

# Advisory Outlook



## Who do consumers really trust?

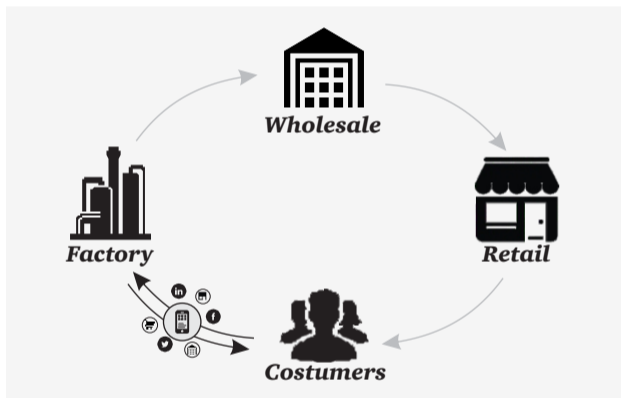
Over the past decade, social media has changed the way consumers and brands interact, giving consumers more of a voice and placing higher demands on brands.



For more, scan here to read  
<https://www.pwc.com/gx/en/industries/retail-consumer/consumer-insights-survey.html>

Over the past decade, social media has changed the way consumers and brands interact, giving consumers more of a voice and placing higher demands on brands—to be authentic, respond to consumers' concerns, be accountable for mishaps, and even take a stand on relevant social and cultural topics. Clearly, consumers' trust has become more crucial for brands' success.

PwC's latest consumer research points to the soaring importance of social media—shoppers trusting the collective opinions of strangers—and the challenge, for brands and retailers alike, to be seen as authentic and trustworthy. The issue of trust should also be top of mind for executives as they consider how to deploy new technology and services to bolster the customer experience while protecting the security of an ever-expanding trove of customer data.



### Trust in the brand matters

We reached out to 22,000 consumers in 27 territories across the globe in our 2018 Global Consumer Insights Survey. We asked them which factors, other than price, influence their decision to shop at a particular retailer. More than one in three (35%) ranked 'trust in brand' as among their top three reasons.

Among all respondents, 14% said trust in brand is the number one reason (other than price) why they shop at a retailer. But among respondents in China, 21% chose brand trust as their number one reason, more than any other territory that participated in our survey.

Indeed, brand trust ranked among the top three reasons for more consumers than 'good location.' And it was only slightly less important to respondents than being able to find items they wanted in stock. Other reasons, such as loyalty program and knowledgeable sales associates, were cited much less often.

Building brand trust isn't easy, of course. Understanding individual consumers and consistently meeting their expectations is essential to

making it happen. For example, Kroger, a US retailer, uses robust consumer analytics to uncover trends in consumer behaviour, allowing it to adjust its offerings and tailor its digital promotions to individual shoppers. And brand trust implies much more than understanding shopping behaviour, of course.

Trust can be earned through transparency regarding sources/suppliers and ingredients, dependability and consistent quality products and services, genuine engagement in community and charity activities, admitting errors and making up for them—the list goes on and on. These trust factors hold not just for established brands but can also be used as guiding principles for newly launching brands.

### Developing nations place priority on popular opinion

Although trust in the brand plays a strong role in determining where consumers shop, they rely heavily on other people's opinions to decide what to buy. Today's consumers trust the wisdom of the crowd, what somebody in their network says about something. Social networks ranked first (37% of respondents) of online media they regularly use to find inspiration for their purchases. Chinese respondents again stood out, as their preference for social networks soared to 52%. But consumers in some other territories rely even more heavily on social networks in this regard, with 70% of respondents from the Middle East selecting social networks, 58% from Indonesia and Malaysia, and 55% from Hungary.

These findings suggest that opinions and suggestions on social media sites—posted by friends and strangers alike—have more influence on specific purchase decisions than factors that retailers can control, such as advertising, promotions, and pricing. Recognising the importance of social media, many retailers have sought to use these sites as channels not just for getting their mass marketing messages out to consumers, but also to participate in ongoing conversations that are relevant to the brand. Consumers trust opinions on social media because they regard these as authentic and helpful. The challenge for brands has been to engage in the conversation on social networks in a way that consumers perceive as genuine and caring rather than self-serving. According to Kauffeld: "Brands have to think about what's the way for them to engage so that they come off as being authentic and caring and contributing to the network rather than doing something in the self-interest of the brand."

Beyond selling products, leading companies are using social media to provide services and help customers fulfill their aspirations. These companies are leveraging the power of social communities as online gathering places for consumers who share common interests and lifestyles.

### Consumers want benefits, not surveillance

For the most part, our survey respondents seem to trust retailers to collect data about their interactions and use the information to make individualised offers. Over 40% of survey respondents said they were comfortable having a retailer monitor their shopping patterns and purchases and expect a retailer to have up-to-date information on how they interact with it across all channels, including in store, online and social media.

But consumers generally seem less enthusiastic about the prospect of retailers knowing their physical locations. Among all respondents, only 34% said they would be happy for a retailer to identify when they are nearby and send them personalised offers via a mobile device.

### Trust eases fears about online security risks

Our survey asked respondents how they reduce the risk of online security issues and fraud. More than half said they only use credible and legitimate websites (57%) or choose providers they trust when making payments (51%).

It is notable that overall consumers' security precautions seem to have decreased slightly since last year's survey. This could mean that shoppers trust retailers more, and at the same time it may also imply raised expectations for reliable security.

### Will trust issues create headwinds for drones?

Beyond quality, authenticity, and security, trust affects consumers' attitudes toward technology. Drones are a case in point. The value of the drone-delivered product appears to make a difference to some consumers when it comes to trusting drones. Among our survey respondents, only 16% said they trust a drone to deliver any package and 22% said they would only trust one to deliver a low-value product. About one in four respondents said they would not trust drone delivery, an indication that retailers will need to promote confidence in this new delivery method if its use is to gain universal acceptance.

#### Connect with us

- [https://twitter.com/PwC\\_Nigeria](https://twitter.com/PwC_Nigeria)
- <https://www.facebook.com/PwCNigeria>
- [https://www.linkedin.com/company/pwc\\_nigeria](https://www.linkedin.com/company/pwc_nigeria)
- [enquiry@ng.pwc.com](mailto:enquiry@ng.pwc.com)

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

#### About PwC

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 236,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more by visiting us at [www.pwc.com/ng](http://www.pwc.com/ng)

© 2018 PricewaterhouseCoopers Limited. All rights reserved. In this document, PwC refers to PricewaterhouseCoopers Limited (a Nigerian limited liability company), which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.