

“Embrace the Age of Authenticity or risk being left behind.”

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About this report

This is the third report in the Cohn & Wolfe *Authentic Brands* series, which examines the role of authenticity in business, the attributes associated with an authentic brand, and the impact of authenticity on consumer, investor and employee attitudes and behaviours.

The report is authored by Geoff Beattie and Louise Fernley.

Methodology

The report is based on quantitative and qualitative research of 12,000 respondents across 12 markets, which was conducted in an online study by leading research company Toluna in July 2014.

For the purpose of deeper analysis, we divide our 12 markets into two categories: fast-growth and slow-growth economies. This segmentation is based on 2013 and 2014 estimates of real Gross Domestic Product (GDP) growth rate, taken from the CIA World Factbook. We characterise fast growth as a GDP growth rate 2.5% or above:

Fast-growth economies:		Slow-growth economies	
China	7.4%	Italy	-1.8%
India	5.7%	Spain	-1.3%
Indonesia	5.3%	France	0.3%
U.S.	4.2%	Germany	0.5%
UAE	4%	Sweden	0.9%
Hong Kong	2.9%	UK	1.8%

The results were then interrogated by a number of business, branding and market experts:

- **Jeremy Baka**, Executive Vice President, Cohn & Wolfe
- **Adam Elman**, Head of Global Delivery for Plan A, Marks & Spencer
- **Ioannis Ioannou**, Assistant Professor of Strategy and Entrepreneurship, London Business School
- **Jim Prior**, CEO of WPP-owned brand consultancies The Partners and Lambie Nairn
- **Sue Unerman**, Chief Strategy Officer, MediaCom, Author, *Tell the Truth*

We thank these experts for their time in helping to develop and contribute to this report.

Introduction

Authenticity¹

1. Quality of being real or genuine, not fake
2. Quality of accurately recording or reflecting something

The Age of Authenticity

What do we mean by the Age of Authenticity? Consider the following:

In a world of 'digital everything', there is no privacy and nowhere to bury bad news. Data leaks everywhere, from the supposedly top-secret revelations of Edward Snowden to the private mobile phone accounts of celebrities. Digital cameras capture confidential conversations, brutal wars, dangerous working conditions and embarrassing political gaffes. This flood of data washes around the world at a furious pace: every second of the day sees 24,000 gigabytes of Internet traffic, 7,000 Tweets, 90,000 YouTube videos viewed, and 2.3 million emails sent.

This is a world where, one way or another, the truth will emerge. Consider some of the great scandals of recent years: Britain's horsemeat crisis, the automotive recalls in the U.S., toxic food revelations in China, and Snowden's revelations about government agencies accessing private citizen data. For those caught at the centre of these crises, few would have embraced the idea of being completely authentic, transparent and truthful. Authenticity was forced upon them, with all of the traumatic consequences that followed.

This is an insight which global brands must understand: embrace the Age of Authenticity or risk being left behind.

At the same time as 'digital everything' creates the conditions for the Age of Authenticity, it is also changing the way consumers around the world interact with companies. Scepticism about what brands say and do is much higher than before. If we want the truth, we Google it. We rarely click on the official website, much preferring consumer reviews, recent news articles, and the Wikipedia entry. To put it bluntly, consumers just aren't 'buying' brand stories in the same, uncomplicated way they did in years past. They demand more information and clarity, they yearn for a more honest and open relationship with brands, and – above all – they hate being lied to.

We identified this trend clearly in our 2013 *Authentic Brands* study, *From Transparency to Full Disclosure*, which was conducted across three markets – the UK, U.S. and China. It was clear from our research that consumers would reward companies who were straight with them, and punish those who were not.

¹ Collins English Dictionary

From this, we began to formulate the idea of an 'authentic brand', one which demonstrates a number of ideal behaviours in the eyes of the global consumer. It was clear to us from the 2013 study that an authentic brand would:

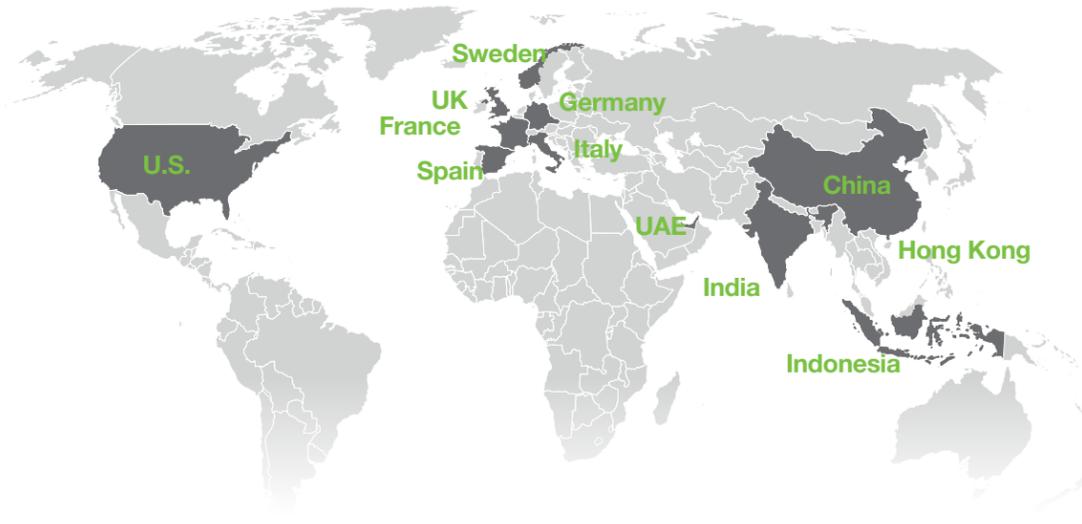
Produce products and services that do what they say on the package: An authentic brand is able to live up to its own hype

Match words with actions: Authenticity means following through on commitments

Open up: Willingly and openly share information and intelligence with consumers, even if doing so could be detrimental in the short run

Front up to issues: When there is really bad news to share, and in the worst scenarios, they maintain openness, honesty and a willingness to communicate about issues

The Cohn & Wolfe 2014 *Authentic Brands* study has been much more ambitious. Instead of three countries, this year we have canvassed the views of 12,000 people across 12 key markets:



This allows us to present a truly global picture of authenticity in business in 2014. But it also provides a much deeper level of insight. This year, we are aiming to answer the big questions:

- What are the markings of an authentic brand?
- How does authenticity impact the bottom line?
- How does it really impact the behaviour of your customers?
- Which inauthentic behaviours rankle global audiences the most and which brands are guilty of them?
- What is the current consumer sentiment towards brands and sectors they deem authentic and those they believe are not?
- What can business leaders learn from all of this?

The 2014 *Authentic Brands* study has some unexpected and hopefully inspiring answers to these questions.

Executive Summary

- **Authenticity in business beats product utility and innovation, across all 12 markets surveyed:** Authentic characteristics such as communicating honestly about products and services (91%) and environmental impact and sustainability measures (87%) are more important to global consumers than product utility (61%), brand appeal (60%) and popularity (39%).
- **Authenticity has a positive impact on the bottom line:** 63% of global consumers would buy from a company they consider to be authentic, over and above competitors. A further 59% would recommend an authentic organisation to family and friends; 47% would be happy to work for them; and 23% would invest in a brand they believe to display authentic qualities. Those in fast-growing economies are twice as likely to invest in authentic brands as respondents in slower-growing countries (31% vs 15%).
- **McDonald's, Samsung and Apple are considered to be the most authentic global brands:** As voted for by 12,000 respondents in an unprompted question.
- **Food quality, product reliability and data security are the corporate issues making global individuals the angriest.** Three quarters of global respondents would be extremely angry if a company was found to produce food in an unsanitary way, rising to 91% in Italy and 81% in China. Meanwhile, U.S. and UK respondents are most likely to be extremely angry about companies failing to protect their personal information (80% and 79% respectively).
- **Supermarkets top the list of most authentic sectors, alcohol companies come out last:** While over half (52%) of consumers think supermarkets are good at displaying authentic characteristics, this falls to just 27% for alcohol companies. However, there are marked regional differences in the sectors considered authentic. For instance, 92% of Indonesian respondents and 81% of those in India believe banks to be authentic, compared to just one in 10 Spanish respondents.

Section 1: The Behaviours of Authentic Businesses

Authenticity is a tough word to crack.

Retailers, manufacturers, even politicians, all make bold claims to be '100% authentic, the real deal' to incite trust and entice followers. We wanted to go beyond these platitudes to find out if 'authenticity' is now acknowledged and understood by consumers around the world. We sought to find out how a company could be considered authentic and whether authenticity factored in people's decisions to buy from, work for, or invest in companies today.

A Tweet experiment

We started our experiment by asking experts in business, branding and communication for their definition of an authentic company, in no more than 140 characters:

"Meets previously set expectations with actions & ambitiously sets new ones to both meet and balance the demands of its material stakeholders."
Professor Ioannis Iannou, Assistant Professor of Strategy and Entrepreneurship, London Business School

"An authentic brand is like a mirror: when people look at it, they actually see a bit of themselves."
Jeremy Baka, Executive Vice President, Cohn & Wolfe U.S.

"Truth is the only sustainable competitive advantage."
Sue Unerman, Chief Strategy Officer, MediaCom

We then flipped the question to the public, to the 12,000 global respondents who took part in our study. The responses gave us equally rich food for thought:

"An authentic company has values and morals and stands by them no matter what challenges are encountered."

"True to its mission and values."

"An authentic company is honest, trustworthy and prepared to share all information about their products and business with the public."

"A brand that honestly divulges its practices, both positive and negative."

"A brand that is willing to show its flaws in order to show where it needs to work."

"A brand whose primary concern is not to make money but to improve things for everyone."

"A company that tells the truth about the origins of retail products, sustainability, working environments and tax."

"Innovative and conscientious."

"An authentic company owns up to their mistakes and is honest with customers. Doesn't sugar coat anything or sweep problems under the rug."

"Does what it says, says what it does."

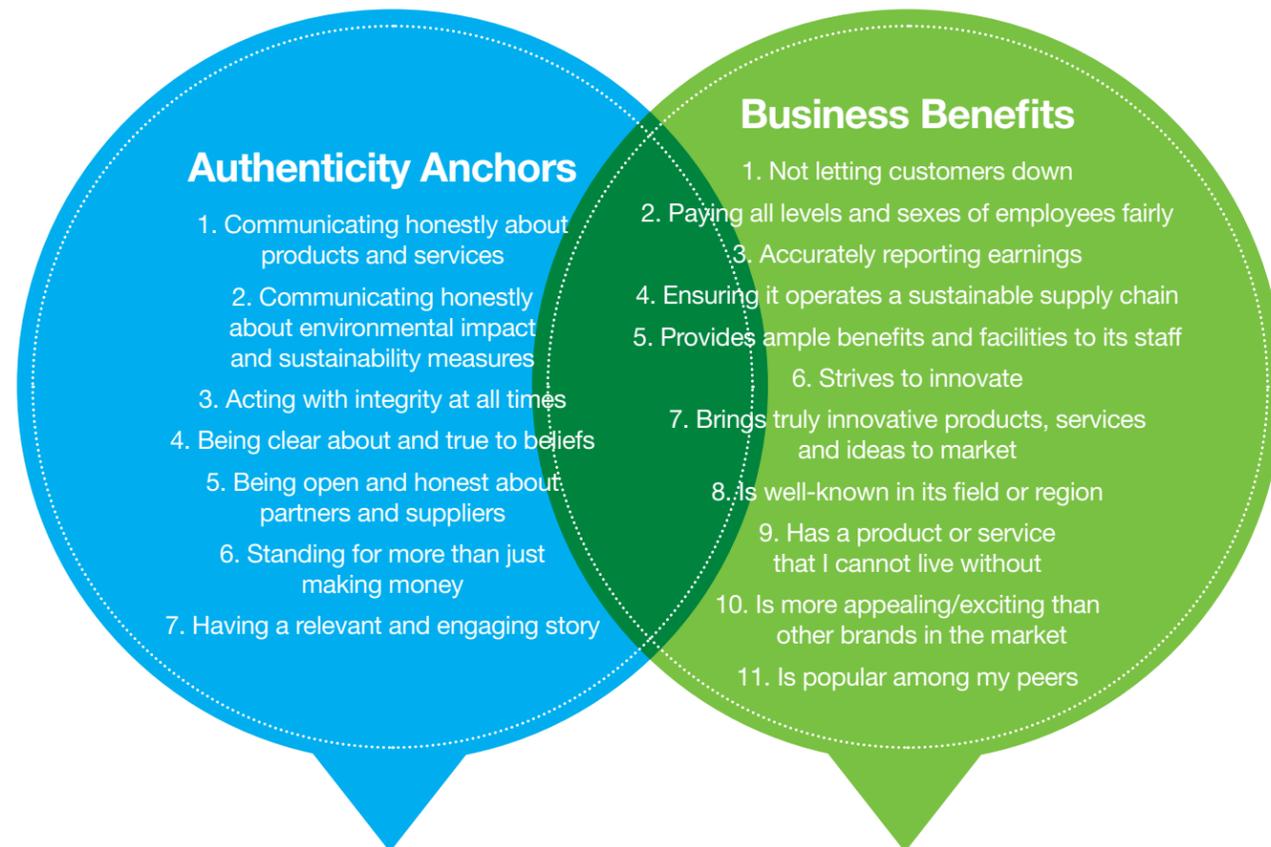
Frankly, we doubted that most people would have a clear idea of what an authentic brand or company could or should mean. The research proved us completely wrong. In thousands of original and creative 140-character Tweets, we can see that people understand the concept very well, and appear to have a passion for it.

The seven Authenticity Anchors

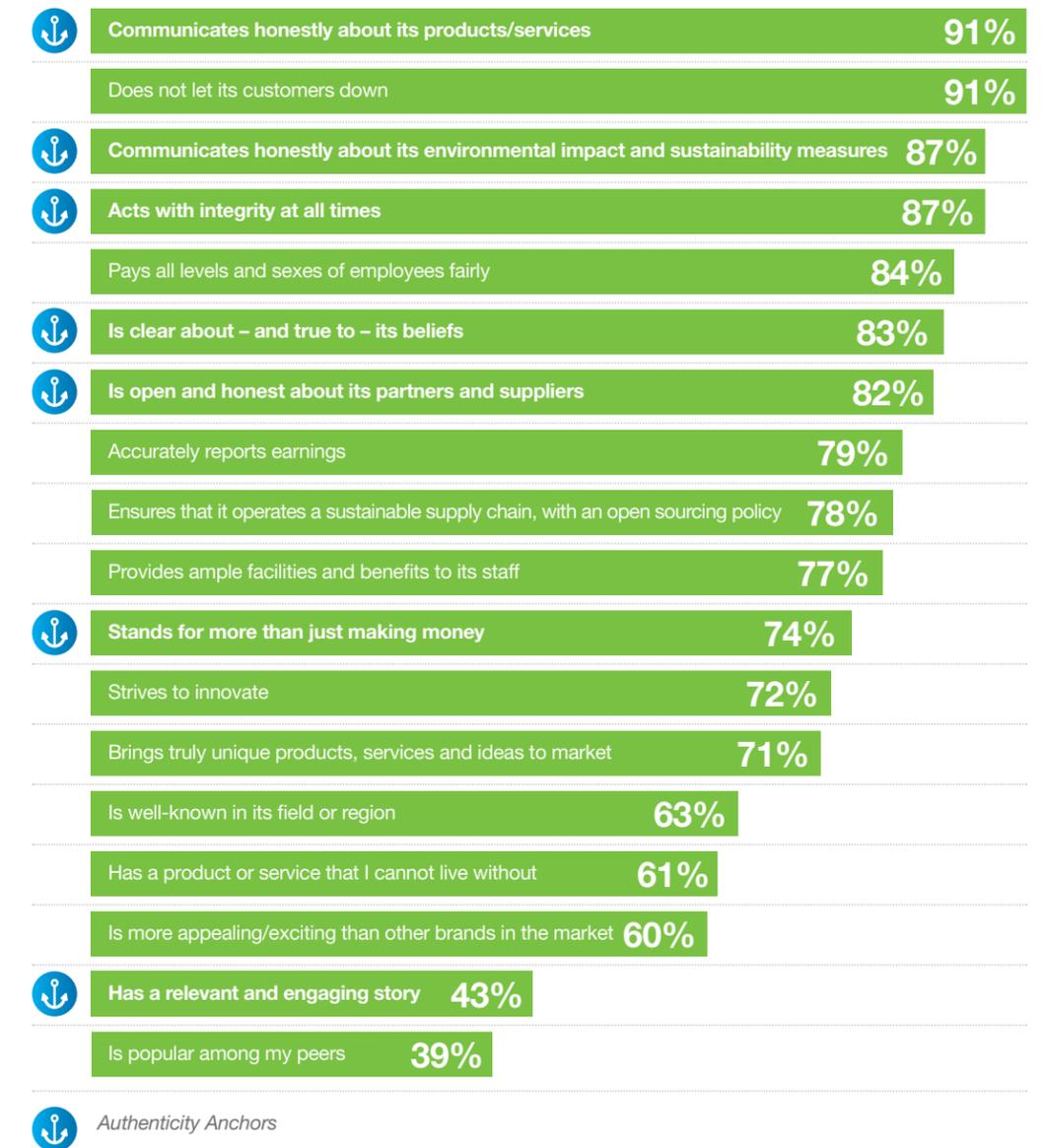
Thanks to our Tweet experiment, we know that the vast majority of our 12,000 global consumers understand and value the concept of brand authenticity, within a strikingly consistent range of definitions. To test the idea further, we asked our Cohn & Wolfe research team to organise those 12,000 responses into seven 'Authenticity Anchors'.

We wanted to understand how important the Authenticity Anchors were to people when compared to 10 more traditional business benefits, from product utility and customer service to innovation and popular appeal.

Again, the results surprised us.



Which of the following behaviours are important for companies to display? (Whole global sample)



Firstly, the most striking finding is that our Authenticity Anchors score strongly when measured against the 10 other, more traditional corporate behaviours.

Of the top ten combined Authenticity Anchors and traditional corporate behaviours rated, half of them are Authenticity Anchors:

‘Communicating honestly’, ‘acting with integrity’, ‘clarity of beliefs’ and ‘transparency about suppliers’ scored noticeably better than ‘innovation’ or ‘products I cannot live without’.

While the average score of importance for our Authenticity Anchors stands at 78%, the average score for other business benefits is lower, at 70%, showing that the sum of authenticity is greater than many values corporates hold in high regard.

Secondly, although there are some important regional and economic variations (see ‘Fast-growth vs ‘Slow-growth’), there is a remarkable consensus across our 12 markets on the relative importance of the Authenticity Anchors.

1. Communicating honestly about products and services

The demand for this Authenticity Anchor appears to be universal. It’s not just about having a product that ‘does what it says on the package’; it’s about understanding that a different approach to communication is required in the world of ‘digital everything’.

“Marketing and advertising was once predicated on spin,” reflects Sue Unerman, Chief Strategy Officer of WPP media agency, MediaCom and author of *Tell The Truth*. “You didn’t sell the steak; you sold the sizzle. The sizzle is no longer enough. The mobile Internet revolution means that consumers are carrying a wealth of data and knowledge around with them in their pocket; they can – and will – find out what they want to about a product or a service. Brands must now wake up to this revolution and smell the coffee.”

2. Communicating honestly about environmental impact and sustainability measures

Some sceptics may question it, but the fact is that ‘open communications about environmental impact and sustainability measures’ is now the second most important Authenticity Anchor and third most important overall business behaviour for brands to offer their key stakeholders – above accurately reporting earnings and having clear pay structures.

“Marketing and advertising was once predicated on spin. You didn’t sell the steak; you sold the sizzle. The sizzle is no longer enough.”

Sue Unerman

Marks and Spencer (M&S), the UK retailer, is one example of a major brand which has been a pioneer and leader in this field for years through its Plan A business transformation programme. Adam Elman, Head of Global Delivery for Plan A, explains: “The green movement is firmly in the mainstream now and our consumers demand a sustainable business model from us. When we first launched Plan A, we won plaudits simply for making public commitments on areas to improve. Now, after nearly eight years of continued engagement, reporting back on and meeting many of those targets, it has brought huge business and brand benefits.”

Case study: No Plan B for M&S

Marks & Spencer is known as a retailer of own-brand high-quality clothing, home products and food, with 1,253 stores worldwide and a growing multi-channel business. With 33.6 million UK customers and 85,831 employees worldwide, M&S is a long-established, trusted brand with a high profile – and even higher expectations from consumers. Recognising not only the challenge of these expectations but the opportunity to stake out a leadership position among global retailers, M&S in 2007 launched Plan A, a sustainability strategy which set 100 goals to reduce its social and environmental footprint over five years. “Plan A was always meant to be more of a business transformation programme than just a CSR measure,” Adam Elman says. “It involves every single person within the business, rather than being in silo to it, and that is what has made it a success.”

Results dramatically exceeded expectations. With an initial investment of £200m over five years, the programme drove innovation across the company, cutting energy use by 25%, waste by 40% and packaging by 50%. The retailer became carbon neutral and was sending zero to landfill by April 2012.

The next part of the journey saw M&S successfully integrate sustainable thinking into its management processes. Now, through Plan A 2020, M&S has outlined 100 new, revised and existing commitments with the ultimate goal of becoming the world’s most sustainable major retailer. CEO Marc Bolland has promised “In the first instance, we will ensure that by 2020, every M&S product has Plan A built into it, making sustainability a new norm.”

The halo around M&S as a result of Plan A has also delivered an enormous brand and reputation dividend, leading to the recognition through the Most Admired Companies, Sustainable Business and Employee Engagement Awards, among others. “Our calculations have valued the business benefit of Plan A at around £465m,” Adam Elman adds. “It plays a key part of our stakeholder engagement, staff motivation and even how we secure planning permission for new stores.”

3. Acting with integrity at all times

With an 87% rating in our study, a brand’s ‘integrity’ really matters to our global respondents.

Sue Unerman explains why: “Just as we prefer to present ourselves in the best possible light, so must brands. Savvy business leaders realise that their audiences are demanding and have high expectations. We can see through dishonest behaviours and don’t appreciate them. For instance, don’t tell me repeatedly that my call is really important to you while keeping me on hold for half an hour.”

4. Being clear about – and true to – beliefs

It is no longer enough for businesses to say what they do (or do what they say, for that matter), audiences want to know what organisations stand for and whether they share their values.

“As individuals, we naturally want to align ourselves with organisations and causes that reflect our own beliefs,” Ioannis Ioannou, Assistant Professor of Strategy and Entrepreneurship at London Business School says. “Businesses must realise that their audiences associate with human qualities rather than products.”

5. Being open and honest about partners and suppliers

Supply chain scandals have plagued the food sector in Europe and Asia over the past two years, which may explain why this Authenticity Anchor rates highly in our study.

After horsemeat was found in beef products being sold by a number of UK supermarkets, food manufacturers and fast food chains at the beginning of 2013, much greater

“Businesses must realise that their audiences associate with human qualities rather than products.”

Ioannis Ioannou

emphasis was placed on supply chain transparency. Marks & Spencer in the UK is a brand which has led the way on supply chain transparency:

“We realised our responsibility didn’t start or end in store,” Adam Elman comments. “Our responsibility stretches back to suppliers and forward to how consumers use and dispose of our products.”

One of the most shocking aspects of the horsemeat scandal was the lack of knowledge food retailers had about where their products came from, or what was in them, and is reflected in the fact 82% of global consumers (and 89% and 88% of French and Italian consumers, respectively) value honesty about business partners and suppliers.

6. Standing for more than just making money

Related to the strong desire for brands to demonstrate integrity and values, our 12,000 respondents favoured companies who showed a sense of purpose, beyond the profit and loss account.

A good example might be Apple. It is the most profitable company in the world, but it didn’t get there by starting out with that ambition.

As the late Steve Jobs once said: “The only purpose for me in building a company is so that it can make products. Of course, building a very strong company and a foundation of talent and culture is essential over the long run to keep making great products.”

7. Having a relevant and engaging story

In the Age of Authenticity, the role of the storyteller has taken on new significance. Yet many companies still don’t take the idea seriously enough:

Sue Unerman says, “Storytelling is a well-established part of branding, but try telling that to every function within a business – the Chief Financial Officer, the procurement team, middle managers etc. It is easy to lose sight of heritage and long term strategy to concentrate on imminent profits instead. Balancing the two is the difficult part for businesses today, but if they can get it right, it’s worth the pay-off.”

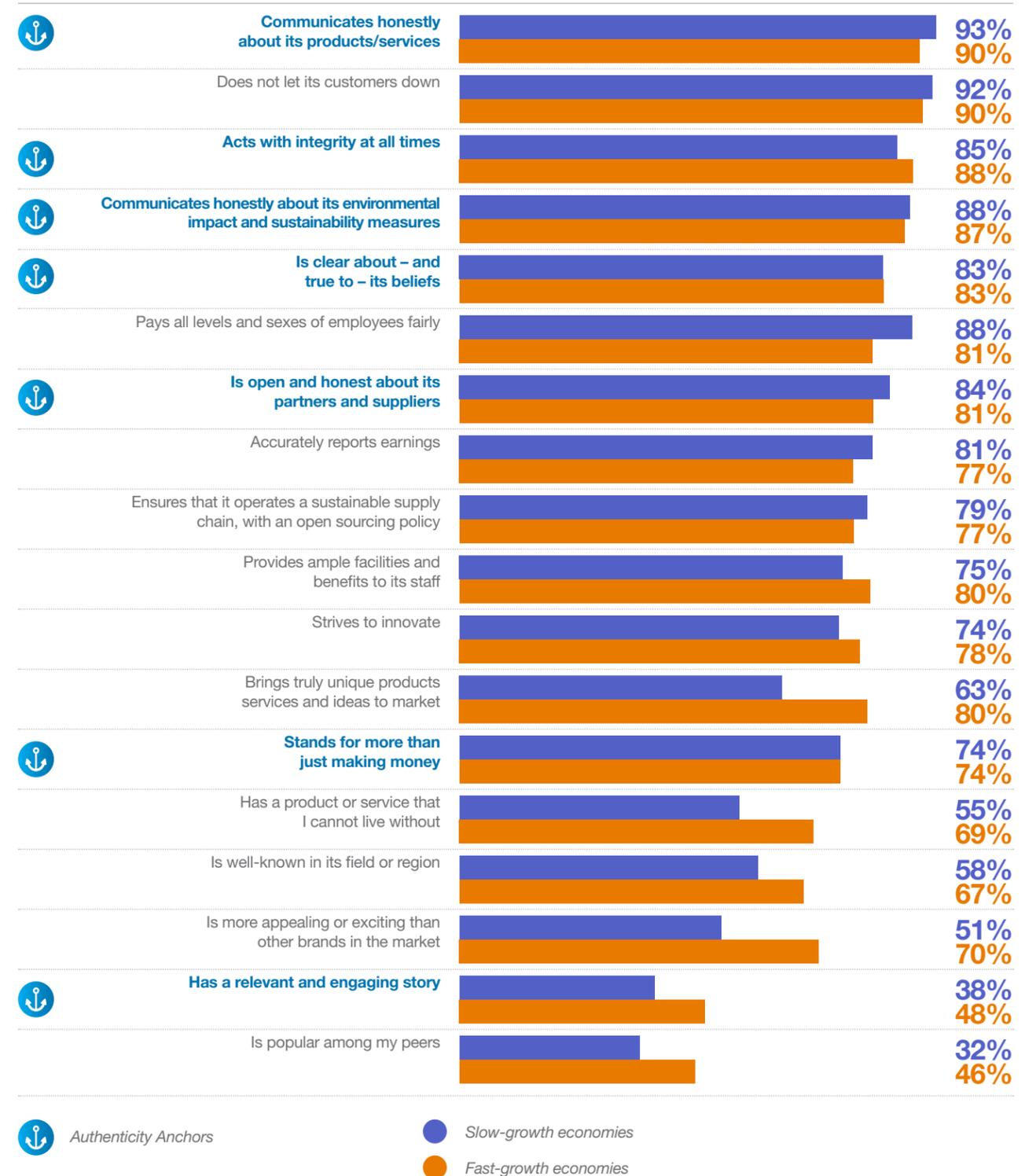
“We realised our responsibility didn’t start or end in store. Our responsibility stretches back to suppliers and forward to how consumers use and dispose of our products.”

Sue Unerman

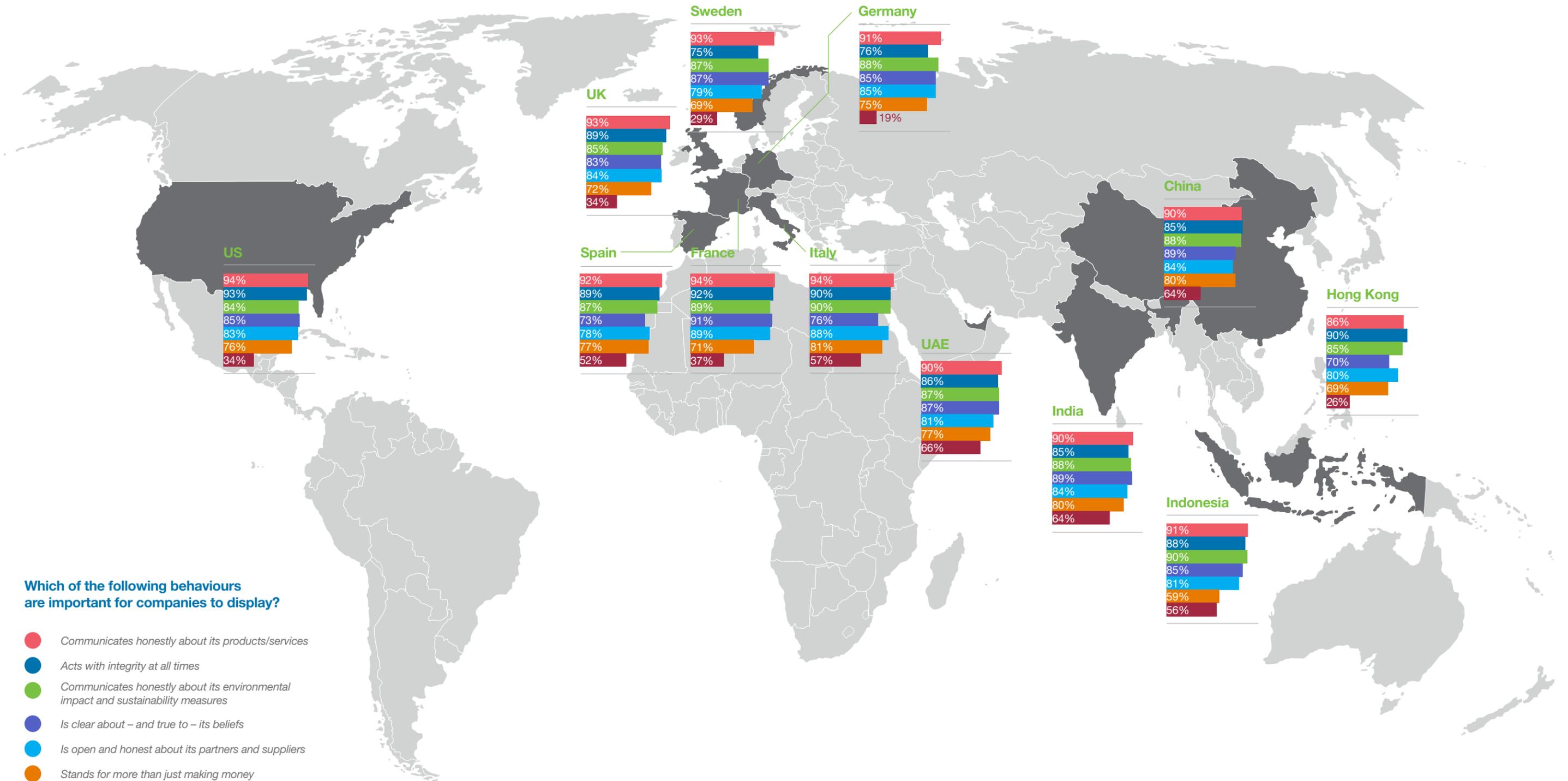
In conclusion

Take the Authenticity Anchors seriously, very seriously. Concepts like integrity, beliefs and purpose may seem too abstract for mainstream consumer marketing, but our global study shows that consumers around the world are crying out for them. The anchors are real factors in the decisions people make about buying from, engaging with or investing in a corporate or product brand.

Which of the following behaviours are important for companies to display? (Fast-growth vs. slow-growth)



Authenticity Anchors across markets



The authentic impact on the bottom line

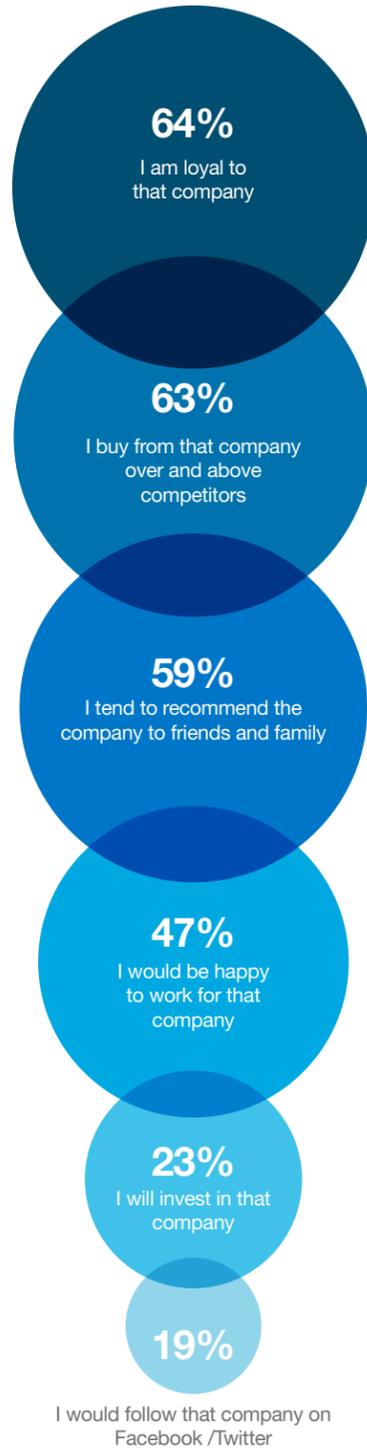
Let's dig a little deeper to test our proposition that authenticity really matters. We asked a series of questions to find out if the Authenticity Anchors really did influence purchasing and investing decisions.

And here's the conclusion:

Close to two thirds of global consumers would buy from a business that displays the authentic characteristics discussed on the previous pages over and above its competitors, while a similar number said they would stay loyal to this type of brand. A further 59% of global consumers would recommend authentic businesses to friends and family.

Authentic behaviours don't just affect consumer buying behaviour. Nearly half of global respondents would be happy to work for an authentic business and a quarter would invest in this type of company, with this figure rising in newer economies and among younger respondents.

If a company is open, honest and authentic, what effect does this have on you? (Global sample)



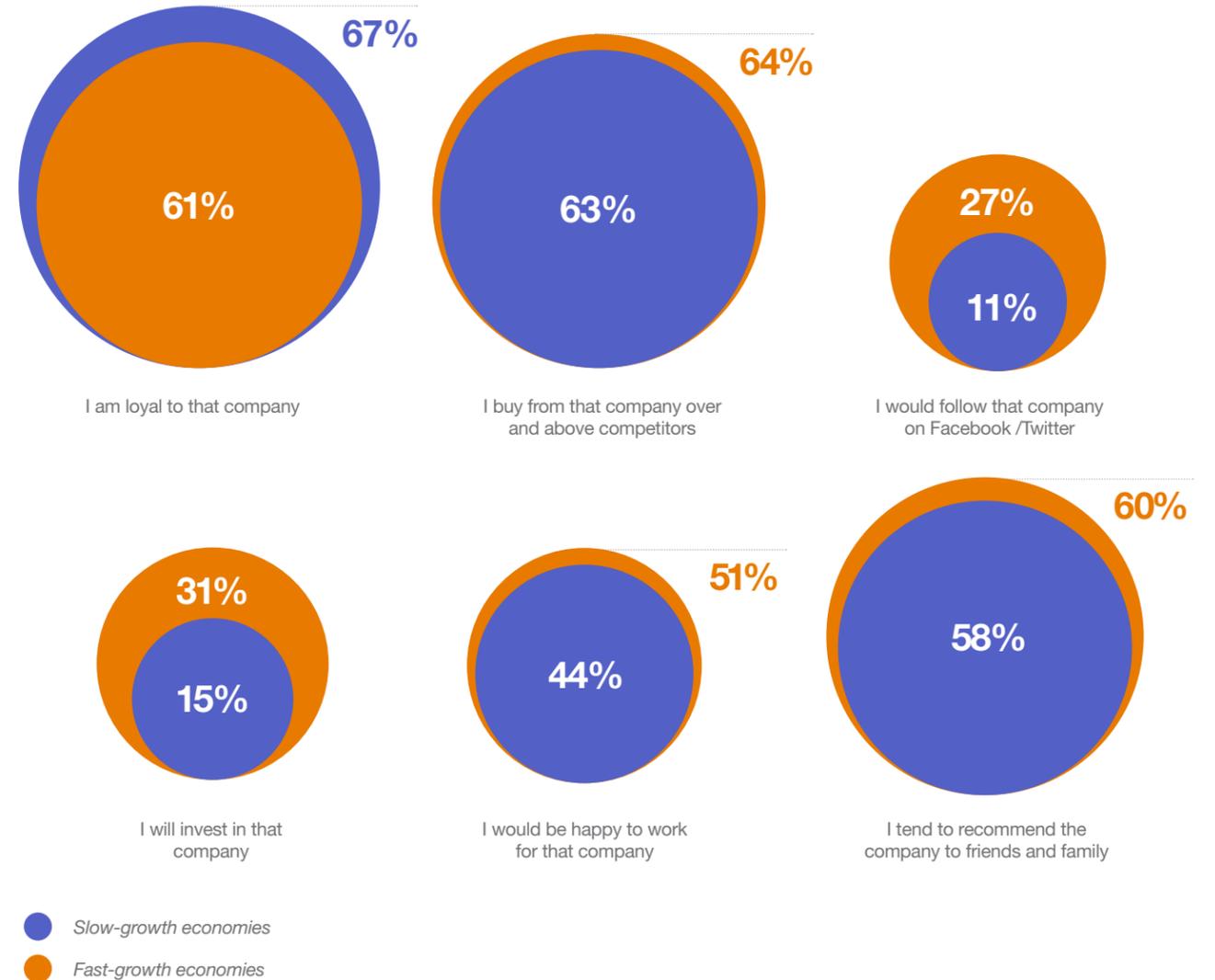
Fast vs. slow growth

While there is remarkable consistency between fast and slow-growth markets in buying from and recommending authentic brands, fast-growth respondents are more enthusiastic about investing in authentic companies and working for them. They are also more than twice as likely to follow authentic companies on social media.

However, fast-growth markets are also less likely than those in slow-growth

markets to stay loyal to an authentic brand. These global differences bear important considerations for brand leaders, who have to keep up with emerging economies that have high demands for quality, integrity and innovation and will reward them by buying into their brand, but not necessarily closing themselves off to newer, more exciting entrants to the market.

If a company is open, honest, and authentic, what effect does this have on you? (Fast-growth vs. slow-growth)



Section 2: The Top 20 Most Authentic Global Brands

We asked our 12,000 respondents across 12 markets to name the brands they believe are most authentic. We then asked our Cohn & Wolfe research team to analyse this list of unprompted answers to compile the top 20 ‘most authentic’ brands in the world².

We noticed that while the list includes some of the most successful companies and brands in the world, when measured by either financial performance or brand value, others are missing. Where are IBM, General Electric, Intel, Toyota and other megabrands? Why are Barilla and Lidl on the list when they are tiny regional players compared to McDonald’s or Samsung? Why is a nuclear power company on the list? Can we make any kind of connection between being named as one of the Top 20 global brands and actual business performance?

Our conclusions are:

1. Authentic brands are more than simply popular ones. Our 12,000 respondents are making a conscious choice about the most authentic brands. They are not simply choosing the best-known or most popular brands as the most authentic. As we proved with our tweet experiment, individuals around the world do have a very clear idea of what an authentic brand looks like. While overall brand value has clearly been an influencing factor, the study shows that global consumers are making an informed choice about what they consider to be the most authentic companies.

2. Authenticity is fundamentally local.

Each market has a very different idea of what makes the list of most authentic brands. Although McDonald’s was the overall choice, it was not the most popular authentic brand in any of the 12 countries we surveyed. The differences from country to country are very striking. In Germany, for example, the list is not dominated by its global megabrands like BMW, Mercedes and Siemens. Rather, it is led by ‘low-cost’ or ‘value’ retailers: Edeka, Rewe, Lidl, Kaufland and Aldi. Domestic brands are also ahead in UK, France, Italy, Spain, Indonesia and Sweden. In those markets, there is clearly a connection between the concept of authenticity and brands which have strong local roots.

3. Authentic brands perform well in a crisis.

One key indicator of an authentic brand is how they communicate in a crisis. In recent times our Top 20 brands have responded well when confronted with bad news. “What is interesting about this list is that very few of the brands have been untouched by controversy,” comments Jim Prior, CEO, The Partners and Lambie Nairn. “From this you might deduce that it takes an issue or a scandal for a brand to be able to prove its mettle.”

4. The Top 20 really are leaders in authenticity.

Digging deeper into each company, it is clear that our leading brands have embraced at least one of our seven Authenticity Anchors, as we have defined them, and **used them to improve business performance**. To illustrate, we have analysed the top three brands in more depth.

² To appear on this list, the brand had to receive a nomination in at least 3 countries, with a total number of nominations as an authentic brand exceeding 75.

Top 20 most authentic global brands

1. McDonald’s
2. Samsung
3. Apple
4. Carrefour
5. KFC
6. Starbucks
7. Walmart
8. Google
9. HSBC
10. Sony
11. Amazon
12. Ikea
13. Coca-Cola
14. Vodafone
15. Microsoft
16. Nestle
17. Tata
18. Barilla
19. Lidl
20. Nokia

Case Study: Barilla, Italy’s top authentic brand

Barilla, the family-owned Italian food manufacturer, is number 20 on our global most authentic list. Barilla found itself at the centre of a worldwide media storm last year after controversial comments made by CEO Guido Barilla on Italian radio programme, *La Zanzara*. Talking about his company’s family-focused marketing, Mr. Barilla said gay couples would never feature in advertising campaigns: “Ours is a classic family where the woman plays a fundamental role. If [the homosexual community] doesn’t like it, they can go eat another brand,” he remarked, according to a translation by Reuters.

In the age of ‘digital everything’, this comment spread like wildfire and threats of a boycott surfaced. Rather than hiding away, Mr. Barilla quickly took to his company’s Facebook page to issue an apology. He wrote: “I apologise if my words have led to misunderstandings... I have the utmost respect for homosexuals and for freedom of expression to anyone.” To further reinforce his position, he filmed another apology, where he admitted he had “a lot to learn about the lively debate concerning the evolution of the family” and pledged “to meet representatives of the group that best represent the evolution of the family, including those who have been offended by my words”. Barilla making the top 20 list could be a sign that in the midst of a scandal, facing up to criticism and accepting changes need to be made can be the most effective forms of protection.

What puts the top three on the podium?

McDonald’s: a big fish in a controversial pond

McDonald’s, a brand that tops the global list of authentic brands and appears on 10 out of the 12 markets’ top 20 lists (see appendix), has made huge strides in communicating authentically with its customers and the wider public. Recent initiatives include:

- Addressing the allegation that ‘pink slime’ was an ingredient in Chicken McNuggets with a ‘behind the scenes’ video which has been watched by almost 4.5 million people at the time of writing.
- Inviting consumers around the world to ask any question about McDonald’s food, and answering them on its website.
- Posting calories on all of its in-store food menus ahead of regulatory changes – one of the first major fast food chains to do this.

As Geoff Beattie, Head of Global Corporate Affairs, Cohn & Wolfe notes: “There is plenty of strong evidence that McDonald’s deserves to be recognised as the world’s most authentic brand. The company has understood the social and market forces which make authenticity a real driver of business performance, and put a plan in place to make it all work.

“McDonald’s needed some courage to embrace authenticity. None of its

“McDonald’s needed some courage to embrace authenticity. None of its competitors have been able to match this performance, which is reflected in less than a third of global consumers believing the fast food sector is good at displaying authentic behaviours.”

Geoff Beattie

competitors have been able to match this performance, which is reflected in less than a third of global consumers believing the fast food sector is good at displaying authentic behaviours.

“As McDonald’s stellar business performance of the past few years starts to be challenged, it will be fascinating to see if the brand maintains its commitment to authenticity, and builds on it.”

Samsung: the honest giant

Not only has Samsung become one of the world’s most successful brands over the past few years, there is also something very ‘authentic’ about the way that it operates. ‘Honesty about products and services’ is our top Authenticity Anchor, while ‘being open and honest about partners and suppliers’ is number seven. In recent years, Samsung has been very open and honest about what the company needed to improve, from products to social responsibility. This seems to drive the company towards better products and better performance.

- When Samsung launched its first tablet, Galaxy Note 10.1, the company made the surprising move of admitting that it wasn’t good enough. Samsung’s mobile VP Lee Don-Joo said that the product did not compare well with the rival iPad 2.³ “We will have to improve the parts that are inadequate,” he told the Korean Yonhap news agency. By contrast, the 2014 edition of the Samsung tablet won rave reviews and was considered by one reviewer to be ‘the best (Android) in the market right now.’⁴
- In November 2013, Samsung admitted to investors that its mobile software was not as good as its hardware and dedicated half of its research and development effort to seek solutions to the issue. Kwon Oh-hyun, vice chairman and chief executive of Samsung Electronics, said publicly: “Even though we’re doing the software business, we’re not as good as we are in hardware.”⁵ It’s hard to imagine some of Samsung’s competitors being that honest.

- In 2012, Samsung faced allegations that its plants in China used child labourers.⁶ New York-based pressure group China Labor Watch claimed that working conditions at Samsung suppliers were “inhumane”. In response, Samsung commissioned an independent auditor to investigate the allegations. In July 2014, the findings were reported transparently. Samsung said that the external audit had found labour violations at dozens of its suppliers in China, including failure to provide safety gear and excessive working hours, but that none involved child workers. Samsung vowed to eliminate illegal overtime by the end of 2014.

Apple: embracing tough issues

Under the leadership of Tim Cook, Apple has legitimate claims to be considered the world’s third most authentic brand. This was a conscious decision made by Cook shortly after he took over from Steve Jobs. He told *Bloomberg BusinessWeek* in 2012:

“ We decided being more transparent about some things is great — not that we were not transparent at all before, but we’ve stepped it up in places where we think we can make a bigger difference, where we want people to copy us.”

Since then, Apple has lived up to its ambitions, often in the face of very controversial news:

“We decided being more transparent about some things is great — not that we were not transparent at all before, but we’ve stepped it up in places where we think we can make a bigger difference, where we want people to copy us.”

Tim Cook, Apple

³ <http://www.wired.com/2011/03/samsung-chief-calls-galaxy-tab-10-1-inadequate/>

⁴ <http://www.pcpro.co.uk/reviews/tablets/387088/samsung-galaxy-note-10-1-2014-edition>

⁵ <http://www.theguardian.com/technology/2013/nov/07/samsung-software-android-touchwiz>

⁶ <http://www.theguardian.com/technology/2014/jul/01/samsung-working-practice-breaches-chinese-suppliers>

- **Taking the initiative on data privacy**
Probably more than any other technology giant, Apple has understood that data privacy and protection is an issue that needs to be addressed in a much more transparent way. A recent statement from CEO Tim Cook attempted to differentiate Apple from its technology rivals:

“We believe in telling you up front exactly what’s going to happen to your personal information and asking for your permission before you share it with us... Our business model is very straightforward: we sell great products. We don’t build a profile based on your email content or web browsing habits to sell to advertisers. We don’t “monetise” the information you store on your iPhone or in iCloud. And we don’t read your email or your messages to get information to market to you. Our software and services are designed to make our devices better. Plain and simple.”⁷

“We believe in telling you up front exactly what’s going to happen to your personal information and asking for your permission before you share it with us.”

Tim Cook, Apple

- **Facing up to supply chain abuse allegations and reporting the findings transparently**

When Apple was confronted by worldwide headlines about poor working conditions at its suppliers’ factories in China, CEO Tim Cook did not bury his head in the sand. He immediately announced that the independent Fair Labor Association would conduct special inspections of final assembly plants. Cook went to visit the factories himself and invited US broadcast journalists to talk to the workers. The results of the investigation were published online in November 2013, revealing ‘serious and pressing’ workplace violations. Apple and its supplier created an action plan of 360 items that needed to be addressed.⁸ It was uncomfortable reading, but Apple embraced the bad news and turned the story around by acting in such a transparent manner.

⁷ <https://www.apple.com/uk/privacy/>

⁸ <http://www.forbes.com/sites/connieguglielmo/2013/12/12/apples-labor-practices-in-china-scrutinized-after-foxconn-pegatron-reviewed/>

Section 3: Are Today's Brands Living Up to Global Expectations of Authenticity?

Let's now take a look at the other side of the coin.

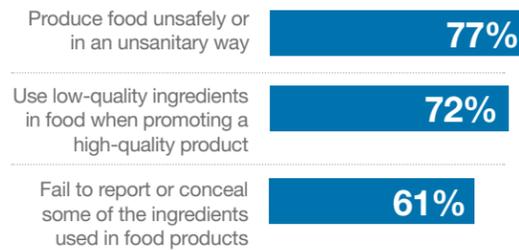
If consumers reward brands for being authentic, what do they punish them for? In other words, what drives people crazy about the way they perceive brands' behaviour?

In our 2013 report, we produced a Consumer Anger Meter, revealing the areas and issues that made U.S., UK and Chinese individuals angriest. For 2014, we have repeated this exercise across 12 markets and uncovered the seven areas that cause the biggest concern and anger among audiences. We delve into each one of these issues and the differences between geographies on the following pages.

Global Anger Meter

Proportion of global respondents who would be extremely angry if a company were to:

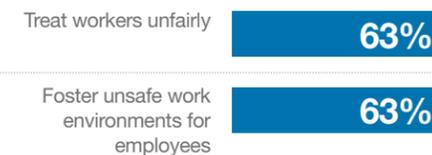
Food



Data



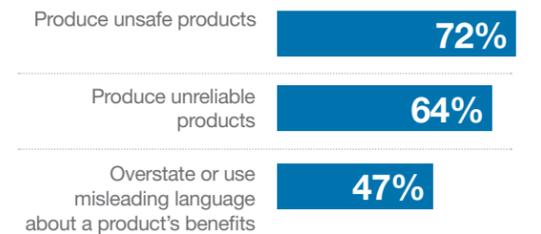
Staff welfare



Engagement and communication



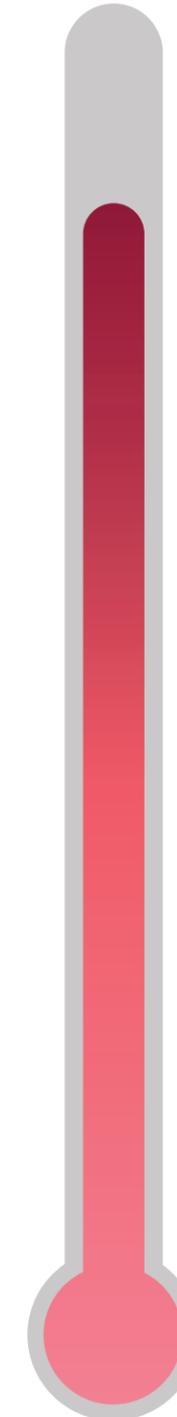
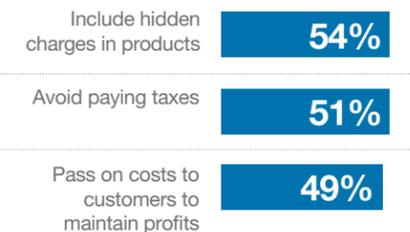
Product reliability



Environment and animal welfare



Pricing and finances



The seven issues making audiences angriest – and what they say about today's corporate behaviours and challenges

Food safety is paramount

The number of people citing extreme anger about companies producing food in an unsanitary way, using low-quality ingredients (while marketing a high-quality product) and concealing certain ingredients used in products, is consistently high across our 12 markets. Italy and France, cultures which traditionally place great emphasis on food quality and provenance, rank highest on the Anger Meter.

China also scores highly in this area, with the country having experienced a number of food issues in recent times. Earlier this year, an investigation by state media showed workers at Shanghai Husi Food, a supplier to fast food chains including McDonald's and KFC's parent company Yum! Brands, preparing expired beef and chicken and packaging meat that had been picked up off the floor. The broadcasts caused widespread anger and resulted in the named fast food chains issuing apologies and ordering their outlets to stop serving meat products from the supplier.

"We have seen a number of household brands recently caught out by supply chain issues," says Professor Ioannis Ioannou. "This in turn is creating a culture of suspicion among individuals. These feelings of extreme anger can also be explained by the proximity effect – people tend to feel strongest about the issues that touch them directly, and food is a clear-cut example of this."

It may also be time for a more honest dialogue between food brands and consumers about the realities and costs of food production. Jim Prior adds: "The public are smart enough to realise that not all seven billion people on the planet can get their organic meat from a small, local farm where the farmer knows every chicken by name."

"These feelings of extreme anger can partly be explained by the proximity effect – people tend to feel strongest about the issues that touch them directly, and food is a clear-cut example of this."

Ioannis Ioannou

Product reliability

On the same proximity scale as food, the vast majority of global respondents said they would be extremely angry if a company they dealt with or bought from produced unsafe or unreliable products. More interestingly, using misleading language about a product's benefits is enough to incite anger in nearly half the number surveyed.

The U.S., China and Hong Kong all scored highly in this area of the Anger Meter, having seen a number of high-profile product recalls in recent years, from the General Motors safety recall in the US last year to the 2008 incident of contaminated Sanlu baby milk formula in China.

Data privacy and protection

Post-Snowden, one area that has seen far greater scrutiny from global consumers is the protection and privacy of digital customer data.

U.S. respondents ranked highest in the Anger Meter for companies that failed to protect their personal data. Beyond Snowden, this shows the impact of recent scandals involving The Home Depot and J.P. Morgan. The former confirmed earlier this year that a six-month security breach of its payment system affected 53 million credit and debit cards, while the latter has recently had to face up to cybercriminals obtaining customer names, addresses, phone numbers, and e-mail addresses for 76 million households.

With these data security breaches coming

to light with increasing regularity – including the recent iCloud 'celebrity hacking' crisis – this issue is likely to be front of mind for U.S. consumers as 2014 draws to a close.

Corporate Responsibility: environmental impact and animal welfare

Most major brands now understand the need for accountability in this area.

According to Professor Ioannis Ioannou: "It is now quite rare for large organisations not to have a sustainability or corporate responsibility report on their websites, showing the high level of demand from consumers and stakeholders for this type of information."

"We put lots of information out about sustainability but the reality is that sustainability reports are not made for the majority of consumers. However, the people that do read these reports, the ones who pore over it in detail, are exactly the consumers we need to be engaging with."

Adam Elman

Supporting this, analysis by CorporateRegister.com shows that the global output of corporate responsibility reports has increased exponentially since 2000, when fewer than 1,000 CR reports were published annually, to 2012 when over 6,500 reports were published.

Adam Elman believes that companies have a commitment to make these sustainability reports as engaging and easily digestible as possible. "We put lots of information out about sustainability but the reality is that sustainability reports are not made for the majority of consumers," he says. "However, the people that do read these reports, the ones who pore over it in detail, are exactly the consumers we need to be engaging with. These are the crusaders, the leaders of the environmental movement, who have huge influence, and we have learnt that if we satisfy their need for information, the

rest of the path is clearer. For our wider customer base, we are working hard to integrate relevant and engaging messages across all of our communication channels."

Staff welfare

Two thirds of our global respondents feel strongly about companies fostering unsafe work environments for employees and treating workers unfairly.

Specifically, the number of U.S. respondents who felt strongly about unsafe work environments has risen from 47% in 2013 to 70% this year. This significant rise has been attributed to the shock waves felt around the world following the Bangladesh factory disaster last year, when the collapse of the Rana Plaza factory building killed more than 1,100 people. Following the incident, the U.S. removed a number of trade privileges from Bangladesh.

"While the scandal may have occurred overseas, the human loss aspect of the story – which was not present in other recent corporate scandals, like the horsemeat controversy in the UK – resonated with many more individuals," Professor Ioannis Ioannou explains. "In the context of increased social media penetration globally, as well as the speed with which images and videos of the collapse were distributed, the experience was brought much closer to home for many Americans – particularly as the U.S. imports so much from Bangladesh."

Pricing and finances

Around half of global respondents feel extreme anger about companies including hidden charges in products and passing on costs to consumers to maintain profits, while a similar number feel strongly about corporations avoiding paying taxes.

Across the 12 markets surveyed, younger, growing economies such as India, Hong Kong, China and Indonesia feel less strongly about these issues, which could be explained by a less cynical attitude towards big businesses in these markets, according to Jim Prior. “In emerging economies, profit and growth are celebrated as signs of economic health and companies doing well are seen as enablers of progress, wealth and job creation.”

“In emerging economies, profit and growth are celebrated as signs of economic health and companies doing well are seen as enablers of progress, wealth and job creation.”

Jim Prior

Engagement and communication

In a world of digital everything, it is harder than ever to bury bad news. One of the worst decisions organisations can make when something goes wrong is to stay silent – or feign ignorance. Facing up to issues in a timely, genuine manner is far less painful than the long-term reputational damage of trying to hide them.

“Many companies pay lip service to the customer being king, but they are certainly not rolling out the red carpet for them; they are not putting their experience first.”

Sue Unerman

Sue Unerman believes that transactional analysis lies at the heart of good engagement and communication between brands and their audiences. “Any dialogue needs to be adult-to-adult; you cannot treat your consumers like children,” she says. “Everyone makes mistakes – brands are no different – but how you deal with issues and complaints can make or break your business. Many companies pay lip service to the customer being king, but they are certainly not rolling out the red carpet for them; they are not putting their experience first.”

Is the world now an angrier place?

Last year we studied some of these issues in the U.S., UK and China, finding that food quality, data privacy and the environment topped the list of areas which caused the most concern in these markets. Tracking these results year-on-year, however, has shown a significant rise in anger, especially in the U.S.

How can we explain these shifts?

In addition to the anger felt around data security breaches and corporate scandals discussed in this section, the mobile Internet revolution is increasingly provoking two different reactions in consumers. Sue Unerman explains, “Firstly, thanks to 24/7 digital news, it is much harder to avoid hearing about corporate scandals: you simply have to turn on the TV, flick to the Google News home page, or get a news alert on your phone from a newspaper app. This heightened awareness of what is going on is enough to incite greater wrath among us. Secondly, as technology innovation makes our lives easier and more efficient, our expectations rise. Therefore any shortfall in meeting our expectations is met with anger.”

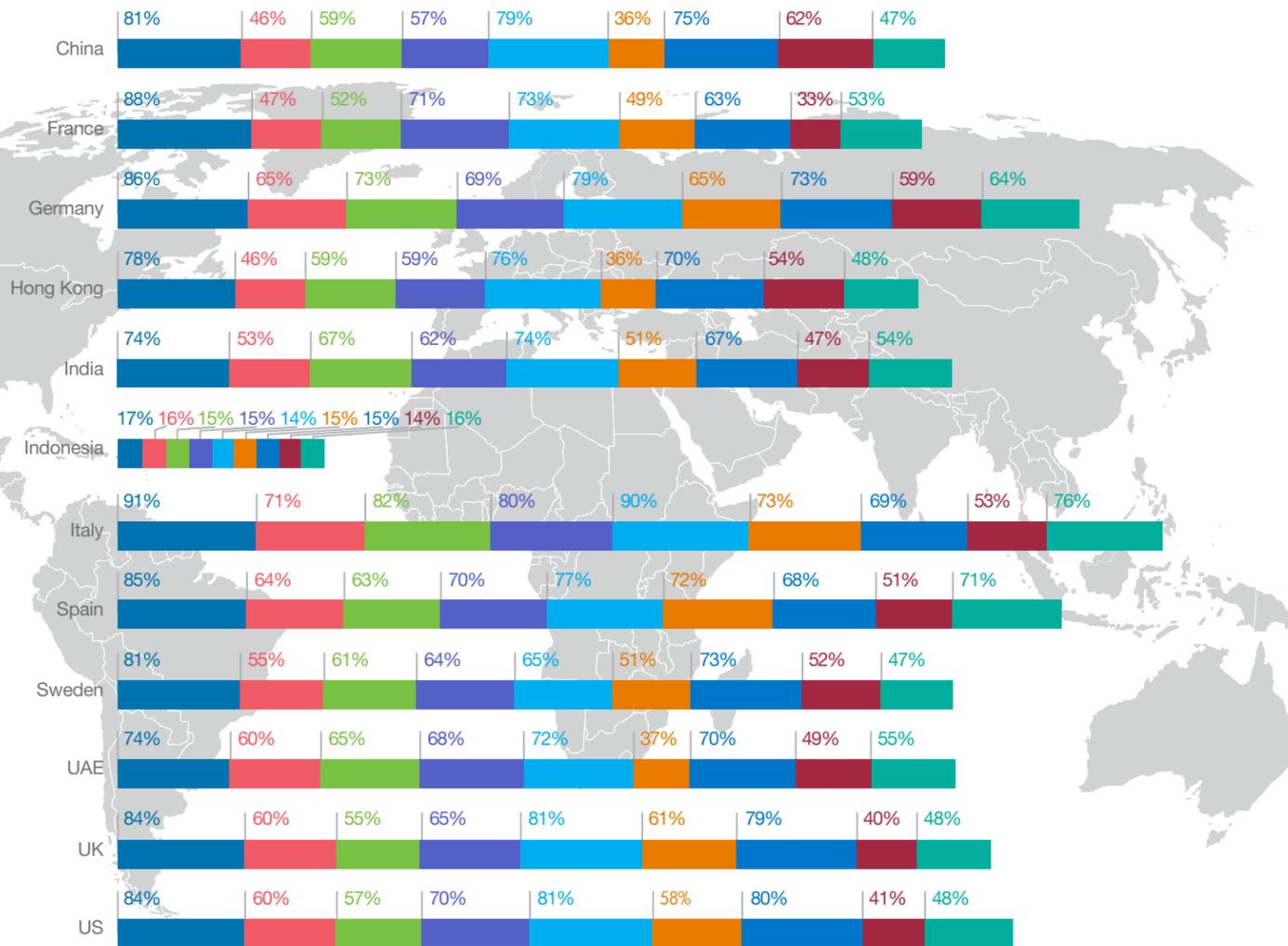


Year-on-year: Proportion of respondents who would be extremely angry if a company were to...

- Be unaccountable for vendors/suppliers' business practices
- Foster unsafe work environments for employees
- Harm the environment
- Fail to protect your personal information
- Fail to report or conceal some of the ingredients used in food products

Culture clash: from irate Italy to easy-going Indonesia

Looking at these issues on a country level shows some interesting cultural differences. For instance, Indonesia scores far lower than other markets in registering extreme anger about issues, whereas Italy is consistently among the highest. This could be due to the way anger is perceived in these two cultures – while it is frowned upon to display strong emotions in Indonesia, Italians tend to be far more open in this respect.



Anger across markets: proportion of respondents who would be extremely angry if a company were to:

- Produce food unsafely or in an unsanitary way
- Include hidden charges in products
- Harm the environment
- Foster unsafe work environments for employees
- Produce unsafe products
- Avoid paying taxes
- Fail to protect your personal information
- Be unaccountable for vendors/suppliers' business practices
- Fail to communicate issues that affect consumers in reasonable time

The battle-weary consumer and bridging the truth gap

This year's Global Anger Meter paints a picture of an altogether jaded, battle-weary consumer, now finding it difficult to trust the food on supermarket shelves and even their Internet search engine, following the recent flood of corporate scandals coming to light.

Yet, there is also an opportunity here for organisations to convert this captive, savvy audience that cares about corporate issues to engaged ambassadors for their brands: all that is needed is a step-up in collective corporate attitudes to transparency and authenticity.

17% of global respondents think corporate executives often lie when addressing a crisis situation at their company.

While bad things can happen to any organisation, whether it's an unforeseen event, a weak link in the supply chain or wrongdoing on the part of someone within a company, how it is then communicated, handled and rectified can give an organisation the chance to show its resolve and prove itself as a truly authentic brand.

We show how this can be achieved, and outline the new lessons of authenticity, in the next section.

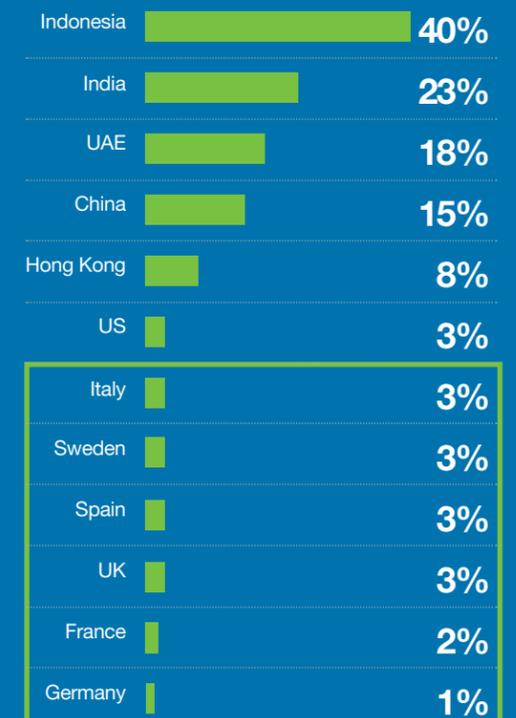
Cynical Europeans

'Big business' can be an emotive term with many different meanings across the world. For fast-growing and emerging markets, big business signals economic progress and prosperity, while in many mature economies, since the economic downturn, 'big business' has become synonymous with corporate scandal and wealth imbalance.

These differences were shown when we asked respondents if they thought big businesses were very honest and transparent.

This cynicism could be attributed to political rhetoric and business media reporting across markets. In Europe, there is a strong emphasis on small and medium-sized enterprises being the 'lifeblood' of the economy, while large businesses are often condemned for corporate tax avoidance and redundancies. In India and Indonesia, on the other hand, there is a strong pro-big business sentiment within the media.

Those who agree that big businesses are very honest and transparent



Section 4: The Authentic Space: A Blueprint For Leaders

How are today's sectors and brands measuring up in the authenticity stakes, and how do they differ around the world?

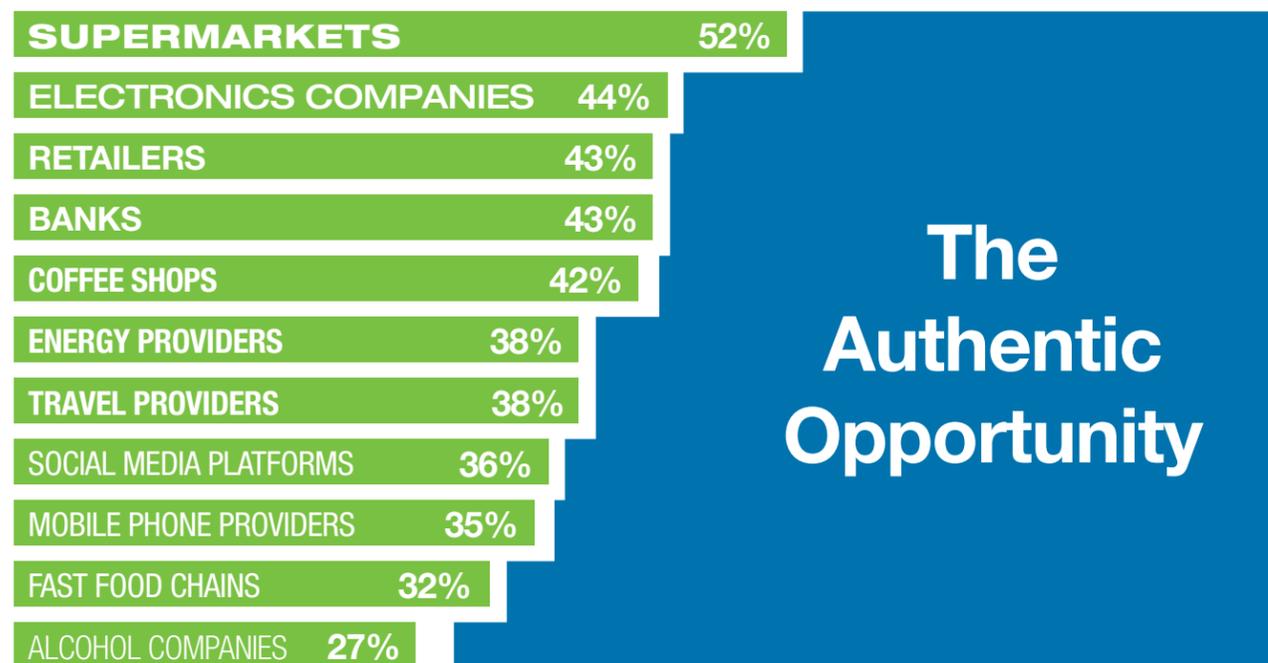
Authentic industries

Globally, supermarkets rank the highest for displaying the authentic behaviours covered in the first section, followed by electronics companies and retailers. These sectors benefit from having far more touch points with consumers in their everyday lives, as Jim Prior explains: "Most people come into contact with supermarkets and retailers at least once a week and the relationship is usually a fairly straight-forward one – we go to the store, we choose what we want, we pay the stated price with no hidden fees or small print, we get our goods and leave."

The least three authentic sectors are mobile phone providers, fast food chains and alcohol companies – industries that have been marked by pricing and sourcing scandals in recent years. "In the case of fast food and alcohol companies, they must contend with the fact that their products aren't necessarily good for us and they will face more scrutiny from regulatory bodies, health organisations and NGOs, all of which has an impact on the public's perception of them," Jim Prior adds.

While the below chart gives a sense of the sectors making headway among global audiences, it is clear that there is still a space to be occupied in terms of demonstrating a commitment to openness, transparency and authenticity among consumers.

Which of these sectors do you believe display authentic behaviours? (Whole global sample)



Social media platforms, data privacy and having a purpose

It's a strange paradox, but social media companies do not perform well in our authenticity study.

While 65% of Indian respondents and 63% of Indonesian respondents think social media platforms display authentic behaviours, just 17% of Swedish and 15% of French individuals agree.

Data privacy is one of the biggest issues affecting perceptions of this sector. Facebook has had to fight a series of privacy rows, most recently being labelled 'creepy' by users after the platform took part in an experiment where the news feeds of over 700,000 users were secretly manipulated to see whether a series of positive or negative feeds would elicit a similar response. Sheryl Sandberg, Facebook's Chief Operating Officer, admitted after the experiment was published and the backlash began that there had been a communication issue. "This was part of ongoing research companies do to test different products, and that was what it was; it was poorly communicated," she said at the time. "And for that communication we apologise. We never meant to upset you."

Even the very nature of the Internet can be an issue for this industry, with Twitter coming under fire for its lax response to Internet trolls using the platform to intimidate and threaten other users.

Another issue that may be holding social media platforms back from gaining ground in the authentic space is a perceived lack of purpose. "What do we use Facebook for?" Professor Ioannis Ioannou asks. "Most of us scroll through it absent-mindedly when we're bored; However, Facebook, Twitter, and other social media platforms can play a much bigger part in society – look at the role Twitter played during the Arab Spring; arguably it acted as a catalyst for the entire movement, mobilising a generation of young people to make a difference".

“Most of us scroll through Facebook and Twitter absent-mindedly when we're bored. However, these social media platforms can play a much bigger part in society – look at the role Twitter played during the Arab Spring.”

Professor Ioannis Ioannou

The stance of sectors in fast-growth and slow-growth markets

Sector attitudes vary wildly across markets.

For instance, in Europe, which saw some of the worst fallout from the economic downturn, banks' authenticity ratings stands between 10% and 31%. Meanwhile, in the rapidly-developing economy of Indonesia, 92% of individuals believe banks to be authentic, as they are seen as facilitators of wealth and growth.

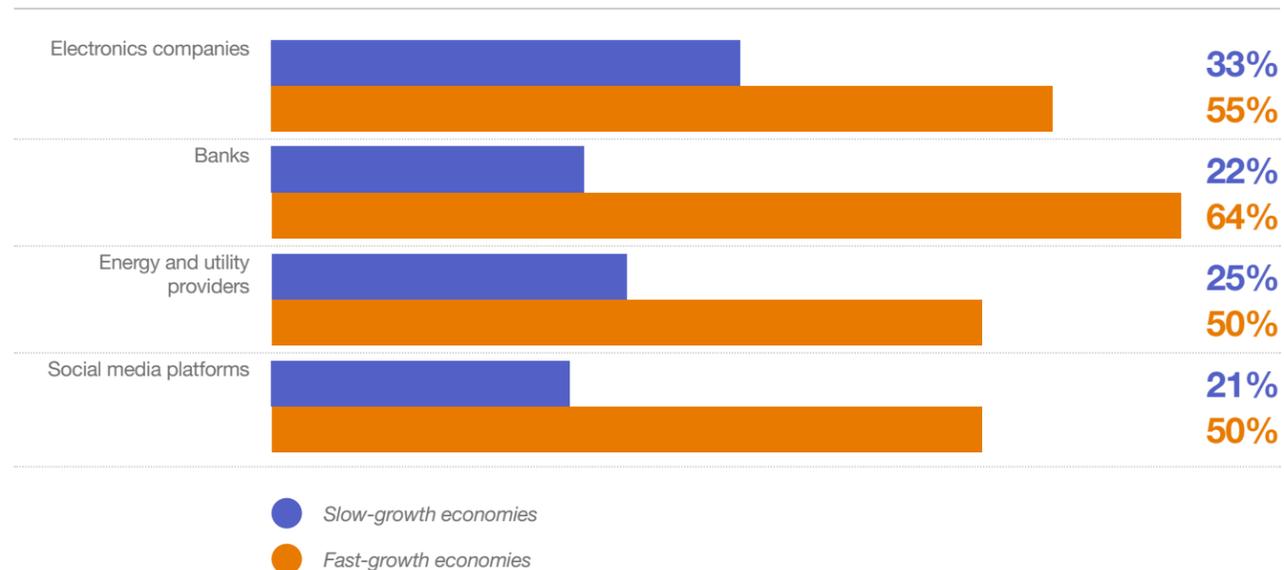
Additionally, only a third of respondents in slow-growth countries believe electronics companies display authentic behaviours, compared to an average of 55% in fast-growth economies.

This discrepancy could be down to the role electronics companies play in these two different economies, Jim Prior maintains. "In emerging markets, electronics companies are seen as enablers of growth – technological advancement has had a huge impact on businesses, society and individual welfare in these markets and the brands in this sector are associated with this progress."

"In emerging markets, electronics companies are seen as enablers of growth – technological advancement has had a huge impact on businesses, society and individual welfare in these markets and the brands in this sector are associated with this progress."

Jim Prior

Which sectors do you believe are generally good at displaying authentic behaviours? (Fast-growth vs. slow-growth economies)



The new authenticity lessons

Taking the insights and examples we have reviewed so far in the report, below are a few initial outputs for organisations on the road to authenticity:

1. Embrace the values of authenticity in your brand

Our report has shown very clearly that individuals around the world are demanding certain values from the brands they use: openness, honesty, transparency, clarity and a genuine sense of purpose, beyond profit. But how many brands have really embraced the potential of authenticity? The default assumption, post 2008, is that narrowly defined concepts of value must come first.

No one disputes the importance of value for money. And producing truly great products time and again is one of the best ways that companies can build an authentic reputation. Beyond that, the next stage to really capturing the hearts and minds of the post-crash consumer is to redefine your brand relationship with them, to build one based on their experiences – on openness, honesty and integrity.

2. Transparency: what are you frightened of?

Many major brands appear to have embraced the idea of transparency, but it tends to be confined to the rarely-read pages of weighty Corporate Social Responsibility reports. How many brands have truly taken transparency from the CSR report to the frontline of consumer-brand relationships?

Many major brands appear to have embraced the idea of transparency, but it tends to be confined to the rarely-read pages of weighty Corporate Social Responsibility reports

One which stands out is the company at the very top of our Authentic Brands 2014 study – McDonald's. In a sector which performs poorly on all measures of

authenticity, McDonald's has redefined itself by providing much more information about its products to customers. Transparency can be a scary concept for big brands and large corporations that have traditionally placed great value on secrecy. That era is over. If you don't take transparency seriously, the era of 'digital' everything will force it upon you.

3. Reinvent the privacy question

Following a flurry of very public data protection breaches among some of the

In a sector which performs poorly on all measures of authenticity, McDonald's has redefined itself by providing much more information about its products to customers

world's largest organisations, our 2014 study shows that consumers are concerned about their private data being used for commercial reasons – or falling into the wrong hands. In line with our findings, there are signs emerging that the technology sector is starting to realise that a new approach to this question is needed.

Peter Thiel, one of the first investors in Facebook, recently said in the *Financial Times*: "Silicon Valley is quite oblivious to the degree to which this crescendo of concern is building up in Europe."⁹ For technology giants, it is time to stop shying away from the privacy question. Don't assume that consumers understand the deal they are entering into when they use your 'free services'. If your business model is based on exploiting the commercial potential of "private" consumer data, you need to think about how your brand can have a more upfront conversation with consumers on this tricky topic.

⁹ <http://www.ft.com/cms/s/0/b9ab8ec2-3c09-11e4-a6ce-00144feabdc0.html>

4. Back to basics on food and drink

Another issue that is troubling global individuals is the quality and safety of food and drink products. This is true across all 12 markets we surveyed. On one level this worry is understandable: in certain countries, such as China and the UK, there have been recent and very high-profile food scandals. On another level, it is surprising that citizens of advanced economies are clearly so concerned on these basic issues of food sanitation. It betrays a real suspicion and lack of trust, which cannot solely be explained by recent headlines. As countries become richer, the issue of food quality and provenance seems to become more, not less, important. The authenticity-hungry consumer wants to know more – a lot more – about where their food and drink comes from. The lesson for brands in this sector, therefore, is that it is time to go ‘back to basics’ and go out of your way to educate consumers about where your food and drink products come from, and the processes required to get them onto the supermarket shelves.

5. A new conversation with consumers: from on-message to open-question

Our study tells us that consumers everywhere are crying out for a new relationship with brands, one based on honesty, transparency, integrity and genuine purpose. This insight challenges the conventional way of communicating with external stakeholders. In place of the rigid desire to be ‘on message’, brand ambassadors need to get comfortable with the idea of a genuinely open, two-way dialogue with the outside world. Social media can, of course, play a major role in achieving this.

Our study tells us that consumers everywhere are crying out for a new relationship with brands, one based on honesty, transparency, integrity and genuine purpose

The authentic brand roadmap

So where do you start when it comes to building authenticity into your business and your brand? Cohn & Wolfe has devised a six-step process to help brands embrace authenticity in order to reap its commercial and reputational benefits.

1. Dig deeper: which authenticity anchors are most crucial to your stakeholders?

The road to becoming an authentic brand starts with understanding your own audiences. Commission your own research. Or go deeper. You may be surprised by which Authenticity Anchors are most important to your stakeholders. The next phase is to assess those anchors against

your existing brand and business strategies to map out the biggest opportunities for becoming a more authentic brand.

2. Authenticity audit: map assets and vulnerabilities

Take a deep dive within your business to understand the opportunities of authenticity and the vulnerabilities. There will be some things you are doing really well – without even trying, but it’s important to understand what they are and how you can build on them. You also need to map out where there could be higher risks in adopting a more authentic brand strategy.

Mapping Authenticity - the Cohn & Wolfe model (using food brand as an example)

Authenticity Anchors	Relevance to stakeholders	Relevance to business and brand	Performance	Opportunity
Communicating honestly about products	High	High	Limited	Release all ingredient and nutritional info
Communicating honestly and openly on environmental impact	Medium	Medium	Excellent	Shift from CSR to consumer communications
Acting with integrity at all times	High	High	Not communicated	Codify and communicate brand ethics
Being clear about and true to beliefs	High	Medium	Not communicated	Identify and communicate values
Being open and honest about partners and suppliers	Medium	Low	Good	Add to consumer communications
Standing for more than just making money	High	Medium	Not communicated	Explain founding vision
Having a relevant and engaging story	Low	High	Product focused	Evolve from product to values story

3. Authentic brand strategy

When the opportunities to advance authenticity have been identified, a coherent strategy and roadmap is required. Some of the key questions in authentic brand strategy development will be:

- How can more authentic behaviour increase our brand loyalty for existing customers?
- How can we use authenticity to reach out to new audiences?
- How does authenticity help us in fast-growth markets or revive our business in slow-growth ones?
- What does a full-blown authentic brand strategy look like for us? What are the risks and opportunities of taking it to the limit?
- How can more authenticity help the brand compete in our sector?

4. Testing phase

Pick one or two potential authentic brand innovations you have identified in your strategy and test them on key audiences. This reduces risk and allows your brand to experiment with different aspects of authenticity and investigate what really works for you.

5. Launch of authentic brand strategy

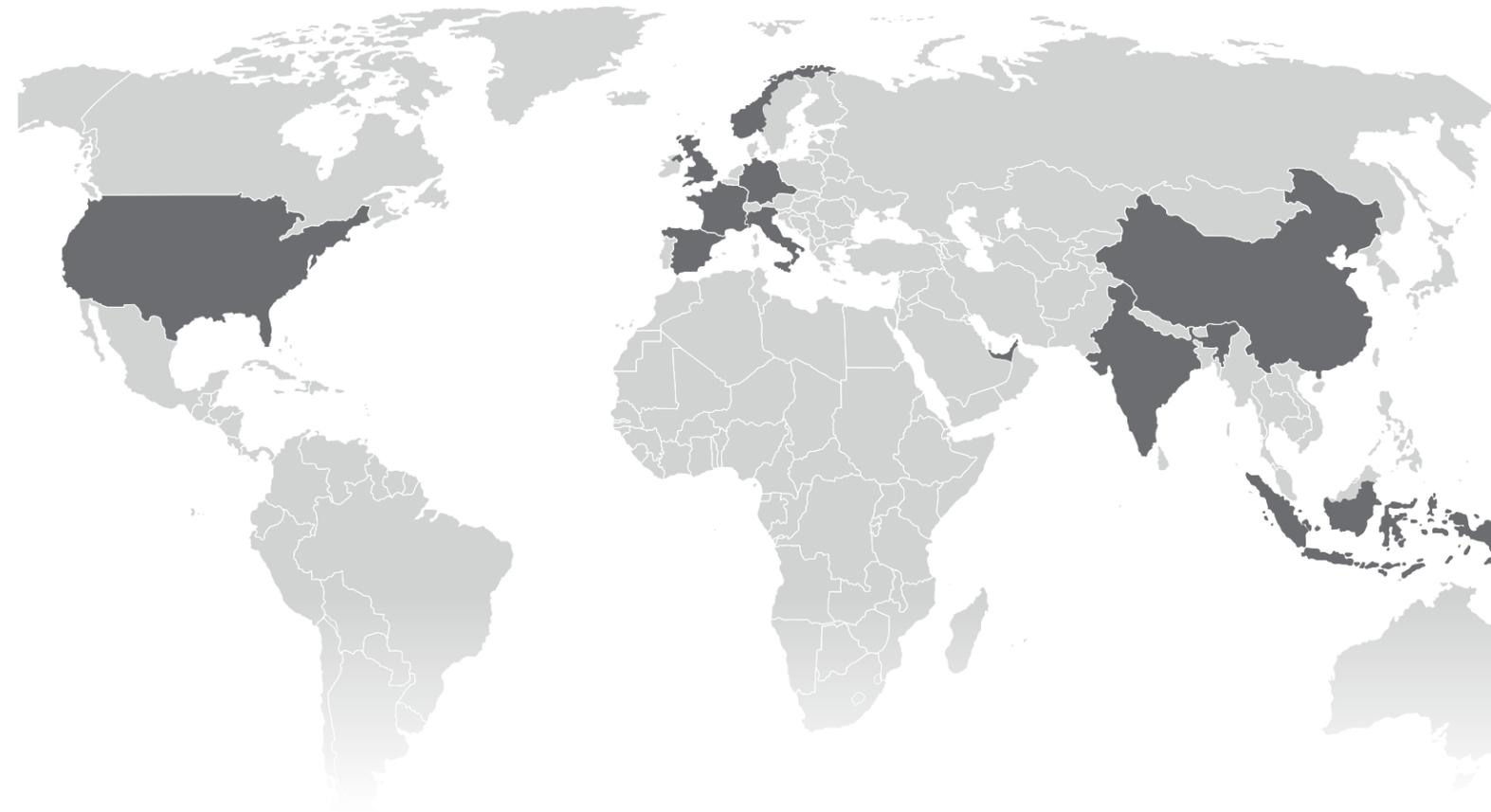
Customers and other stakeholders need to understand that you are offering a new relationship with them, one based on the key Authenticity Anchors. The launch of your authentic brand strategy has to achieve this objective and engage your key audiences in a meaningful two-way dialogue about the value of your new approach.

6. Assessment, feedback and strategy refresh

Six months after strategy launch, enter the research phase again. Go back to your stakeholders and assess how much of an impact your new authentic brand behaviours have had on them. Examine how you need to modify or revise your strategy to ensure you are moving the needle in the right direction.

Appendix

A deeper dive into authenticity across our 12 markets



Italy



- **Passionate about food:** Italian respondents felt the strongest globally about companies using low-quality ingredients in food when promoting a high-quality product – 91% would be extremely angry about this issue, compared to global average of 72%.
- **Distrust of business figures:** 20% of Italians believe that corporate executives lie when addressing a crisis situation at their company, revealing a deep-seated distrust in how brands handle issues in Italy.
- **Environmentally aware:** 90% of Italians think it's important that a company communicates honestly about its environmental impact – the highest answer globally, alongside Indonesia.

As efforts by the European Central Bank to stimulate Italy's economy are still taking effect, Italian brands and multinationals alike are facing greater scrutiny from consumers in how they conduct their business affairs. This is reflected in our study's results, showing Italians to be an informed and engaged nation – 84% say they follow the news closely and Italy scored the highest on the Global Anger Meter on a number of issues – from food quality to staff welfare.

After falling back into a triple recession this summer, Italian consumers expect a lot from brands and companies. Alberto Bottalico, Director, Cohn & Wolfe Italy explains. "Italy's reputation is high on the consumer agenda, following scandals in the food industry in recent years. Italians feel that their reputation has been damaged and faith and trust in the Italian quality guarantee has been undermined on an international level. These issues have provoked greater distrust from Italian consumers as such there is now a strong focus on companies' behaviour."

Italy's take on an authentic brand



Italy's Most Authentic Brands

1. COOP
2. Barilla
3. ENEL
4. IKEA
5. Esselunga
6. Ferrero
7. Vodafone
8. Apple
9. Telecom
10. ENI
11. Samsung
12. Wind
13. Conad
14. Google
15. McDonald's
16. Auchan
17. Bottega Verde
18. Altromercato
19. Coca Cola
20. H3G

Spain



- **A market in recovery:** With an unemployment rate of 25.6%, one of the highest in Western Europe, workers' rights and pay is paramount to 90% of individuals in Spain.
- **Banking sector still bears scars:** Following recent troubles in the Spanish banking sector, just one in 10 Spanish respondents believe banks displays authentic behaviours, compared to the global average of 43%.
- **Honest organisations rewarded with loyalty:** 67% of those in Spain will reward authentic businesses with their loyalty and a further 49% will recommend them to friends and family.

After Italy, Spain is the only market in our study whose GDP is still shrinking, albeit at a slow rate. As such, socioeconomic issues such as unemployment, workers' rights and salary cuts are at the front of national consciousness and reflected in the 90% of Spanish respondents who believe the fair pay of all levels and sexes of employees is a crucial business standard – the highest of all markets. A further 76% would be angry if a company was found to be treating its employees unfairly, a marked rise on the global average of 64%.

"Spain is a country still very much in recovery, which has deeply affected the collective consumer psyche." Almudena Alonso, Managing Director of Cohn & Wolfe Madrid notes. "While there is still a degree of hostility towards particular sectors, such as banking, the crisis has enabled consumers to evolve and appreciate the value of authenticity in business. As such, the Spanish public rewards honesty and a focus on the customer with their own loyalty."

Spain's take on an authentic brand



Spain's Most Authentic Brands

1. Mercadona
2. El Corte Inglés
3. Carrefour
4. Movistar
5. Iberdrola
6. Banco Santander
7. Vodafone
8. Endesa
9. Repsol
10. Bankia
11. McDonald's
12. Coca-Cola
13. Orange
14. Nestlé
15. Apple
16. BBVA
17. Telefónica
18. Eroski
19. Gas Natural Fenosa
20. Google

The United Kingdom



- **The UK market is one of the most demanding in the world:** ‘Not letting customers down’ is the most important business behaviour for Britons, with 95% of those surveyed agreeing - the highest across all 12 markets in the study.
- **Retailers are king:** The top 20 list of most authentic brands as voted for by UK participants is dominated by familiar high-street faces and supermarkets, such as M&S, Tesco and John Lewis.
- **Data privacy is Britons’ new annoyance:** The UK was one of the markets that topped the Global Anger Meter when it comes to getting their data sold or lost, which could reflect growing anger about cold calling levels – an Ofcom study in 2013 showed eight in 10 UK households receive an average of two unsolicited phone calls a week.
- **Broken brand relationships:** Just 3% of individuals in the UK believe big businesses are very transparent and honest, revealing the gulf between what brands are currently telling this audience and what they believe.

As the largest of the slow-growth markets in our study, the UK navigates the difficult path of being a large, mature economy – home to some of the world’s biggest multinationals – while still bearing the scars of the banking crisis and subsequent economic downturn. This can often lead to an uneasy relationship between companies and the public, according to Andrew Escott, Managing Director of Cohn & Wolfe London’s Corporate Affairs practice.

“The UK has seen a tumultuous past few years, which is now reflected in the suspicion often felt by consumers towards big businesses. With an increased media and political focus on profiteering and corporate misadventure set against the very personal ‘cost of living crisis’, this distrust can be difficult to shake. However, I do believe we are now turning a corner. Smart leaders recognise that today’s consumers want honest communication and a two-way dialogue and they are finding new ways to deliver it.”

The UK’s take on an authentic brand



- ### The UK’s Most Authentic Brands
1. M&S
 2. Tesco
 3. John Lewis
 4. Sainsbury’s
 5. ASDA
 6. Waitrose
 7. Virgin
 8. The Co-Operative
 9. Amazon
 10. Morrisons
 11. The Body Shop
 12. Apple
 13. Lloyds Banking Group
 14. British Gas
 15. Sky
 16. Boots
 17. McDonald’s
 18. Nationwide
 19. Barclays
 20. Starbucks

The United States



- **Honesty is the most important policy:** 94% of those in the U.S. believe it is important for businesses to communicate honestly about products and services – the joint highest global score alongside Italy and France.
- **Discount retailers and restaurants top authenticity scale:** Walmart, Target, McDonald’s and Costco all feature in the top 10 most authentic brands of the U.S. as consumers remain fixated on price.
- **Consumer concern over data privacy:** In the wake of scandals involving corporations from Target to the NSA, 80% of those in the U.S. would be extremely angry if a company failed to protect their data.
- **Is trust in business broken?** One in five (19%) of U.S. individuals believe corporate executives often lie when addressing a crisis situation at their company.

Some of the world’s most iconic brands – Coca-Cola, McDonald’s, Starbucks – were sown and cultivated in the United States before growing into global giants. With the U.S. proving such a fertile ground for big brands, it could be expected that consumers there expect a high standard from the institutions they engage with and buy from.

The data proves this, with 93% – the highest of any market – believing businesses should act with integrity at all times. For those businesses that live up to these ideals, 68% of U.S. consumers will reward them through their own business – buying from them over and above competitors.

However, for companies that can’t live up to these high expectations, individuals in this market can be unforgiving – especially when it comes to data privacy.

“U.S. consumers are savvier and more connected than ever,” adds Jim Joseph, President of Cohn & Wolfe North America. “They value their own personal brand experiences above traditional marketing and advertising messages. This is something that brand leaders ahead of the curve can leverage.”

The U.S. take on an authentic brand



- ### The Most Authentic Brands in the U.S.
1. Walmart
 2. Starbucks
 3. Amazon
 4. Apple
 5. Target
 6. Google
 7. McDonald’s
 8. Chick-fil-A
 9. Costco
 10. Whole Foods Market
 11. Publix Super Markets
 12. Microsoft
 13. Kroger
 14. Hobby Lobby
 15. Bank of America
 16. Chase Bank
 17. Safeway
 18. Trader Joe’s
 19. Wells Fargo
 20. AT&T

**For more information
please contact:**

Geoff Beattie

Head of Global Corporate Affairs,
Cohn & Wolfe
Geoff.beattie@cohnwolfe.com

Doug Buemi

Vice-Chairman and Regional Director,
Cohn & Wolfe Asia-Pacific.
Doug.buemi@cohnwolfe.com

Jim Joseph

President
Cohn & Wolfe North America
Jim.joseph@cohnwolfe.com

Scott Wilson

UK CEO and Managing Director
Cohn & Wolfe EMEA
Scott.wilson@cohnwolfe.com