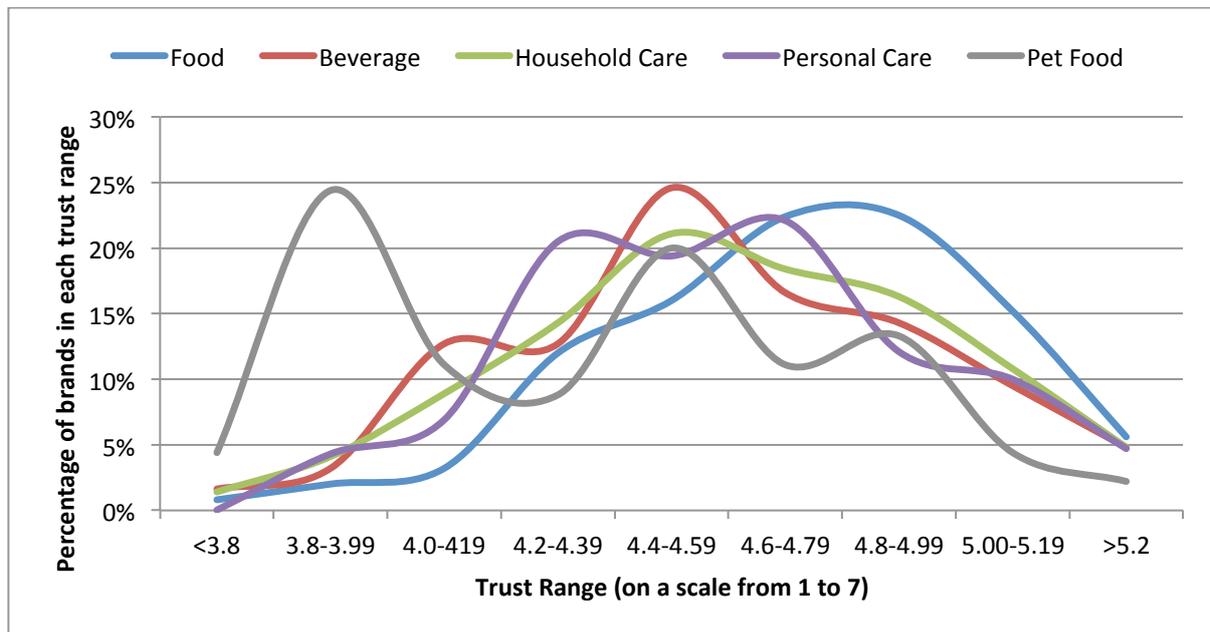


Exhibit 23: Trust by Category Type

Splitting Food brands into easy-to-consume products (impulse-type categories plus yoghurt and chocolate spreads) shows that brands in such categories generate slightly higher trust scores (4.83 vs 4.7). Hot beverage brands (tea, coffee, instant coffee) and cold beverage brands (water, beer, colas) hardly differ with an average trust score of 4.66 vs 4.57. However, the size of these differences (and the existence of brands with very high trust in Petfood and very low trust in, for example, shaving foams) highlights that trust is not just influenced by category but more likely to result from brand-specific activities.

This result hardly changes for individual markets. Exhibit 24 presents the likelihood of brands in each category type to belong to a specific trust tier, indexed against expectations. Food brands tend to feature most prominently in the top trust tier, at the expense of other baskets, mostly brands in beverage and household care categories, which qualify for the top trust tier much less frequently than expected.

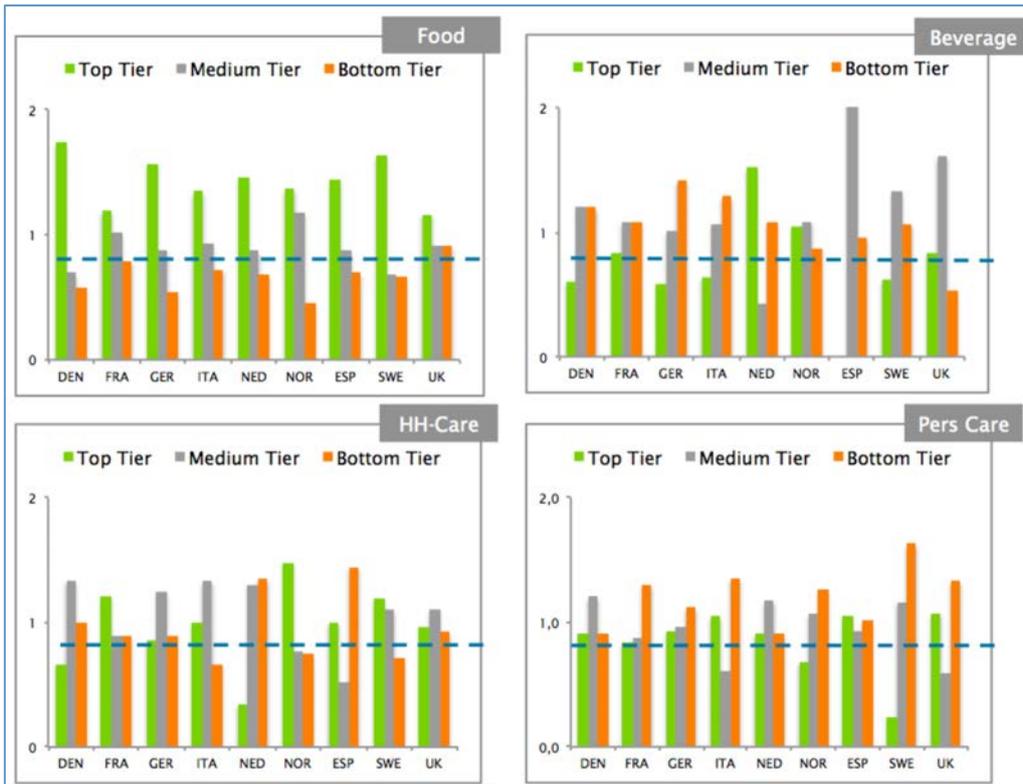


Exhibit 24: Presence of top tier trust brands in each basket (1.0 = Expected)

6. Trust in global vs local brands

A case can be made for globally present brands enjoying more trust than non-global brands as well as for local brands enjoying more trust than global brands: Global brands may benefit from a positive perception of global brand availability among cosmopolitan consumers or from potentially superior quality perceptions (“it must be good if it is popular everywhere”). Local brands, on the other hand, may benefit from their roots in the local environment, from an increasing concern among many consumers regarding negative consequences of globalisation and from both quality and environmental benefits associated with local sourcing and production.

To examine whether one of these opposing forces prevails, we discriminate between two types of brands: (1) Brands which rank in the top 3 in their category in at least three out of the nine markets surveyed and (2) brands which have been surveyed in one of the nine countries only (i.e. they only rank once in the top 3 in these nine markets) and were not present in the panels of all 16 markets included in the panel-based part of the study. In other words, these are brands, which are successful in one country but have not made it into the top ten of a category in any other market surveyed.

The former group contains 271 brand-category combinations for 58 brands whereas the latter group contains 252 brands. The remaining brands are termed “multi-country” brands.

In terms of country and category composition, we find some interesting patterns:

Local brands are substantially more prominent in Food and Beverage where they account for almost half of all brands, and quite rare in both Personal Care and Petcare where only 1 in 5 or 1 in 6 brands is a local brand respectively. The opposite is true for Pan-European brands: More than half of all brands in Personal Care and Petfood is in the top three in at least three of the nine markets, whereas this applies only to 1 in 4 brands in Foods and Beverages. The composition of these three groups is quite balanced for Household Care.

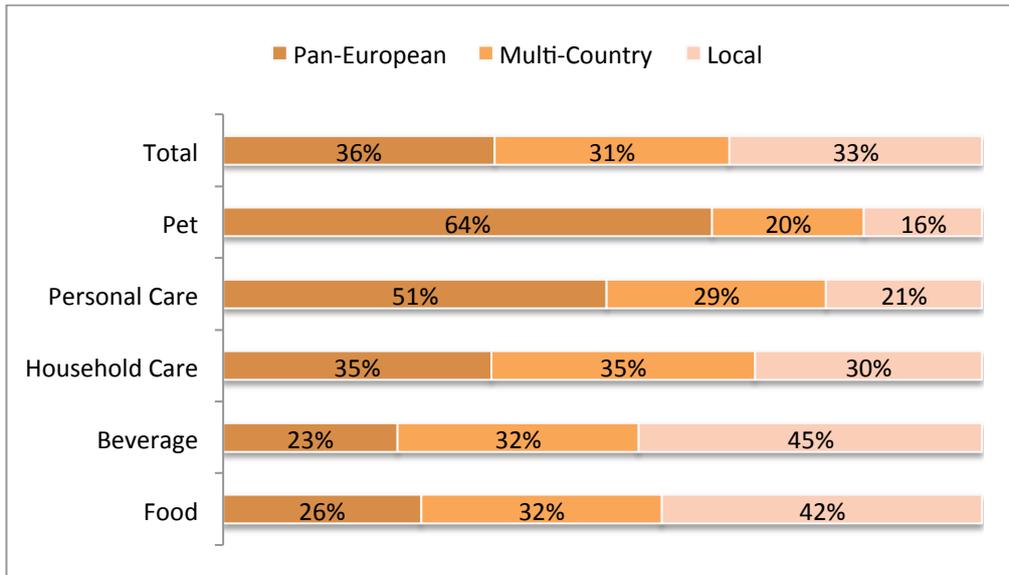


Exhibit 25: Distribution of brand types by basket

The prominence of local brands also differs between markets: Some markets feature less than one quarter local brands (i.e. Germany, Netherlands or France) whereas in others about half of the brands surveyed are only present in that specific country (Spain or Italy).

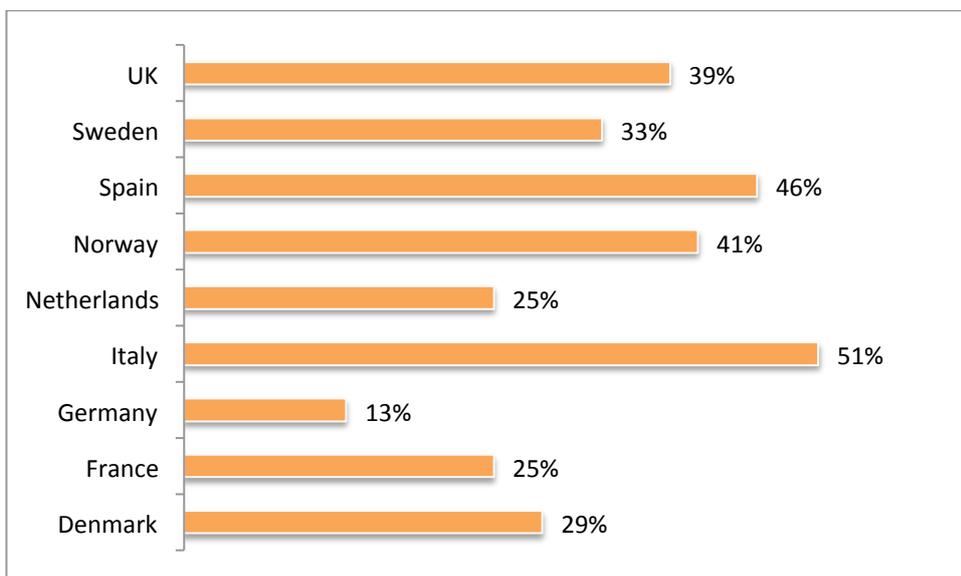


Exhibit 26: Percentage of brands that make it into the top 10 only in the respective country (out of 16 markets studied)

How does a brand's local versus pan-European availability relate to brand trust? The percentage of brands making it into the top trust tier in each country differs consistently between local and pan-European brands: The 58 pan-European brands in our sample qualify for the top trust tier 42% of the time whereas only 27% of the local brands manage to get into this tier. These levels differ by category group: For Food both pan-European and local brands are doing better - in line with the higher presence of Food in the top trust tier. In

Petfood, neither of the groups manages to qualify many of its members for the top trusted tier. The Food results highlight an interesting insight: While Food brands are rarely pan-European, they are very trusted if they are. One could argue that it is not their multi-country availability which makes them trusted, but the level of trust they command which allows them to compete successfully across borders.

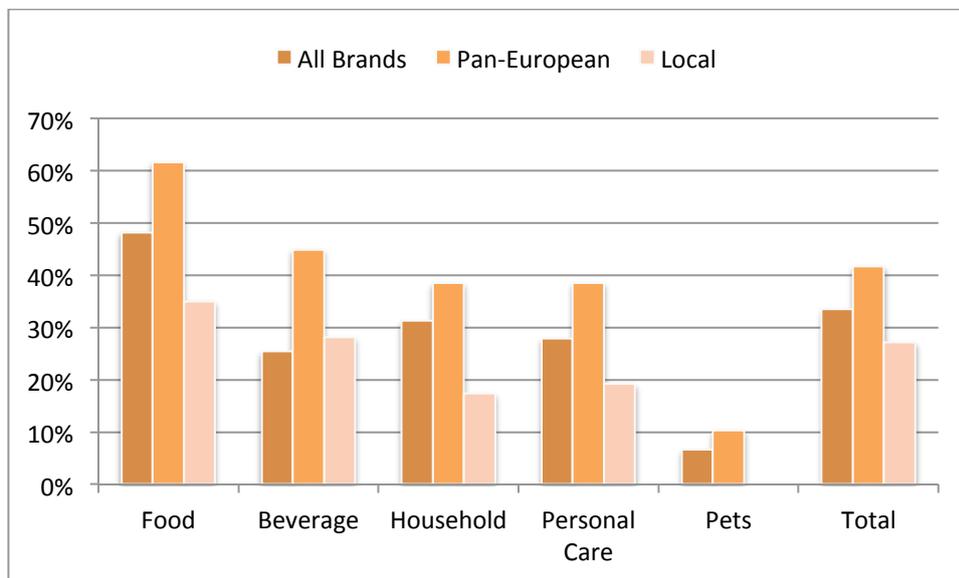


Exhibit 27: Percentage of brands by category type in top trust tier

7. Trust and Private Label success

One could argue that categories where Private Labels have managed to capture high shares may be categories where consumers perceive a high degree of commoditization. Typically private labels (at least their standard tiers which usually account for 90+% of Private Label sales in a majority of categories) are associated with limited differentiation relying largely on price to get shoppers' attention. Hence high private label share categories may be characterized by rather low levels of consumer trust. However, some may argue that brands, which do well in such categories, may benefit from positive consumer attitudes, and potentially relatively high levels of consumer trust.

If we compare the PL share of categories for brands in each trust tier, we find that the average share is almost identical: 33% for brands in the top trust tier, 33% for brands in the middle trust tier and 32% for brands in the lower trust tier. There is also no revealing pattern if we look at a potential impact of category PL share by country: Indexing the average PL share in categories where top trust tier brands are present against the country's total PL

share does not identify a single country where this tier has a noteworthy higher or lower PL share.

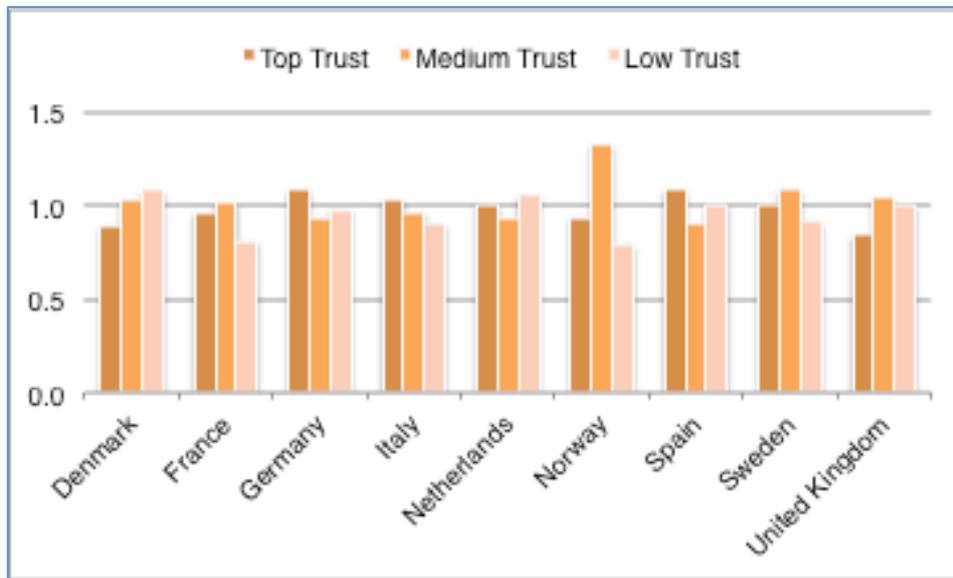


Exhibit 28: Private Label share in each trust tier (1 is the country PL share)

8. Brand trust by consumer segments

We examine trust differences for the following consumer segments.

- Buyers vs Non-Buyers
- Old vs Young
- Large vs Small Households
- High vs Low Social Class
- Males vs Females

Cut-offs for age, size and class are determined via a median split to arrive at similarly sized groups. The relative group sizes for buyers vs non-buyers and males vs females are determined by brand penetration and shopping patterns respectively. Our sample consists of about two thirds females.

Brand trust is expected to be substantially higher among buyers of the brand than among non-buyers. This could be due to two factors: (a) Most likely a shopper opts for a brand she trusts than one she mistrusts and (b) most likely a shopper claims to trust a brand she has recently purchased. This turns out to be true: All brands in our study are more trusted by buyers than non-buyers. This difference is most pronounced for indulgence brands in chocolate, chocolate spread, or crisps, for certain Personal Care brands (e.g. Head and

Shoulders or Treseemme where the price premium charged by these brands is likely to be justified only for people believing in the claims made by the product) and Petfood brands. The large difference in Petfoods may be driven by the picky pet behaviour: “If my pet likes it, I trust it, if my pet is not fond of it, why should I trust it?”

Differences between buyers and non-buyers are also more pronounced for *abstract* brand evaluation like trust, quality, or identification than for more *concrete* ones like innovation, advertising, heritage or promotion activity. While non-buyers also rate these latter factors substantially lower than non-buyers, the ratings are much more aligned.

With regard to age, younger respondents are on average as trusting of brands as older respondents. They show slightly higher average ratings for willingness to pay, recommendation and intention to rebuy and they also perceive brands as “more fun”. They agree less to the statement that a brand has been around for a long time, which may be a reflection of their shorter being around themselves. However, these differences are almost negligible (0.1 on a seven point scale). When we look at individual brands, a distinct pattern is difficult to identify, For example, Coca Cola is more trusted by young respondents in France, and the opposite is true for the UK.

We also find that larger and lower class households are a bit more trusting than smaller or higher class households. Somewhat surprisingly, higher class households also indicate lower willingness to pay a premium. Larger households seem to be more involved with FMCG brands and rate them higher (between 0.1 and 0.2 on a seven point scale) on almost all factors studied. However, there are no discernible systematic differences in brand trust between these groups based on category type, country or brand names. Also, there are few brands where either of the sub-groups claims to be substantially more trusting. Not surprisingly, an exception is Nutella with more trust commanded by larger households.

When it comes to gender, again trust differences on average are non-existent. However, a few interesting cases deserve to be mentioned: Men seem to be relatively more trusting when it comes to Personal Care brands (especially shampoos), household cleaners, yoghurt and Petfood products. Women show relatively more trust in cereal brands and, interestingly in the UK, in beer.

VI. Drivers of Brand Trust

A multitude of organizational actions can potentially lead to more brand trust. Some brands invest heavily in R&D to gain a technological edge which then gets communicated at various brand-consumer touchpoints (e.g. Gillette promoting its blade technology, or Caribou coffee promoting chemical free decaffeination processes), other brands hope to benefit from the trust ascribed to actual or fictional brand ambassadors (e.g. Shakira promoting health benefits of Activia or the Charmin bear emphasizing the qualities of toilet paper), and still others will emphasize the social benefits attributed to using a specific brand (e.g. how a Heineken-filled fridge heightens status or how not using the right deodorant has undesired consequences).



Exhibit 29: Examples of trust-fostering strategies

The previous chapter discussed how category type, size, price or being local relates to the trust enjoyed by a brand. This chapter adopts a more causal perspective to investigate which brand activities or qualities most strongly impact the trust people show towards a brand. More specifically, this chapter examines how much trust differences can be ascribed to different sets of drivers:

1. Perceived marketing actions (which we support with an additional analysis using actual marketing actions)
2. Reputation
3. Functional qualities

4. Emotional qualities

For each of the models, brand trust is the outcome variable, and each model is also run separately by country and category group to highlight differences regarding important drivers for category groups and countries. The model also controls for level differences in trust between countries and category types.



Exhibit 30: Framework of Drivers explored to understand brand trust

Many of the drivers examined rely on concepts highlighted in the desk research by Morgan, Valizade and Funder (2015). For example, “consistency in quality” links to *reliability* in the desk research, “longevity” to *heritage* and “prestige” to *reputation*. While no deliberate attempt was made to perfectly match the findings of the two studies, our model largely covers the same ground. The importance of size as highlighted in desk research has been confirmed previously linking trust to penetration and share.

1. Marketing Activities and Brand Trust

Our survey questioned respondents how they perceive the brand regarding four different marketing activities:

1. Advertising

(Mean of two items: (a) Brand X is heavily advertised in newspapers, magazines, TV, or internet; (b) Brand X advertises a lot)

2. Innovation

(Mean of two items: (a) Brand X frequently introduces new products; (b) Brand X has many new product introductions)

3. Promotional activity

(Mean of two items: (a) Brand X is often sold on deal; (b) Brand X is often on promotion)

4. Social Media Activity

(Item: Brand X has a strong presence in social media (Facebook, YouTube, blogs etc.)

There is widespread evidence of the importance of **advertising** to foster brand equity. People tend to believe that a brand that is present in media is a brand that is not shy about communicating its likely benefits to consumers. Media communication is also an important means to attain and maintain share of mind, and trust is typically higher for entities with frequent exposure than entities, which are rarely encountered. While the impact of **social media activity** on trust is less researched, one may assume similar consequences: Being present on such media increases the number of relevant touchpoints and hence share of mind. Obviously, social media also presents much more opportunity for brand antagonists to potentially undermine the trust people have towards a brand given the lack of control brand owners have over many of these channels. A brand which is perceived to invest above average in **innovation** can benefit from many implied consequences: Such brands may be perceived as providing better quality, as caring more for consumer needs, as trusting more in their own future relevance and therefore deserving more trust from its buyers. Finally, **promotions** may create trust by rendering the brand (more) attainable to shoppers, and by providing better value-for-money. At the same time, promotions have been shown to reduce the perceived reference price of the brand, therefore potentially reducing value, especially when the brand is available at its non-promoted price.

The following tables show the top 5 brands in each market on each of the four drivers and the average and highest scores respectively for all brands in that market on the 1 to 7 scales used for each measure. Not surprisingly, large global players tend to rank high up the list. These are often market leaders and their activities therefore are more visible.

With respect to advertising activity, the following observations are noteworthy:

- Coca Cola is near the top of the list in every market – clearly a brand which advertises a lot and does so via a large number of multiple touchpoints. Gillette also features prominently in multiple countries.

- Respondents see quite some difference in advertising intensity between the average top three brand and the most active advertiser: On average the highest rating is about 1.2 scale points higher for the top advertising brand.
- Advertising intensity in Scandinavian markets seems to be less pronounced than in other regions, with these three markets receiving the lowest average scores.
- Some local players make it into the top 5, especially in Norway (Tine, Lano), but also in the UK (Walkers (Lay's elsewhere!), Cadbury's and P.G. Tips).

Perceived advertising activity by country			
Country	Denmark	France	Germany
Avg Score	4.13	4.55	4.21
High Score	5.32	5.73	5.33
Top 5 Advertising Brands	ALWAYS (Pads)	COCA COLA (Colas)	COCA COLA (Colas)
	CILLIT BANG (HH Cleaners)	DANONE (Yoghurt)	KNORR (Cooking Sauces)
	COCA COLA (Colas)	MILKA (Chocolate Tablets)	KROMBACHER (Beer)
	GILLETTE (Razor Blades)	NUTELLA (Chocolate Spread)	NUTELLA (Chocolate Spread)
	KIMS (Potato Crisps)	WHISKAS (Wet Catfood)	THOMY (Cooking Sauces)
Country	Italy	Netherlands	Norway
Avg Score	4.71	4.24	4.20
High Score	5.77	5.44	5.40
Top 5 Advertising Brands	ACTIVIA (Yoghurt)	AXE (Deodorants)	COCA COLA (Colas)
	BARILLA (Cooking Sauces)	COCA COLA (Colas)	GILLETTE (Shaving Foam/Soap)
	COCA COLA (Colas)	DOVE (Deodorants)	LANO (Shower/Bath)
	LINES (Pads)	GILLETTE (Shaving Foam/Soap)	LANO (Toilet Soap)
	NUTELLA (Chocolate Spread)	HEINEKEN (Beer)	TINE (Yoghurt)
Country	Spain	Sweden	United Kingdom
Avg Score	4.59	4.16	4.38
High Score	5.67	5.46	5.15
Top 5 Advertising Brands	AXE (Deodorants)	ALWAYS (Pads)	CADBURY'S (Chocolate Tablets)
	COCA COLA (Colas)	CILLIT BANG (HH Cleaners)	COCA COLA (Colas)
	FAIRY (Washing Up Liquids)	COCA COLA (Colas)	NESCAFE (Coffee)
	GILLETTE (Razor Blades)	HEAD&SHOULDERS (Shampoo)	P.G.TIPS (Tea)
	KELLOGG'S (Cereals)	LIBRESSE (Pads)	WALKERS (Potato Crisps)

Table 3: Top five brands in PERCEIVED ADVERTISING activity by country

With respect to social media activity, the following observations are noteworthy:

- A similar list of brands dominates the most active social media brands. Coca Cola again cracks the top 5 in every market, but some smaller brands also stand out (Sportstar in Norway, Nana in France or Robijn in the Netherlands). Especially the shaving foam category in Norway scores very high on social media activity.
- Average scores are significantly lower than for advertising (about 0.4 on a seven point scale with the exception of Germany), and top scores are much closer to average scores than for advertising, pointing to (a) lesser activity and (b) less perceived differentiation between brands regarding social media activity.
- In addition, many consumers may not yet follow or be very aware of social media, and therefore choose to go for the mid-point of scales when being asked about such brand activities.

Perceived social media activity by country			
Country	Denmark	France	Germany
Avg Score	3.75	4.17	4.17
High Score	4.47	5.32	4.38
Top 5 SocMed Brands	CILLIT BANG (HH Cleaners)	COCA COLA (Colas)	COCA COLA (Colas)
	COCA COLA (Colas)	GILLETTE (Razor Blades)	KNORR (Cooking Sauces)
	GILLETTE (Razor Blades)	NANA (Pads)	NESTLE (Breakfast Cereals)
	KIMS (Potato Crisps)	NUTELLA (Chocolate Spread)	PRINGLES (Potato Crisps)
	TUBORG (Beer)	WHISKAS (Wet Catfood)	VOLVIC (Still Mineral Water)
Country	Italy	Netherlands	Norway
Avg Score	4.40	3.60	3.86
High Score	5.34	4.55	4.72
Top 5 SocMed Brands	CAMEO (Frozen Pizza)	COCA COLA (Colas)	COCA COLA (Colas)
	COCA COLA (Colas)	DOVE (Body Creams)	GILLETTE (Shaving Foams and Soaps)
	KELLOGG'S (Cereals)	HEINEKEN (Beer)	PEPSI (Colas)
	KINDER (Chocolate Tablets)	NIVEA (Body Creams Skin Care)	SHELLEY (Shaving F&S)
	NUTELLA (Chocolate Spread)	ROBIJN (Fabric Conditioners)	SPORTSTAR (Shaving Foams and Soaps)
Country	Spain	Sweden	United Kingdom
Avg Score	4.21	3.74	4.06
High Score	5.16	4.51	4.83
Top 5 SocMed Brands	COCA COLA (Colas)	COCA COLA (Colas)	CADBURY'S (Chocolate Tablets)
	GILLETTE (Razor Blades)	LAMBI (Toilet Tissues)	COCA COLA (Colas)
	KELLOGG'S (Cereals)	LIBRESSE (Pads)	FELIX (Wet Catfood)
	PURINA (Wet Catfood)	MARABOU (Chocolate Tablets)	PEPSI (Colas)
	WHISKAS (Wet Catfood)	PRINGLES (Potato Crisps)	WHISKAS (Wet Catfood)

Table 4: Top five brands in PERCEIVED SOCIAL MEDIA ACTIVITY by country

With respect to innovation activity, the following observations are noteworthy:

- Gillette is considered to be very innovative, both in shaving foam and blades – and likely the respective activities reinforce the perception in the other category.
- Average and high scores tend to be higher than for social media activity, which highlights that some brands have built a more pronounced reputation in this field.
- Many Food brands, especially in categories where variety-seeking of consumers is above average (e.g. chocolate, crisps, yoghurt) make it to the top of the lists, but also some in categories where variety seeking may not be as pronounced (Frozen Pizza or Pasta).
- Also a few household brands are perceived to be very innovative.

Perceived innovation by country			
Country	Denmark	France	Germany
Avg Score	4.02	4.50	4.18
High Score	5.08	5.14	5.12
Top 5 Innovation Brands	ARLA (Yoghurt)	DANONE (Yoghurt)	ALWAYS (Pads)
	GILLETTE (Razor Blades)	LE PETIT MARSEILLAIS (Shower and Bath Additives)	KNORR (Cooking Sauces)
	KIMS (Potato Crisps)	MARIE (Frozen Pizza)	NESTLE (Breakfast Cereals)
	KNORR (Cooking Sauces)	MILKA (Chocolate Tablets)	NIVEA (Deodorants)
	MARABOU (Chocolate Tablets)	NESTLE LA LAITIÈRE (Yoghurt)	THOMY (Cooking Sauces)
Country	Italy	Netherlands	Norway
Avg Score	4.57	4.00	4.13
High Score	5.35	5.01	4.86
Top 5 Innovation Brands	BUITONI (Frozen Pizza)	ANDRELON (Shampoo)	FJORDLAND (Pasta)
	CAMEO (Frozen Pizza)	GILLETTE (Shaving Foams and Soaps)	FREIA (Chocolate Tablets)
	KELLOGG'S (Breakfast Cereals)	LAY'S (Potato Crisps)	GILLETTE (Shaving Foams and Soaps)
	LINES (Pads)	NIVEA (Shaving Foams and Soaps)	JIF (Lavatory Cleaners)
	SAN CARLO (Potato Crisps)	PICKWICK (Tea)	SPORTSTAR (Shaving Foams and Soaps)
Country	Spain	Sweden	United Kingdom
Avg Score	4.45	4.08	4.41
High Score	5.45	5.02	5.54
Top 5 Innovation Brands	GILLETTE (Razor Blades)	COMFORT (Fab Conditioner)	CADBURY'S (Chocolate Spread)
	KELLOGG'S (Cereals)	GB (Ice Cream)	CADBURY'S (Chocolate Tablets)
	NESTLE (Chocolate Tablets)	LIPTON (Tea)	MULLER (Yoghurt)
	PURINA (Wet Catfood)	MARABOU (Chocolate Tablets)	NIVEA (Shaving Foam/Soap)
	WHISKAS (Wet Catfood)	OLW (Potato Crisps)	WALKERS (Potato Crisps)

Table 5: Top five brands in PERCEIVED INNOVATION by country

With respect to promotion activity, the following observations are noteworthy:

- While big pan-European brands are again frequent members of the top 5, there is quite a bit of variation across countries: Almost every country features one or two local players in the top 5 list.
- Surprisingly many Household Care brands show up in the list: These seem to be more top-of-mind when it comes to promotions as opposed to other marketing actions.

Perceived promo intensity by country			
Country	Denmark	France	Germany
Avg Score	4.27	4.24	4.08
High Score	5.03	5.05	4.72
Top 5 Promotion Brands	CILLIT BANG (Household Cleaners)	MILKA (Chocolate Tablets)	KNORR (Cooking Sauces)
	COCA COLA (Colas)	NANA (Pads)	LENOR (Fabric Conditioners)
	ELVITAL (Shampoo)	NUTELLA (Chocolate Spread)	MILKA (Chocolate Tablets)
	KIMS (Potato Crisps)	PANZANI (Cooking Sauces)	THOMY (Cooking Sauces)
	MARABOU (Chocolate Tablets)	WHISKAS (Wet Catfood)	WAGNER (Frozen Pizza)
Country	Italy	Netherlands	Norway
Avg Score	4.43	4.00	4.06
High Score	5.30	5.10	4.95
Top 5 Promotion Brands	BUITONI (Frozen Pizza)	ANDRELON (Shampoo)	COCA COLA (Colas)
	COLGATE (Dentifrice and Toothpaste)	GILLETTE (Shaving Foams and Soaps)	FINDUS (Frozen Fish)
	MENTADENT (Dentifrice and Toothpaste)	NIVEA (Body Creams and Skin Care)	GILLETTE (Shaving Foams and Soaps)
	NUTELLA (Chocolate Spread)	NIVEA (Shaving Foams and Soaps)	SHELLEY (Shaving Foams and Soaps)
	SCOTTEX (Kitchen Papers)	ROBIJN (Fabric Conditioners)	SPORTSTAR (Shaving Foams and Soaps)
Country	Spain	Sweden	United Kingdom
Avg Score	4.38	4.07	4.45
High Score	5.13	5.01	5.28
Top 5 Promotion Brands	GILLETTE (Razor Blades)	COMFORT (Fabric Conditioners)	COCA COLA (Colas)
	NIVEA (Body Creams and Skin Care)	GEVALIA (Bean and Ground Coffee)	MULLER (Yoghurt)
	PURINA (Wet Catfood)	MARABOU (Chocolate Tablets)	PEPSI (Colas)
	WHISKAS (Wet Catfood)	MR MUSCLE (Lavatory Cleaners)	WALKERS (Potato Crisps)
	WILKINSON (Razor Blades)	WC DUCK (Lavatory Cleaners)	WHISKAS (Wet Catfood)

Table 6: Top five brands in PERCEIVED PROMO INTENSITY by country

When modelling these four drivers (perceived advertising, perceived innovation, perceived social media activity and perceived promotion activity) on brand trust, we find that the model explains 53% of the total variance in brand trust. Three out of four drivers impact brand trust:

Innovation, advertising and social media activity are positively related to brand trust: more activity on each of these drivers results in a higher level of trust. Innovation shows the strongest impact: A 1 point difference on the seven point scale with respect to innovation on average yields a 0.45 point change in consumer brand trust. Perceived promotional activity does have no statistically significant impact on brand trust. Table 8 summarizes the findings on perceived marketing activity.

Driver	Beta* (only shown if significant at 0.05)	More important in these category groups	More important in these countries
Innovation	0.45	Personal Care	
Advertising	0.12		Netherlands
Social Media Activity	0.18	Food	
Promotional Activity	--		
Rsquare of the model**	53%	* trust change if driver changes by 1.0 **Rsquare is an indicator how well the explanatory variables are able to capture variation in the outcome variable	

Table 7: Regression model for marketing activities (Outcome Variable = Brand Trust)

We find that innovation activity is more important to foster trust in Personal Care categories. This could be due to Personal Care categories having more scope to innovate around technology and formulation. Food categories rely on advertising more in order to create brand trust. It is also more important in the Netherlands than in other European countries. Also, social media activity is more important in Food. This could be related to the higher consumer involvement with Foods than other FMCG categories, or simply more activity of Food brands versus other category groups.

Testing the impact of marketing activity with panel data

Our panel data provides behavioural proxies for some of these consumer perceptions, namely innovation, promotion and pricing. This allows us to test the above findings with a different data source and examine their validity. We ran a regression using brand trust as the outcome variable again, but this time relating it to the following branding activities by a specific brand in a specific category in a specific country:

(1) # of innovations: captures the number of new products introduced by the brand in the category in the country throughout the latest 12 months

(2) # of renovations: captures the number of renovations (new variants) introduced by the brand in the category in the country throughout the latest 12 months

(3) promotional pressure: the percentage of a total brand's volume which was sold during price promotional activities throughout the latest 12 months

(4) promotional focus: number of weeks during which any SKU of the brand was on promotion in one of the top three retailers in a country throughout the latest 12 months

(5) price level: while not directly related to promotional activity, it provides an indication of the importance of low prices in fostering trust.

Out of the five variables, three turned out to be significant and in line with the above findings for attitudinal drivers (Rsquare of this model = 0.11).

- The more innovations a brand launches, the **more** trust it enjoys.
- The more renovations a brand launches, the **more** trust it enjoys.
- The larger the percentage of sales on promotion, the **less** trust it enjoys.

How many weeks the brand is on promotion and its price level had no significant impact on consumer trust. This finding confirms and adds to the above results: While innovation activity of a brand ranks as one of the most important drivers of brand trust, promoting can potentially damage brand trust.

Walkers: A case study in building trust

Walkers is the number one crisp brand in the UK. Innovations are at the core of Walkers' success: Walkers aims to cover all segments within the crisps market leaving little room for competition and PLs to undermine its positioning (e.g. seasonal products to create curiosity). In communicating with consumers, Walkers probably runs one of the most consistent advertising strategies of any major brand in the UK. This consistent focus has helped the brand to create a high level of recognition. Walkers also emphasizes the quality of its ingredients and the quality of the packaging to keep the product fresh. This in combination with a highly recognizable appearance contributes to creating a very strong quality perception.

Also the company's environmental awareness contributes to its trust. Walkers was the first consumer company in the world which retained the Carbon Trust's Carbon Reduction Label: From 2007 to 2009 Walkers reduced its carbon footprint by 7%, creating savings of 4,800 tons of

CO₂. Where did the 7% in carbon savings come from? Walkers closely worked with its suppliers to reduce packaging and waste. In lowering Food miles, the company switched to 100% British potatoes. The company offered specific trainings to employees and drivers to be more energy-aware. In total, the 7% carbon reduction has saved Walker's more than £ 400,000 over the past 2 years.

A continuous emphasis on quality, improvements made in packaging, a consistent message sent in advertising combined with a highly recognizable outer appearance, and an increased environmental consciousness jointly create a high level of trust and allowed Walker's to successfully fight against PL competition within the crisp category. At the same time, trust is never guaranteed - given the category perception as unhealthy, Walkers must carefully monitor how consumers, retailers, media and the public evaluate its brand and category.



2. Brand Positioning and Brand Trust

Our survey questioned respondents how they perceive the brand regarding four different aspects of its positioning:

1. Currency/Modernity (Brand X is a brand of our times)
2. Longevity (Brand X has been around in my country for a long time)
3. Global Presence (Brand X is sold all over the world)
4. Local icon (Brand X is a good symbol of *country of respondent*)

Being **current** may provide the brand with a stronger belief by consumers that it is up to the task of delivering what it promises. Such currency may result from meaningful innovation, fitting into currently relevant consumer cultures or its appearance on shelf, in media or other touchpoints. At the same time, consumers may also be fond of brands that have a long history: Such longevity may be seen as an indicator of experience and persistent investment into quality, of consistent, not erratic behaviour, and may help trigger memories of childhood consumer experiences which often are remembered in a very positive light. Global brand players, not only in FMCG, enjoy admiration among many consumers – often global brands are considered to be of higher quality and better fit a cosmopolitan consumer culture than only locally present brands. At the same time, shoppers are often very fond of products or brands, which are strongly linked to a local consumer culture. They may benefit from an increasing concern among many consumers regarding negative consequences of globalisation and from both quality and environmental benefits associated with local sourcing and production.

The following tables show the top 5 brands in each market on each of the drivers and the mean and highest score for all brands in that market.

With respect to Currency/Modernity, the following observations are noteworthy:

- Most FMCG brands are perceived to be relatively modern given the average scores received that are higher than for some of the other criteria examined. In addition, the gap between the top scoring brands and the average score is smaller indicating an attribute, which is relatively prominent among all brands.

- Only a few brands show up in many markets in the top 5, but Gillette and Coca Cola are clearly perceived as relatively modern.
- While both Food and Personal Care brands tend to dominate, even Household Care categories like kitchen paper or washing up liquid manage to reach one of the top spots regarding modernity.

Currency/Modernity by Country			
Country	Denmark	France	Germany
Avg Score	4.31	4.77	4.47
High Score	5.04	5.42	5.14
Top 5 Currency Brands	COCA COLA (Colas)	ALWAYS (Pads)	ALWAYS (Pads)
	GILLETTE (Razor Blades)	COCA COLA (Colas)	GILLETTE (Razor Blades)
	MARABOU (Chocolate Tablets)	EVIAN (Still Mineral Water)	KNORR (Cooking Sauces)
	NEUTRAL (Shower/Bath)	NANA (Pads)	NIVEA (Deodorants)
	NUTELLA (Chocolate Spread)	NUTELLA (Chocolate Spread)	THOMY (Cooking Sauces)
Country	Italy	Netherlands	Norway
Avg Score	4.78	4.30	4.28
High Score	5.64	5.22	4.94
Top 5 Currency Brands	BUITONI (Frozen Pizza)	GILLETTE (Shaving Foams and Soaps)	COCA COLA (Colas)
	COCA COLA (Colas)	HEINEKEN (Beer)	FREIA (Chocolate Tablets)
	NUTELLA (Chocolate Spread)	LAY'S (Potato Crisps)	GILLETTE (Shaving Foams and Soaps)
	SAN CARLO (Potato Crisps)	PRINGLES (Potato Crisps)	LIBRESSE (Pads)
	SCOTTEX (Kitchen Papers)	SPA (Still Mineral Water)	SPORTSTAR (Shaving Foams and Soaps)
Country	Spain	Sweden	United Kingdom
Avg Score	4.85	4.28	4.69
High Score	5.57	4.92	5.25
Top 5 Currency Brands	FAIRY (Washing Up Liquids)	BREGOTT (Margarine and Spreads)	CADBURY'S (Chocolate Tablets)
	GILLETTE (Razor Blades)	KELLOGG'S (Breakfast Cereals)	COCA COLA (Colas)
	KELLOGG'S (Breakfast Cereals)	LIPTON (Tea)	GALAXY (Chocolate Tablets)
	MATUTANO (Potato Crisps)	MARABOU (Chocolate Tablets)	KIT KAT (Chocolate Tablets)
	NESTLE FITNESS (Cereals)	YES (Washing Up Liquids)	WALKERS (Potato Crisps)

Table 8: Top five brands in CURRENCY/MODERNITY by country

With respect to Longevity, the following observations are noteworthy:

- Many of the top 5 brands are brands with a strong local position: Whether Carlsberg in Denmark, Milka in Germany, San Carlo in Italy, or Pripps beer in Sweden, longevity may be strongly linked to a brand's local roots.

- A large number of chocolate-related brands end up in the top brand list – potentially childhood memories that create a long-term bond between the respondent and the brand.
- The average and high scores for this brand characteristic are the highest among all characteristics surveyed: FMCG brands are clearly perceived to have a long heritage.

Longevity by Country			
Country	Denmark	France	Germany
Avg Score	4.91	5.23	5.00
High Score	6.04	6.08	6,16
Top 5 Longevity Brands	ANTHON BERG (Chocolate Tablets)	ARIEL (Heavy Duty Washing Powder)	KNORR (Cooking Sauces)
	CARLSBERG PILSNER (Beer)	COCA COLA (Colas)	MILKA (Chocolate Tablets)
	COCA COLA (Colas)	DANONE (Yoghurt)	NIVEA (Deodorants)
	NIVEA (Deodorants)	LIPTON (Tea)	NIVEA (Shampoo)
	NUTELLA (Chocolate Spread)	NUTELLA (Chocolate Spread)	NUTELLA (Chocolate Spread)
Country	Italy	Netherlands	Norway
Avg Score	5.20	5.35	5.18
High Score	6.08	6.31	6.41
Top 5 Longevity Brands	BARILLA (Cooking Sauces)	COCA COLA (Colas)	COCA COLA (Colas)
	COCA COLA (Colas)	DOUWE EGBERTS (Bean and Ground Coffee)	DIPLOM-IS (Ice Cream)
	COCCOLINO (Fabric Conditioners)	HEINEKEN (Beer)	LANO (Shower and Bath Additives)
	LINES (Pads)	HEINZ (Ketchups)	LIPTON (Tea)
	SAN CARLO (Potato Crisps)	PICKWICK (Tea)	TINE (Yoghurt)
Country	Spain	Sweden	United Kingdom
Avg Score	5.09	4.92	5.27
High Score	6.13	5.92	6.23
Top 5 Longevity Brands	ARIEL (Heavy Duty Washing Powder)	ARLA (Yoghurt)	CADBURY'S (Chocolate Tablets)
	COCA COLA (Colas)	GB (Ice Cream)	COCA COLA (Colas)
	DANONE (Yoghurt)	LIPTON (Tea)	FAIRY (Washing Up Liquids)
	GILLETTE (Razor Blades)	PRIPPS (Beer)	NESCAFE (Bean and Ground Coffee)
	NOCILLA (Chocolate Spread)	YES (Washing Up Liquids)	NIVEA (Shaving Foams and Soaps)

Table 9: Top five brands in LONGEVITY by country

With respect to Global Presence, the following observations are noteworthy:

- Not surprisingly, this list contains many brands which have strong positions in a number of markets. Global icons like Coca Cola, Gillette, Nutella, Pepsi or Heinz are consistently ranked very high.

- The gap between the average scores and the high scores are more pronounced than for other characteristics. In some markets, the difference is almost two points on the seven point scale, which provides evidence that respondents see a high level of discrimination between brands on this specific characteristic: Some brands are clearly global, whereas others are not.

Global Presence by Country			
Country	Denmark	France	Germany
Avg Score	4.42	4.79	4.58
High Score	6.04	5.86	6.17
Top 5 Global Brands	COCA COLA (Colas)	COCA COLA (Colas)	COCA COLA (Colas)
	GILLETTE (Razor Blades)	EVIAN (Still Mineral Water)	GILLETTE (Razor Blades)
	KELLOGG'S (Breakfast Cereals)	GILLETTE (Razor Blades)	NESTLE (Breakfast Cereals)
	LURPAK (Margarine and Spreads)	HEINZ (Ketchups)	NIVEA (Deodorants)
	PEPSI (Colas)	NUTELLA (Chocolate Spread)	NUTELLA (Chocolate Spread)
Country	Italy	Netherlands	Norway
Avg Score	4.85	4.48	4.36
High Score	6.31	6.38	6.22
Top 5 Global Brands	BARILLA (Cooking Sauces)	COCA COLA (Colas)	COCA COLA (Colas)
	COCA COLA (Colas)	GILLETTE (Razor Blades)	GILLETTE (Shaving Foams and Soaps)
	KINDER (Chocolate Tablets)	HEINEKEN (Beer)	LIPTON (Tea)
	NUTELLA (Chocolate Spread)	HEINZ (Ketchups)	PEPSI (Colas)
	PEPSI (Colas)	M&M'S (Chocolate Tablets)	TWININGS (Tea)
Country	Spain	Sweden	United Kingdom
Avg Score	4.67	4.28	4.88
High Score	6.09	5.86	6.12
Top 5 Global Brands	COCA COLA (Colas)	COCA COLA (Colas)	COCA COLA (Colas)
	GILLETTE (Razor Blades)	HEINZ (Ketchups)	NESCAFE (Bean and Ground Coffee)
	GILLETTE (Shaving Foams and Soaps)	KELLOGGS (Breakfast Cereals)	NIVEA (Shaving Foams and Soaps)
	KELLOGG'S (Breakfast Cereals)	LIPTON (Tea)	PEPSI (Colas)
	NESTLE (Chocolate Tablets)	NIVEA (Deodorants)	VASELINE (Body Creams and Skin Care)

Table 10: Top five brands in GLOBAL PRESENCE by country

With respect to Local Iconism, the following observations are noteworthy:

- Not surprisingly, this list contains many brands which tend to be strongly associated with the country in question and to a much lesser extent truly global players. In fact, the 45 brands in the table below show the highest level of heterogeneity across all characteristics tested.

- The global players mentioned in the previous paragraph disappear or tend to show up only in their home country's list, like Nutella in Italy.
- Nivea clearly is perceived to be a typical representation of Germany for German respondents. The brand is rated as a local icon in all product categories where it was surveyed.
- The average (and high) scores are substantially lower than for global presence.

Local iconism by country			
Country	Denmark	France	Germany
Avg Score	4.08	4.40	3.86
High Score	5.24	5.25	5.16
Top 5 Local Brands	ANTHON BERG (Chocolate Tablets)	AMORA (Ketchups)	NIVEA (Body Creams and Skin Care)
	CARLSBERG PILSNER (Beer)	DANONE (Yoghurt)	NIVEA (Deodorants)
	LURPAK (Margarine and Spreads)	EVIAN (Still Mineral Water)	NIVEA (Shampoo)
	OTA SOLGRYN (Breakfast Cereals)	LE PETIT MARSEILLAIS (Shower and Bath Additives)	NIVEA (Shaving Foams and Soaps)
	TUBORG (Beer)	NESTLE LA LAITIÈRE (Yoghurt)	THOMY (Cooking Sauces)
Country	Italy	Netherlands	Norway
Avg Score	4.64	3.52	3.98
High Score	5.66	5.58	5.22
Top 5 Local Brands	BARILLA (Cooking Sauces)	DOUWE EGBERTS (Bean and Ground Coffee)	DIPLOM-IS (Ice Cream)
	BUITONI (Frozen Pizza)	HEINEKEN (Beer)	FREIA (Chocolate Tablets)
	LAVAZZA (Bean and Ground Coffee)	PICKWICK (Tea)	HENNIG-OLSEN (Ice Cream)
	NUTELLA (Chocolate Spread)	REMI (Ketchups)	IDUN (Ketchups)
	SAN CARLO (Potato Crisps)	ZEEUWS MEISJE (Margarine and Spreads)	TINE (Yoghurt)
Country	Spain	Sweden	United Kingdom
Avg Score	4.45	4.04	4.57
High Score	5.25	5.16	5.31
Top 5 Local Brands	GALLO (Pasta)	ARLA (Yoghurt)	CADBURY'S (Chocolate Tablets)
	GILLETTE (Razor Blades)	BREGOTT (Margarine and Spreads)	GALAXY (Chocolate Tablets)
	KOIPESOL (Cooking Fats and Oils)	GRUMME (Household Cleaners)	HEINZ (Ketchups)
	NIVEA (Body Creams and Skin Care)	KUNGSÖRNEN (Pasta)	KIT KAT (Chocolate Tablets)
	PURINA (Wet Catfood)	MARABOU (Chocolate Tablets)	WALKERS (Potato Crisps)

Table 11: Top five brands regarding LOCAL ICONISM by country

When regressing these four drivers on brand trust, we find that the model explains 79% of the total variance in brand trust. Three out of four drivers impact brand trust: Being current/modern, having a long history in the market and being symbolic for the country in

questions are all positively related to brand trust: a stronger positioning on each of these drivers results in a higher level of trust. Currency shows the strongest impact: A 1 point difference on the seven point scale with respect to being modern on average yields a 0.57 point change in consumer brand trust. Being perceived as a brand with global presence does not positively impact brand trust. Table 14 summarizes the findings on these four positioning aspects.

Driver	Beta * (only shown if significant at 0.05)	More important in these category groups	More important in these countries
Currency/Modernity	0.57		
Locally Symbolic	0.13		Spain, Italy, Sweden
Longevity	0.30		
Global			Sweden (+)
Rsquare of the model**	79%	* trust change if driver changes by 1.0 **Rsquare is an indicator how well the explanatory variables are able to capture variation in the outcome variable	

Table 12: Regression model for positioning aspects (Outcome Variable = Brand Trust)

The two top drivers currency and longevity remain equally important across all FMGC categories and European countries. Being locally symbolic does not differ in importance across FMGC categories. However, it is impacted by geography: In Spain, Italy and Sweden being locally symbolic fosters more trust than in other European countries. Interestingly, Swedes also seem to reward brands for their global presence.

3. Brand Performance and Brand Trust

Our survey questioned respondents how they perceive the brand regarding three different aspects of functional performance:

1. Superiority (Brand X has superior product performance)
2. Consistency (Brand X has consistently good quality)
3. Value (Brand X provides excellent value for money)

Being perceived as **superior** than one's peers may foster shoppers' beliefs that the brand delivers the desired benefits when purchasing in a product category. The fact that numerous

brand manufacturers use high rankings in consumer report performance tests in their advertising or packaging is a strong indication that such claims of superior quality are believed to impact on shoppers' beliefs and behaviours. Trust is something that is not built easily – and can be destroyed quickly. **Consistency** is a component of almost every definition of trust. If someone behaves as expected (in a positive sense), he tends to be trusted, whereas someone, whose behaviour is unpredictable, tends to enjoy less trust. Finally, people may trade-off the quality of a product against the costs associated with acquiring it. Lesser quality brands may still be trusted if they are able to compensate consumers by requiring a lower investment, whereas high quality brands may not be able to harvest trust if the required investment to acquire the brand is prohibitively high. Shoppers may trade off quality against price when it comes to judging the fairness of the **value-for-money** proposition they encounter.

The following tables show the top 5 brands in each market on each of these drivers and the mean for all brands in that market.

With respect to product superiority, the following observations are noteworthy:

- This list shows more Household Care brands than any other list in top positions. Certain brands, especially in washing up liquid, rate very strongly on functional performance (a result of communication style and message?).
- Razors are another category which features prominently on these lists. An emphasis on communication, which focuses on product superiority and a fulfilment of these expectations during usage, are probable reasons.
- Finally, while Petfood categories were rated below average on consumer trust, at least the top wet catfood brands cannot blame quality issues: Whiskas and Purina are near the top of these lists.

Product superiority by country			
Country	Denmark	France	Germany
Avg Score	3.98	4.64	4.08
High Score	4.84	5.38	4.92
Top 5 Superior Brands	GILLETTE (Razor Blades)	ALWAYS (Pads)	GILLETTE (Razor Blades)
	LAMBI (Kitchen Papers)	NESTLE LA LAITIÈRE (Yoghurt)	KNORR (Cooking Sauces)
	LIBRESSE (Pads)	NUTELLA (Chocolate Spread)	KÖLLN (Breakfast Cereals)
	MARABOU (Chocolate Tablets)	PURINA (Wet Catfood)	NUTELLA (Chocolate Spread)
	NUTELLA (Chocolate Spread)	WILKINSON (Razor Blades)	THOMY (Cooking Sauces)
Country	Italy	Netherlands	Norway
Avg Score	4.61	3.90	4.02
High Score	5.44	4.72	4.86
Top 5 Superior Brands	COCA COLA (Colas)	DOUWE EGBERTS (Bean and Ground Coffee)	COCA COLA (Colas)
	GILLETTE (Razor Blades)	GILLETTE (Razor Blades)	LIBRESSE (Pads)
	LINES (Pads)	GILLETTE (Shaving Foams and Soaps)	SHELLEY (Shaving Foams and Soaps)
	NUTELLA (Chocolate Spread)	NIVEA (Shaving Foams and Soaps)	SPORTSTAR (Shaving Foams and Soaps)
	SAN CARLO (Potato Crisps)	PICKWICK (Tea)	ZALO (Washing Up Liquids)
Country	Spain	Sweden	United Kingdom
Avg Score	4.59	4.01	4.62
High Score	5.74	5.46	5.36
Top 5 Superior Brands	FAIRY (Washing Up Liquids)	AJAX (Household Cleaners)	FAIRY (Washing Up Liquids)
	GILLETTE (Razor Blades)	BREGOTT (Margarine and Spreads)	GALAXY (Chocolate Tablets)
	GILLETTE (Shaving Foams and Soaps)	SOFTLAN (Fabric Conditioners)	HEINZ (Ketchups)
	PURINA (Wet Catfood)	WC DUCK (Lavatory Cleaners)	KIT KAT (Chocolate Tablets)
	WHISKAS (Wet Catfood)	YES (Washing Up Liquids)	NUTELLA (Chocolate Spread)

Table 13: Top five brands in PRODUCT SUPERIORITY by country

With respect to quality consistency, the following observations are noteworthy:

- The scores are on average substantially higher than for product superiority. By definition, not all brands can be superior to their peers, but it appears that quality consistency is not a major issue for the sampled brands with average scores around 5 on the seven point scale.
- Nutella is perceived as a brand with outstanding quality consistency in most markets – a critical quality given the very sensitive taste of one of its core segments: small children.
- Many brands, which are perceived to provide superior quality, also feature on this list. It may be difficult to be rated superior without being consistent and vice versa.

Consistent quality by country			
Country	Denmark	France	Germany
Avg Score	4.58	4.96	4.66
High Score	5.86	5.58	5.39
Top 5 Consistent Brands	ALWAYS (Pads)	COCA COLA (Colas)	COCA COLA (Colas)
	ANTHON BERG (Chocolate Tablets)	COTE D'OR (Chocolate Tablets)	KNORR (Cooking Sauces)
	BEAUVAIS (Ketchups)	EVIAN (Still Mineral Water)	KÖLLN (Breakfast Cereals)
	KIMS (Potato Crisps)	NESTLE LA LAITIÈRE (Yoghurt)	LENOR (Fabric Conditioners)
	NUTELLA (Chocolate Spread)	NUTELLA (Chocolate Spread)	NUTELLA (Chocolate Spread)
Country	Italy	Netherlands	Norway
Avg Score	4.93	4.78	4.70
High Score	5.51	5.76	5.60
Top 5 Consistent Brands	COCA COLA (Colas)	DOUWE EGBERTS (Bean and Ground Coffee)	DIPLOM-IS (Ice Cream)
	COCCOLINO (Fabric Conditioners)	GILLETTE (Razor Blades)	FREIA (Chocolate Tablets)
	GILLETTE (Razor Blades)	HEINZ (Ketchups)	HENNIG-OLSEN (Ice Cream)
	LINES (Pads)	NUTELLA (Chocolate Spread)	LAMBI (Toilet Tissues)
	SAN CARLO (Potato Crisps)	PICKWICK (Tea)	LIBRESSE (Pads)
Country	Spain	Sweden	United Kingdom
Avg Score	5.07	4.73	5.03
High Score	5.86	5.64	5.72
Top 5 Consistent Brands	DANONE (Yoghurt)	AJAX (Household Cleaners)	CADBURY'S (Chocolate Tablets)
	FAIRY (Washing Up Liquids)	ARLA (Yoghurt)	FAIRY (Washing Up Liquids)
	GALLO (Pasta)	BREGOTT (Margarine and Spreads)	GALAXY (Chocolate Tablets)
	GILLETTE (Razor Blades)	LIPTON (Tea)	HEINZ (Ketchups)
	KELLOGG'S (Breakfast Cereals)	YES (Washing Up Liquids)	NUTELLA (Chocolate Spread)

Table 14: Top five brands in CONSISTENT QUALITY by country

With respect to value for money, the following observations are noteworthy:

- Many relatively high price brands feature prominently on these lists – but seem to be worth the investment.
- Nutella manages to feature quite prominently on all lists – whereas Coca Cola, for example, is not as top-of-mind for good value for money as for some other characteristics.
- The average scores are lower than for quality consistency, an indication that value for money is perceived as somewhat less convincing – potentially a result of private label offering an acceptable alternative in many categories.

Value for money by country			
Country	Denmark	France	Germany
Avg Score	4.30	4.64	4.10
High Score	5.18	5.24	4.81
Top 5 Value Brands	ANTHON BERG (Chocolate Tablets)	ALWAYS (Pads)	KNORR (Cooking Sauces)
	HEINZ (Ketchups)	AMORA (Ketchups)	KÖLLN (Breakfast Cereals)
	KNORR (Cooking Sauces)	CRISTALINE (Still Mineral Water)	MILKA (Chocolate Tablets)
	MARABOU (Chocolate Tablets)	LE PETIT MARSEILLAIS (Shower and Bath Additives)	ORO DI PARMA (Cooking Sauces)
	NUTELLA (Chocolate Spread)	NUTELLA (Chocolate Spread)	THOMY (Cooking Sauces)
Country	Italy	Netherlands	Norway
Avg Score	4.69	4.34	4.37
High Score	5.16	5.29	5.06
Top 5 Value Brands	AMICA (Potato Crisps)	DOUWE EGBERTS (Bean and Ground Coffee)	DIPLOM-IS (Ice Cream)
	BUITONI (Frozen Pizza)	HEINZ (Ketchups)	FREIA (Chocolate Tablets)
	NUTELLA (Chocolate Spread)	NIVEA (Body Creams, Skin Care)	GILLETTE (Shaving Foams and Soaps)
	SAN CARLO (Potato Crisps)	NIVEA (Shaving Foams and Soaps)	LIBRESSE (Pads)
	VALLE (Margarine and Spreads)	PICKWICK (Tea)	ZALO (Washing Up Liquids)
Country	Spain	Sweden	United Kingdom
Avg Score	4.72	4.31	4.62
High Score	5.52	5.12	5.21
Top 5 Value Brands	FAIRY (Washing Up Liquids)	GRUMME (Household Cleaners)	COMFORT (Fabric Conditioners)
	NESTLE (Chocolate Tablets)	MARABOU (Chocolate Tablets)	GALAXY (Chocolate Tablets)
	NIVEA (Body Creams and Skin Care)	NIVEA (Deodorants)	KIT KAT (Chocolate Tablets)
	PURINA (Wet Catfood)	SOFTLAN (Fabric Conditioners)	NUTELLA (Chocolate Spread)
	WHISKAS (Wet Catfood)	YES (Washing Up Liquids)	VASELINE (Body Creams and Skin Care)

Table 15: Top five brands in VALUE FOR MONEY by country

When regressing these three drivers on brand trust, we find that the model explains 94% of the total variance in brand trust. This shows that the combination of the above characteristics draws an almost complete picture of why a brand is trusted or not. In other words: Superior quality, delivered consistently, at a fair price is a sure path to gain consumer trust. Out of these three traits, consistency contributes most. A 1 point increase in consistency results on average in a 0.66 improvement in consumer brand trust. Table 18 summarizes the findings on these three quality aspects.

Driver	Beta* (only shown if significant at 0.05)	More important in these category groups	More important in these countries
Superior	0.23		Spain
Consistent	0.66		
Value for Money	0.21		
Rsquare of the model**	94%	* trust change if driver changes by 1.0 **Rsquare is an indicator how well the explanatory variables are able to capture variation in the outcome variable	

Table 16: Regression model for functional performance (Outcome Variable = Brand Trust)

Again, we see little variation in these findings across category groups and countries. Both, consistent quality and value for money are equally important across product categories and countries. The only difference is Spain with respect to superior product quality which fosters trust even more than in other markets.

4. Brand Emotion and Brand Trust

Our survey questioned respondents on how they perceive the brand regarding three different emotional qualities:

1. Fun (Brand X is a fun brand)
2. Excitement (Brand X is an exciting brand)
3. Prestige (Brand X is a prestigious brand)

Being perceived as **fun** or **exciting** is likely to appeal to certain segments of the market. While such positioning is very common in travel, sports equipment, apparel industries, many FMCG brands also position themselves around these qualities by linking the brand to, for example, risky sports (Red Bull), social gatherings (Bacardi) or positive mood (Coca Cola). Whilst nurturing certain attitudinal consequences (e.g. liking or awareness), it remains to be seen if such positioning renders the brand more trusted. One may even argue that being perceived as funny or exciting potentially reduces trust. **Prestige**, on the other hand, is a quality likely to be associated with trust. Its definition (reputation arising from success, achievement, rank, or other favourable attributes) reproduces qualities present in other previously discussed drivers of trust, particularly a history of past performance.

The following tables show the top 5 brands in each market on each of these drivers and the mean for all brands in that market.

With respect to fun and excitement, we limit ourselves to one set of observations because the list of brands is relatively similar:

- A relatively large number of indulgence brands are perceived to be fun/exciting: People tend to associate ice cream, chocolate tablets or chocolate spread with these qualities.
- Interestingly, also some Household Care brands feature in these lists and may be an interesting benchmark to learn what can be done to associate such brands with these qualities.
- Countries seem to differ with respect to what creates excitement: Frozen Pizza in Italy, Chocolate Spread in the UK, Shaving Foams in Norway or Yoghurt in Sweden each manage to establish two brands in the Top 5.

Fun brands by country			
Country	Denmark	France	Germany
Avg Score	3.71	4.21	3.88
High Score	4.58	5.42	4.63
Top 5 Fun Brands	GILLETTE (Razor Blades)	CANARD (Lavatory Cleaners)	KNORR (Cooking Sauces)
	KIMS (Potato Crisps)	KITEKAT (Wet Catfood)	MILKA (Chocolate Tablets)
	MARABOU (Chocolate Tablets)	LE PETIT MARSEILLAIS (Shower and Bath Additives)	NESTLE (Breakfast Cereals)
	NUTELLA (Chocolate Spread)	MILKA (Chocolate Tablets)	RITTER SPORT (Chocolate Tablets)
	TUBORG (Beer)	NUTELLA (Chocolate Spread)	THOMY (Cooking Sauces)
Country	Italy	Netherlands	Norway
Avg Score	4.49	4.14	3.92
High Score	5.52	4.89	4.88
Top 5 Fun Brands	COCA COLA (Colas)	GILLETTE (Shaving Foams and Soaps)	FREIA (Chocolate Tablets)
	COCCOLINO (Fabric Conditioners)	M&M'S (Chocolate Tablets)	GILLETTE (Shaving Foams and Soaps)
	NUTELLA (Chocolate Spread)	NIVEA (Shaving Foams and Soaps)	NIDAR STRATOS (Chocolate Tablets)
	SAN CARLO (Potato Crisps)	PICKWICK (Tea)	SHELLEY (Shaving Foams and Soaps)
	SCOTTEX (Kitchen Papers)	SPA (Still Mineral Water)	SPORTSTAR (Shaving Foams and Soaps)
Country	Spain	Sweden	United Kingdom
Avg Score	4.33	3.84	4.32
High Score	5.20	4.80	5.25
Top 5 Fun Brands	KELLOGG'S (Breakfast Cereals)	GB (Ice Cream)	CADBURY'S (Chocolate Spread)
	MILKA (Chocolate Tablets)	MARABOU (Chocolate Tablets)	CADBURY'S (Chocolate Tablets)
	NOCILLA (Chocolate Spread)	SOFTLAN (Fabric Conditioners)	GALAXY (Chocolate Tablets)
	PURINA (Wet Catfood)	WC DUCK (Lavatory Cleaners)	KIT KAT (Chocolate Tablets)
	WHISKAS (Wet Catfood)	YOGGI (Yoghurt)	NUTELLA (Chocolate Spread)

Table 17: Top five FUN brands by country

Excitement brands by country			
Country	Denmark	France	Germany
Avg Score	3.95	4.15	3.55
High Score	4.76	5.04	4.23
Top 5 Excitement Brands	ANTHON BERG (Chocolate Tablets)	LE PETIT MARSEILLAIS (Shower and Bath Additives)	LENOR (Fabric Conditioners)
	GILLETTE (Razor Blades)	MILKA (Chocolate Tablets)	NESTLE (Breakfast Cereals)
	KIMS (Potato Crisps)	NUTELLA (Chocolate Spread)	NIVEA (Deodorants)
	MARABOU (Chocolate Tablets)	PURINA (Wet Catfood)	PRINGLES (Potato Crisps)
	NUTELLA (Chocolate Spread)	WHISKAS (Wet Catfood)	THOMY (Cooking Sauces)
Country	Italy	Netherlands	Norway
Avg Score	4.33	3.20	4.06
High Score	5.30	4.09	4.82
Top 5 Excitement Brands	BUITONI (Frozen Pizza)	AXE (Deodorants)	FREIA (Chocolate Tablets)
	CAMEO (Frozen Pizza)	GILLETTE (Shaving Foams and Soaps)	GILLETTE (Shaving Foams and Soaps)
	COCA COLA (Colas)	HEINEKEN (Beer)	LIPTON (Tea)
	NUTELLA (Chocolate Spread)	LAY'S (Potato Crisps)	NESCAFE (Instant Coffee)
	SAN CARLO (Potato Crisps)	PRINGLES (Potato Crisps)	SHELLEY (Shaving Foams and Soaps)
Country	Spain	Sweden	United Kingdom
Avg Score	4.13	3.85	4.25
High Score	5.08	4.80	5.16
Top 5 Excitement Brands	GILLETTE (Razor Blades)	LIPTON (Tea)	CADBURYS (Chocolate Spread)
	KELLOGG'S (Breakfast Cereals)	MARABOU (Chocolate Tablets)	CADBURYS (Chocolate Tablets)
	NESTLE (Chocolate Tablets)	VALIO (Yoghurt)	GALAXY (Chocolate Tablets)
	PURINA (Wet Catfood)	YOGGI (Yoghurt)	MULLER (Yoghurt)
	WHISKAS (Wet Catfood)	ZOEGAS (Bean and Ground Coffee)	NUTELLA (Chocolate Spread)

Table 18: Top five EXCITEMENT brands by country

With respect to prestige, the following observations are noteworthy:

- Once again, many pan-European brands tend to feature in the top ranks – global brands, also in FMCG, may have an edge in terms of prestige, at least if they do not cater to small niches, which is not an option for a top three brand.
- However, some brands like Carte Noire or Lindt clearly position themselves around prestige, and do not make it into the top 5 on any of the other characteristics.

Prestigious brands by country			
Country	Denmark	France	Germany
Avg Score	4.06	4.53	4.78
High Score	4.98	5.46	5.52
Top 5 Prestigious Brands	ANTHON BERG (Chocolate Tablets)	CARTE NOIRE (Bean and Ground Coffee)	ALWAYS (Pads)
	GILLETTE (Razor Blades)	COCA COLA (Colas)	COCA COLA (Colas)
	HEINZ (Ketchups)	EVIAN (Still Mineral Water)	KNORR (Cooking Sauces)
	KIMS (Potato Crisps)	NUTELLA (Chocolate Spread)	KÖLLN (Breakfast Cereals)
	NUTELLA (Chocolate Spread)	WILKINSON (Razor Blades)	NUTELLA (Chocolate Spread)
Country	Italy	Netherlands	Norway
Avg Score	4.83	4.10	4.15
High Score	5.73	5.02	5.08
Top 5 Prestigious Brands	COCA COLA (Colas)	COCA COLA (Colas)	COCA COLA (Colas)
	KINDER (Chocolate Tablets)	DOUWE EGBERTS (Bean and Ground Coffee)	GILLETTE (Shaving Foams and Soaps)
	LAVAZZA (Bean and Ground Coffee)	GILLETTE (Razor Blades)	LIPTON (Tea)
	NUTELLA (Chocolate Spread)	GILLETTE (Shaving Foams and Soaps)	NESCAFE (Instant Coffee)
	SAN CARLO (Potato Crisps)	HEINEKEN (Beer)	ZALO (Washing Up Liquids)
Country	Spain	Sweden	United Kingdom
Avg Score	5.05	4.06	4.74
High Score	5.91	5.00	5.42
Top 5 Prestigious Brands	ARIEL (Heavy Duty Washing Powder)	HEINZ (Ketchups)	COCA COLA (Colas)
	FAIRY (Washing Up Liquids)	KELLOGGS (Breakfast Cereals)	GALAXY (Chocolate Tablets)
	GALLO (Pasta)	LINDT (Chocolate Tablets)	GILLETTE (Shaving Foams and Soaps)
	GILLETTE (Razor Blades)	LOHMANDERS (Cooking Sauces)	HEINZ (Ketchups)
	KELLOGG'S (Breakfast Cereals)	YES (Washing Up Liquids)	NIVEA (Shaving Foams and Soaps)

Table 19: Top five PRESTIGIOUS brands by country

When regressing these more emotional drivers on brand trust, we find that the model explains 78% of the total variance in brand trust. By far most closely related to trust is prestige, whereas both fun and excitement are only minor contributors to trust. This makes sense: While being fun or creating excitement around a brand may help gain popularity or further liking, these are not concepts which people would automatically relate to trust. At the same time, they also do not diminish trust and hence can be deployed safely in trust-building strategies. Table 22 summarizes the findings on these three emotional aspects.

Driver	Beta* (only shown if significant at 0.05)	More important in these category groups	More important in these countries
Fun	0.17		
Exciting	0.14		
Prestigious	0.80	Household + Personal Care	
Rsquare of the model**	78%	* trust change if driver changes by 1.0 **Rsquare is an indicator how well the explanatory variables are able to capture variation in the outcome variable	

Table 20: Regression model for functional performance (Outcome Variable = Brand Trust)

Household and Personal Care brands benefit even more from being perceived as prestigious in their pursuit of consumer trust. We speculate that this is due to the typically higher financial spend in these categories per purchase. The most prestigious brands in our sample are Household and Personal Care brands with Household Care brands also among the least prestigious ones: Scoring high (low) on prestige is even more rewarded (punished) in building trust than in other categories.

VII. Summary and Managerial Implications

1. Why Trust Matters

A vast majority of brands, and categories, grow more by gaining more buyers than by getting existing buyers to buy more often or by increasing loyalty.

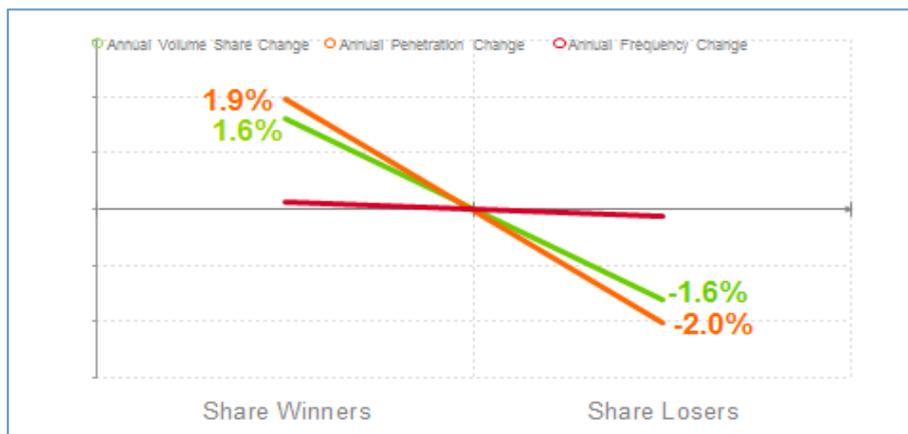


Exhibit 31: The relationship between share growth, penetration growth and frequency growth

The figure above is based on over 8,000 brands in 16 countries comparing 2013 with 2010. It shows the top share winners compared with the brands that have lost the most share. There is an almost one for one relationship between the change in brand share and the change in the percentage of category buyers reached (penetration).

So the importance of buyer numbers is critical but how does trust relate to this? We asked consumers about each top 3 brand in every category: did they think the brand was one they could trust and whether it delivered what it promised. The scores on these statements were used to classify brands into the top third most trusted (Tier 1), the bottom third least trusted (Tier 3) and the middle third (Tier 2).

The most trusted brands in Tier 1 have twice as many category buyers (40%) compared with their peers in Tier 3 (20%). Additionally, the most trusted brands showed an increase in penetration of just over 1 percentage point per year since 2010 and a similar increase in volume share. The brands in Tiers 2 and 3 showed declines over the same period.

Clearly trust matters.

How does trust translate into other brand attributes especially recommendation and profit? Do trusted brands foster advocacy (*I would recommend this brand to others*) and are they less price sensitive (*I am willing to pay more for this brand than for other brands*)?

In both cases, the most trusted brands outscore the brands in Tier 3 with 2.4 times as many respondents agreeing to these statements.

There are 33% who would recommend the most trusted brands (top two boxes on a seven point scale) compared with 14% for the brands in Tier 3. Whilst for willingness to pay more the level of agreement for the top trusted brands is lower at 17%, it is still much higher than for the Tier 3 brands at 7%.

There are some variations by country, often explained by the difference in brand size in each trust tier but some variations remain:

- There is especially high advocacy for trusted brands in Denmark, Germany and Netherlands whilst this is below par in Norway
- Willingness to pay a premium for trusted brands is relatively high in Scandinavia, Germany, Netherlands and Spain but is lower in France and UK

- However, even where scores for the most trusted brands are lower, UK willingness to pay for example, the number of respondents agreeing to these statements, is much higher than for Tier 3 brands

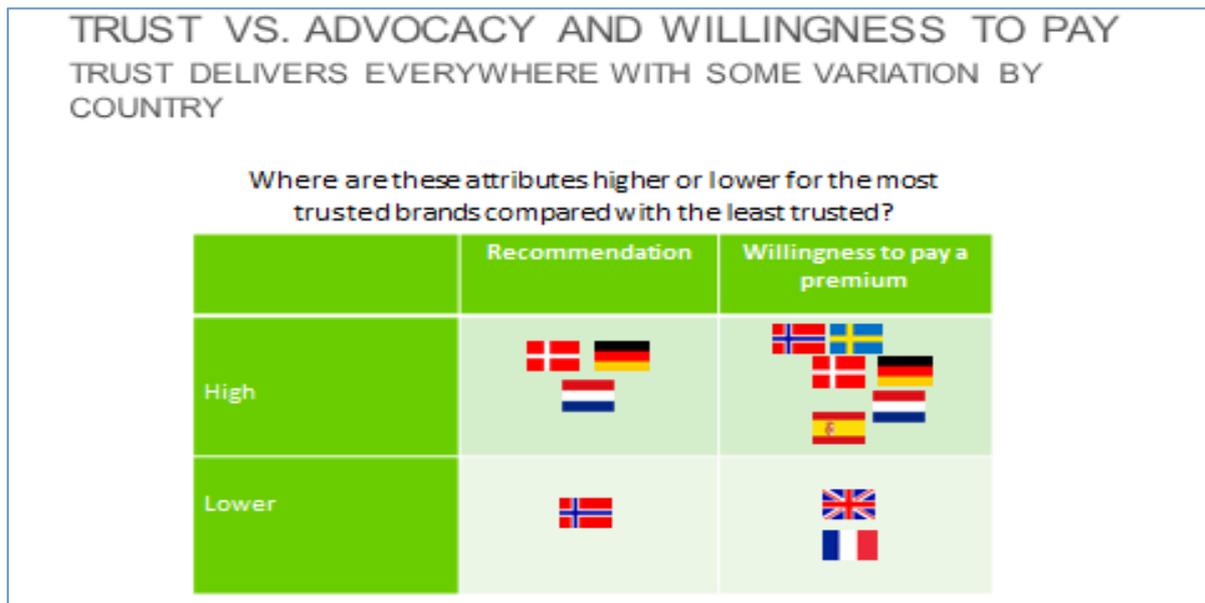


Exhibit 32: Where willingness to recommend and pay more for trusted brands is more/less pronounced

Although willingness to pay a premium is relatively low even amongst the most trusted brands, in practice price is not an inhibitor of trust. Relative to Private Label, brands in all 3 price tiers command an 80% price premium. There are some differences at both price extremes with the most trusted brands less likely to be cheaper than Private Label or more than 3 times as expensive. Therefore, not too cheap and not too expensive!

2. How to foster trust

Trust is relevant because bigger brands are more trusted and because the development of trust goes hand-in-hand with growth. Hence it underpins the equity of a brand.

Trust promotes brand recommendation, which in turn promotes trust, which in turn promotes recommendation and this leads to growth.

A greater willingness to pay a premium comes with trust. This provides the foundation for more effective pricing and promotion. Low prices and heavy promotion are not needed for trusted brands.

Trust is associated with 4 major brand characteristics, which must be maintained and developed:

- **Consistency:** While our research has focused on consistency of quality only, it is likely that consistency in other aspects of the consumer-brand interaction matters. Packaging, advertising, promotion activities that remain consistent with what consumers have learned about the brand are likely to maintain or build trust more than erratic behaviours in these respects. Trusted brands evolve rather than change and must always remain recognisable.
- **Currency:** This may be very obvious, but trusted brands are for today and meet the needs of today's consumer. Brands that are irrelevant for consumer needs are unlikely to maintain trust.
- **Prestige and Quality:** Trusted brands retain an impression of being better and of being a brand I am happy to be seen with.
- **Innovation:** This may be the most important aspect, as we believe this marketing activity is the foundation for many other important trust-building characteristics. It is key for a brand to demonstrate forward thinking and continuing to meet consumer needs.

It is important not to be complacent. Plenty of big trusted brands have seen significant share losses in recent years. This is where they have lost their edge on one or more of the key attributes of consistency, currency, prestige and innovation. By failing to consistently nurture trust, these brands have lost much of their equity. It seems impossible to retain a leading market position without the foundation of trust. The associated benefits to consumers (lower risk, more prestige, higher certainty of having made the right decision) lower transaction costs to all parties involved (retailers, manufacturers, shoppers) and one could therefore argue that brand trust likely has a positive impact on the economy as a whole. What is uncontested is the benefit to the brand owner: A 'virtuous' circle with trust driving more buyers driving more trust.



In turn this circle builds advocacy and effective pricing and promotion.

To illustrate the effectiveness of some trust-building strategies, we compare three strategies against each other that differ in terms of their likely duration to be implemented, the types of resources needed and the focus of activity.

(1) Be **loud**: Focus on advertising and social media activities (this is strategy which can be implemented in the **short** term and which requires resources that, even if non-existent within organizational boundaries, could be secured relatively easily).

(2) Be **innovative**: Focus on being perceived as an innovation leader (this is a strategy which cannot be implemented in the short term, but requires time – and resources which need to be crafted over time and are more difficult to acquire via outsourcing of specific processes).

(3) Deliver **consistent** quality: Focus on being perceived as the brand which performs extremely well in delivering consistent quality (this strategy may be a result of innovation, consistent behaviour at all brand touchpoints and may potentially take many years to bear fruit).

For each of these strategies we simulate the following scenario:

Let's assume a brand is able to improve its marketplace perception from "average" to "top 20%". Exhibit 33 shows the expected impact of such an improvement on both, the level of trust and the incremental relative penetration the brand can expect to attain. Each strategy pays off, but the impact is highest for the *Consistency* strategy, which is also the most difficult and longest one to implement. But who said that trust is easy to build?

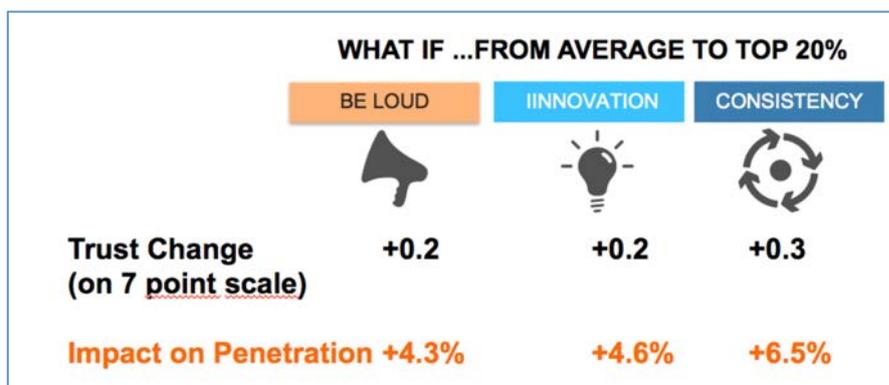


Exhibit 33: The expected impact of three strategies on consumer brand trust and penetration

APPENDICES

Appendix 1: The Consumer Survey (Brand parts)

Subject	Construct	Statement	References
<i>Marketing mix</i>	Advertising	Brand X .. - is heavily advertised in newspapers, magazines, TV, or internet. - advertises a lot	Steenkamp et al. (JMR 2010)
	Social Media Activity	has a strong presence in social media (Facebook, YouTube, blogs etc.)	New scale
	Innovation activity	- frequently introduces new products - has many new product introductions	Steenkamp et al. (JMR 2010)
	Price promotion	- is often sold on deal - is often on promotion	Steenkamp et al. (JMR 2010)
<i>Brand positioning</i>	Functional benefits	Brand X .. - is superior on product performance - has consistently good quality - provides excellent value for money	Partially based on Steenkamp et al. (JIBS 2003)
	Emotional benefits	Brand X .. - is a fun brand - is an exciting brand - is a prestigious brand	Partially based on Steenkamp et al. (JIBS 2003); Voss et al. (JMR 2003)
	Heritage	Brand X .. - has been around in my country for a long time	New scale
	Modernity	Brand X .. - is a brand of our times	New scale
	Global	Brand X ... - is sold all over the world	Steenkamp et al. (JIBS 2003)
	Local icon	Brand X ... - is a good symbol of (country of respondent).	Steenkamp et al. (JIBS 2003)
<i>Brand outcomes: Consumer</i>	Trust	Brand X .. - is a brand I trust - delivers what it promises	Chaudhuri and Holbrook (2001), Erdem and Swait (JCR 2004)
	Self-brand connection	Brand X .. - is a brand I can identify with - is a brand I feel a personal connection to	Escalas and Bettman (JCP 2003)
	Brand loyalty	Brand X ... - I would be willing to pay a higher price for this brand over other brands - I would recommend this brand to others - I am likely to buy this brand in the future	Chaudhuri and Holbrook (JM 2001); 3 rd item new

Appendix 2: Survey Categories by Country

	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	United Kingdom
Bean and Ground Coffee	1	1	1	1	1	1		1	1
Beer	1	1	1	1	1	1	1	1	1
Body Creams and Skin Care	1	1		1	1	1	1	1	1
Breakfast Cereals	1	1	1	1	1	1	1	1	1
Carbonated Mineral Water							1		
Chocolate Spread	1	1	1	1	1	1		1	
Chocolate Tablets and Blocks	1	1	1	1	1	1	1	1	1
Colas	1	1	1	1	1	1	1	1	1
Cooking Fats and Oils - Liquid	1	1	1	1	1	1	1	1	1
Cooking Sauces	1	1	1	1	1	1	1	1	1
Dentifrice and Toothpaste	1	1	1	1	1	1	1	1	1
Deodorants	1	1	1	1	1	1	1	1	1
Dry Dogfood	1	1	1	1	1	1	1	1	
Fabric Conditioners	1	1	1	1	1	1	1	1	1
Frozen Fish							1		
Frozen Pizza	1	1	1	1	1	1		1	1
Heavy Duty Washing Powder	1	1	1	1	1	1		1	1
Household Cleaners	1	1	1	1	1	1		1	1
Ice Cream							1		1
Instant Coffee							1		
Ketchups	1	1	1	1	1	1	1		1
Kitchen Papers	1	1	1	1	1	1		1	1
Lavatory Cleaners	1	1	1	1	1	1	1	1	1
Margarine and Spreads	1	1	1	1	1	1	1	1	1
Pasta							1	1	1
Potato Crisps	1	1	1	1	1	1		1	1
Razor Blades	1	1	1	1	1	1		1	
Sanitary Protection - Pads	1	1	1	1	1	1	1		1
Shampoo	1	1	1	1	1	1	1	1	1
Shaving Foams and Soaps			1	1	1	1	1	1	
Shower and Bath Additives	1	1	1				1	1	1
Still Mineral Water	1	1	1	1	1	1	1	1	1
Tea	1	1	1	1	1	1	1	1	1
Toilet Soap							1		1
Toilet Tissues							1		1
Washing Up Liquids	1	1	1	1	1	1	1	1	1
Wet Catfood	1	1	1	1	1	1	1	1	
Yoghurt	1	1	1	1	1	1	1	1	1
# of Categories	30	30	30	30	30	30	30	30	30

Appendix 3: 79 household panel categories

Bean and Ground Coffee	Frozen Pizza	Processed Cheese
Beer	Frozen Vegetables	Pure Fruit Juice
Bleach	Hair Coloring Products	Razor Blades
Body Creams and Skin Care	Hair Conditioning Products	Salad Dressings
Breakfast Cereals	Hairsprays	Sanitary Protection - Pads
Butter	Hard Cheese	Sanitary Protection - Panty Liners
Candy Bars (Chocolate Outline)	Heavy Duty Washing Powder	Sanitary Protection - Tampons
Canned Fish	Household Cleaners	Shampoo
Canned Green Beans	Ice Cream	Shaving Foams and Soaps
Canned Peas	Instant Coffee	Shower and Bath Additives
Carbonated Mineral Water	Instant Drinking Chocolate	Soft Cheese
Chocolate Spread	Jam	Soup and Bouillons - Wet
Chocolate Tablets and Blocks	Ketchups	Still Mineral Water
Colas	Kitchen Papers	Sweet Biscuits
Concentrated Fruit Squash	Lavatory Cleaners	Tea
Cooking Fats and Oils - Liquid	Lemonades	Tinned Soup
Cooking Fats and Oils - Solid	Liquid Soap	Toilet Soap
Cooking Sauces	Margarine and Spreads	Toilet Tissues
Dentifrice and Toothpaste	Mayonnaise	Tonic Water
Deodorants	Milk	Toothbrushes
Dishwasher Products - Solid	Nappies and Diapers	Washing Up Liquids
Dry Catfood	Olive Oil	Wet Catfood
Dry Dogfood	Other Flavored Carbonates)	Wet Dogfood
Fabric Conditioners	Packet Soup	Window Cleaners
Facial Tissues	Paper Towels	Yoghurt
Frozen Dinners and Entrees	Pasta	
Frozen Fish	Potato Crisps	

About the Authors

Oliver Koll

Oliver is a branding consultant and scholar. For the past 12 years he has been a Strategic Insights Consultant with Europanel, a joint venture of GfK and Kantar Worldpanel which is the world's leading source of insights from consumer panels. He also is the founder and managing partner of Institut für Marketing – Strategy Consulting PLC, a marketing strategy consultancy based in Innsbruck. Finally, he holds a position as a post-doc fellow in the Marketing Group of the University of Innsbruck where he focuses on research and teaching in the area of brand management.

Richard Herbert

Richard is responsible for the development of global insight at Europanel working with international consumer datasets and with Europanel's academic partners. He has worked in FMCG market research for over 40 years, 24 years of which has been international, and has extensive experience within consumer panels, custom research and retail panels. He acts as a consultant with many of Europanel's major international clients on a wide range of topics such as Brand Growth, Innovation, Private Label and Discounters. Richard has an Economics degree from the London School of Economics. He is British and based in London.

Maria Kreuzer

Maria is a branding consultant and scholar. She is working with Institut für Marketing – Strategy Consulting PLC, a marketing strategy consultancy based in Innsbruck where she consults with international clients on brand management and measurement. Her research deals with retrieving consumer brand meaning via different research techniques and linking consumer brand meaning to attitudes and behaviors towards brands. She is also teaching in executive marketing programs in Austria, Monaco and France.

Robert Wade

Robert works as a consultant across international clients, delivering large analytical projects on a Global scale. Robert has been working in Market research for the last 7 years and has been working internationally for the last 4 years. Robert is particularly interested in marketing strategies and is leading innovation projects in this area for Europanel.

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