

Industry must grow large storage crop of trust

By Kerry Tucker and Larry Kaagan, guest columnists

Editor's note: This column is the first of two parts.

(Nov. 1) Public confidence in traditional institutions — business, government, media and others — has severely eroded over the last few decades. And as public trust in institutions has declined, the credibility of activist stakeholder groups has increased and filled much of the gap.

Independent experts — those perceived as having no vested interest in an issue or something to protect — are still looked to for help with decisions, according to the sixth annual Edelman Trust Barometer, a survey of 1,500 opinion leaders in eight markets across the globe.

In the same surveys, trust ratings for activist groups, also known as nongovernmental organizations, have increased in the U.S., from 36% in 2001 to 55% in 2005. Nongovernmental organizations are now the most-trusted institution in every market surveyed except China.

There is also a growing body of research pointing to a personal web of trust — neighbors, friends, co-workers and family, along with selected “narrowcast” media and Web sites — superceding established institutions, communication channels and traditional figures of authority as credible information sources.

An increasing consumer demand for authenticity and transparency is turning the traditional approach to branding a product or a company upside down. There is growing evidence that today, the successful brand promise needs to be more than just a few descriptive words. Delivering on expectations is emerging as the most crucial element in an era of rising consumer demands.

The erosion of trust is described in the 2005 Food Foresight trends intelligence report as a strategic imperative that demands priority status in both strategic and branding plans for companies operating all along the agri-food chain. Food Foresight is a trends intelligence collaboration of Nuffer, Smith, Tucker and the California Institute for Food and Agricultural Research at the University of California, Davis.

Restoring trust: Trust and credibility are based on three pairs of criteria: knowledge and expertise; openness and honesty; and concern and care, according to a study from the Center for Risk Communication, New York, that focuses on health and environmental issues.

Research suggests the most significant opportunities for enhancing trust and credibility vary by sector.

Industry receives its biggest bump in trust and credibility when it is perceived to be concerned and caring. Trust and credibility of government entities improves most when they are perceived to have commitment to the public interest. Finally, activist groups get their biggest boost in trust and credibility when they are perceived to have knowledge and expertise.

In his book, “Trust or Consequences: Build Trust Today or Lose Your Market Tomorrow,” Al Golin, founder of Golin/Harris International, Chicago, says every organization is capable of transforming suspicions and cynicism into trust but needs a plan focused on the organization’s authentic vulnerabilities in order to do it successfully.

Golin advocates investing in a “trust bank,” in which “deposits” of good deeds are made over time that can be drawn upon when companies face problems. According to Golin, “This means that stakeholders will give an organization the benefit of the doubt in the face of negative publicity or events that would otherwise seriously hurt the company’s relationships with various audiences.”

He points to a number of cases, including the Rodney King riots in Los Angeles several years ago. Nearly every fast-food chain restaurant was trashed or burned — except McDonald’s. The company’s investments in community relationships were so strong that not a single McDonald’s restaurant was harmed.

Look for the conclusion to this column for examples and an approach that will allow you to plan to overcome barriers to trust and confidence.

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