

If 'toxic' was the word of 2018, could 'trust' be the word for 2019?

 By Rachel Thompson, issued by GfK – An NIQ Company

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The [Oxford Dictionaries](#) chose 'toxic' as its annual "Word of the Year". For 2019, the winning brands in South Africa and the rest of the world will be those that work to restore consumers' trust in a toxic environment and show that they are driven by a higher purpose than making money.

Looking back on 2018, we can agree that it was a turbulent year on the business, political and social fronts, from Donald Trump's divisive presidency in the US to populism in Europe to the ongoing Brexit saga to the trade row between the US and China. Stories that dominated local and international headlines spoke of failures of trust and transparency on the part of major brands and institutions:

- The listeriosis outbreak in South Africa.
- Weaponisation of social media to spread 'fake news'.
- Implication of many leading South African politicians and companies in state capture.
- Various data breaches around the world.

Governments, corporations, the media, social media platform companies like Facebook, even the essential nature of democracy and capitalism are all under scrutiny. In this environment – especially in emerging markets where trust in government is low – brands have the opportunity to show social leadership. What's more, consumers demand it from the companies they deal with.

Our GfK surveys in developed markets like the US and UK show that consumers, especially Generations Y and Z, prefer to purchase goods and services from trusted brands. They also expect brands to step up to the plate when it comes to social concerns, and to do the right thing when it comes to the causes and issues they care about. In other words, the crisis of trust in traditional institutions is creating new opportunities for purpose-driven brands.

Beyond the financial results

This is even more the case in South Africa. Among South African consumers, 46% will select a brand if it supports a cause; among Generation Z, this rises to 54%, highlighting how this trend will only grow in importance in the years to come. The most successful brands of the future in South Africa will thus be those that have a perspective and purpose that looks beyond quarterly and annual earnings - they will be profitable by creating win-wins with consumers and communities.

The idea isn't entirely new, since 'consumer trust' has always been one of the defining qualities of a healthy brand. But in an era where the internet and social platforms have given consumers more access to information, trust has taken on even more importance. To earn trust, companies must have a vision that resonates with consumers, and show that they are working for the greater good.

The new brand mandate is to stand for something and to bring about good for a community beyond shareholders. Brands that align themselves with a purpose can build enduring relationships with consumers in a world where so many products and services are so similar and so commoditised. But they will find themselves under fire if their positioning is not authentic.

We have seen many brands that embody such ideas come to the fore in recent years. One example is Airbnb, which articulated its vision as helping people to "Belong Anywhere". Thus, the brand is not just about earning commissions on accommodation bookings, but also about building human connections between the hosts and guests that comprise its community.

Simply paying lip service to the notion of 'social good' through CSR activities on Mandela Day or fulfilling the requirements of the black economic empowerment codes and charters is not enough. The brand's purpose and values must be embedded in every aspect of its operations—from the supply chain to manufacturing to terms of employment to consumer service.

In South Africa, many brands are already filling gaps in government service provision, such as the Outsurance traffic wardens who have been serving Johannesburg for years. Expect more of this to come down the line as brands try to tune into the social conscience of their younger customers and to find ways to differentiate themselves from the pack.

ABOUT RACHEL THOMPSON

Rachel Thompson is the Insights Director at GfK South Africa. She has 16 years of experience in market research, working first for Research International and then moving to GfK South Africa in 2009. She has experience across a wide range of research disciplines and a strong interest in innovation. Rachel has an Honours degree in Economics from the University of Natal.

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