

escalent

Brand Authenticity

What it means, why it matters and how to get there



WHITE PAPER | SEPTEMBER 2020

Introduction

If you want to understand **brand authenticity**, look no further than Ben & Jerry's. Known for its quirky-named ice cream mash-up flavors, it has also been a stalwart for social activism for more than 40 years. While recent world events have resulted in campaigns to support movements such as Black Lives Matter and combating climate change, the company has been **socially aware and transparent** since its roots and is an excellent example of staying true to its brand.

Tying activism directly to its products, Ben & Jerry's launched campaigns for criminal justice reform, civil rights and the environment, releasing flavors such as "Justice ReMix'd," "Pecan Resist" and "Save Our Swirled" to carry its message through. These initiatives go much deeper than just selling more ice cream. The company fully commits to what it stands for, and wraps everything into its brand strategy and brand perspective—which ultimately informs how it communicates and sells its products. This is authenticity at its best.





THE IMPORTANCE OF AUTHENTICITY

Authenticity inspires trust, allowing us to feel connected, invested and committed. It builds loyalty and brand love—which results in longtime customers, deeper relationships and, ultimately, increased revenue.

Like Ben & Jerry's, companies need to do more than simply define their brand. They need to stand for something and act. It's what consumers expect—especially Gen Zers and younger Millennials, who demonstrate **less brand love and loyalty**. And while increased loyalty and revenue is the cherry on top, those shouldn't be the only goals when taking a stand.

COVID-19 and the Black Lives Matter movement are accelerating the fact that authenticity is becoming a key component of a brand's strategy. We feel it every day at our own company, and we hear it every day working alongside our clients—there's a heightened awareness of the importance of brand strategy and how critical it is to back that strategy up with action that's true to a company's DNA.

To that end, companies have a lot of work to do. But authenticity can't be manufactured. It has to be earned over time through words and action, with a heavy emphasis on action.

In this paper, you'll learn about:

- The five dimensions brands must balance to become more authentic.
- How leading brands measure up on Escalent's Brand Authenticity Index™.
- Recommendations for how to create a more authentic brand that resonates with consumers, increases brand love and keeps your business thriving.

Developing the Brand Authenticity Index™

As we set out to discover what makes brands authentic, we found that authenticity is multidimensional. Examining thousands of brand ratings across multiple industries, we mapped out what it means to be authentic, identifying five dimensions that accurately predict and are diagnostics of a brand's authenticity, which consists of being:

- Thoughtful
- Transparent
- Reliable
- Committed
- Socially aware

Combining these dimensions in a deliberate way provides a single index that reflects consumers' perception of a brand's authenticity, allows for benchmarking against competitors and provides diagnostics of how to strengthen authenticity, a component of your brand that is becoming increasingly important to consumers.



Communication during periods of uncertainty, crisis or heightened awareness has the potential to significantly impact perceptions of a brand's authenticity. In all times and especially during crises, a brand must decide if and how it wants to communicate with consumers. If it does, the brand needs to communicate in a genuine way that is in-line with its brand identity and provides real value in order to maintain strong connections and trust with consumers. Read on to find out which brands are demonstrating high levels of authenticity and which have room for improvement.

In all times and especially during crises, a brand must decide if and how it wants to communicate with consumers.

How Brands Measure Up

By understanding how the Brand Authenticity Index™ works and seeing how brands rank, you'll be better positioned to navigate tough decisions and uncertain times. During our study, we focused on 32 top brands from the consumer and retail, financial services, technology and telecom industries. Our data show there are some clear high performers when it comes to authenticity, while some brands are struggling.

Most—if not all—of the brands that score high for authenticity have two core things in common:

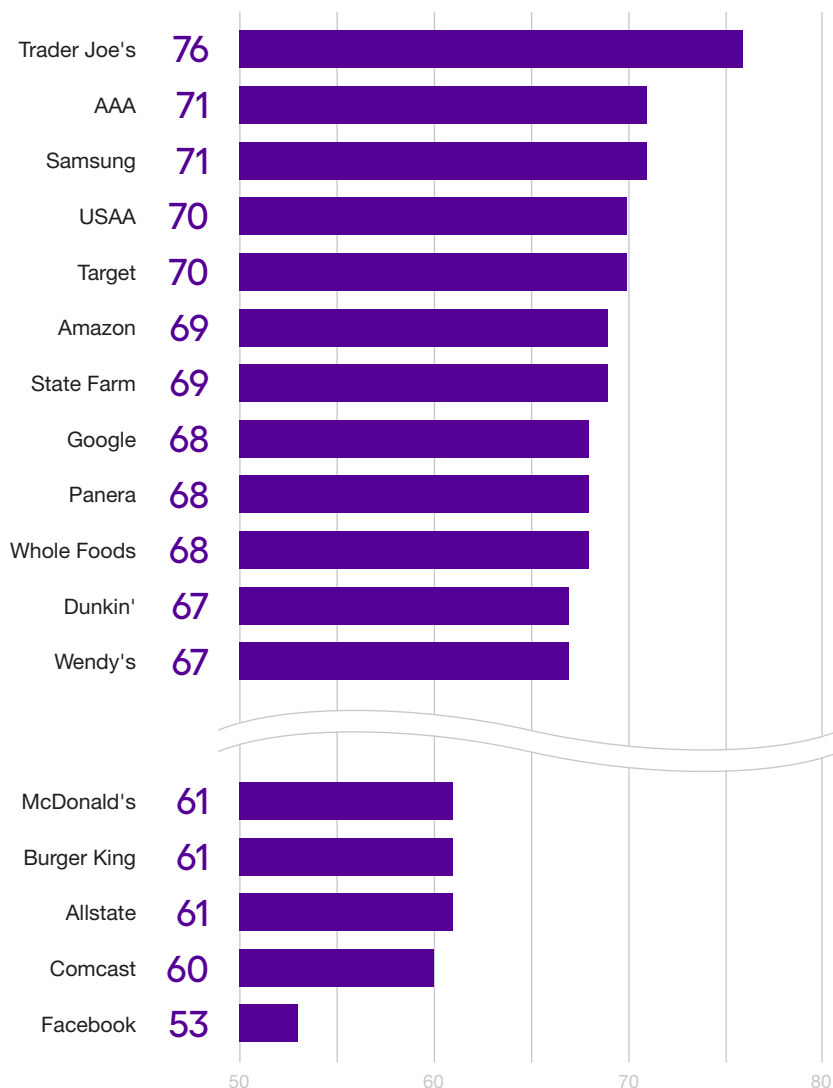
1. They know who they are
2. Their values are intrinsic to what they do and how they do it

Some may struggle with one or more of the five underlying dimensions, but much of what allows a brand to weather storms and move confidently is knowing who it is and how it relates to the needs of consumers.

In-line with this, your brand doesn't have to appeal to everyone. Whether a brand is established or evolving, a brand that is true to itself, represents what consumers value, and communicates openly and honestly will find people who truly connect with it. The key is listening to how consumers view and speak about the brand so brand managers can manage and align those perceptions.

In a nutshell, consumers love brands that have a story that triggers fond memories and inspires them to be their best selves. This lends itself to brand authenticity in the most organic of ways.

BRAND AUTHENTICITY INDEX™
(0-100)

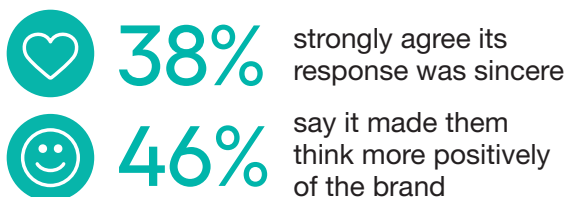


Top Performers: Trader Joe's

According to our research, the highest-ranking brand among those included in the survey is Trader Joe's. **Much loved** by consumers, the grocer has built a strong brand and invested in acting authentically in what it stands for and with its values. Because consumers already perceive Trader Joe's as authentic, this provides the brand with a bit of grace and room to recover, particularly when taking stances on sensitive social issues.

Trader Joe's scored highly across all five key dimensions, particularly standing out on being thoughtful and socially aware—it's ahead of the competition by a full nine and six percentage points on these measures, respectively. It also stands out for its COVID-19 response, **taking measures** to protect the health of employees and consumers, such as providing staff with additional paid sick time and protecting food samples by handing out paper cups instead of allowing consumers to take their own from a stack.

Trader Joe's lands in the top tier of brands for its COVID-19 response:



While its response wasn't unique in the industry, consumers already perceive the brand to be authentic. This positive perception is helping Trader Joe's through some rough spots, as the brand faces worker activism in response to the pandemic, as well as backlash for what some believe is racially insensitive packaging of international foods.



So far, it appears that its authentic response is helping Trader Joe's weather the storm. Its leaders are being thoughtful and transparent about their **process and evaluation** of the packaging in question. It's communicating about how it weighs consumer and employee feedback and uses the feedback to make decisions about its products. These actions prove to consumers that Trader Joe's is an authentic brand—it says what it stands for and takes actions to demonstrate its brand promises—which is reflected in its scores. Trader Joe's is the top performer on being thoughtful, with 51% of consumers strongly agreeing.

Most brands in our study struggle with being perceived as transparent; however, Trader Joe's is the exception, with 53% of consumers strongly agreeing the grocer demonstrates transparency—the highest among all of our brands, showing Trader Joe's clear leadership position.

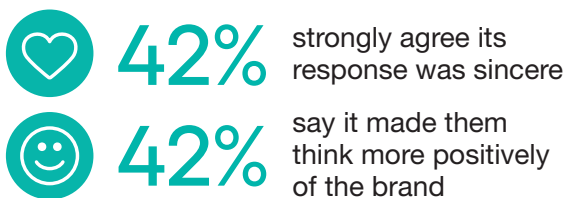
To bring consumers further into the conversation and reinforce its authenticity, Trader Joe's could include consumer input in any possible renaming of its brand categories or food products as well as in naming future new products. By allowing consumers to be part of the process and explicitly soliciting their input on specific topics they care about, the company can build even more authenticity into the brand through actions that expand how it is being thoughtful, transparent and committed.

Top Performers: AAA and USAA

Insurance carriers AAA and USAA, the leaders in the financial services sector, are valued for their reliability and commitment. Part of AAA's strength in these dimensions comes from its consistent brand messaging and service orientation across many different AAA organizations. Core to its mission, AAA encourages local offices to uphold trust, integrity and the value of the brand. And its COVID-19 responses reflect that.

Because people wouldn't be driving their cars as much during lockdowns, AAA insurers announced relief packages that provide more than **\$285 million** in refunds to auto policyholders. AAA is also providing free emergency roadside service to first responders and medical personnel, as well as donating to United Way and other organizations to help provide housing, food and crisis support to people in need. Through these efforts, AAA reinforces its strengths in commitment and reliability by offering a clear value proposition across the brand.

USAA lands in the top tier of brands for its COVID-19 response:



USAA also stands out for its sincere COVID-19 response, being one of the top performers in this area across all 32 brands. The company committed to return more than **\$1 billion** in auto dividends to auto policyholders due to fewer drivers on the roads, and has pledged to donate upwards of \$10.7



million to nonprofits responding to the pandemic. To keep employees safe, it's enabling more than 35,000 employees to work from home through the end of 2020.

Like many other brands on our list, there are considerable opportunities to improve ratings with greater perceived transparency. This means being clear, honest and straightforward in your communication rather than trying to hide issues that might put your brand in a more negative light.

If AAA communicated more explicitly about how it has put dollars back into consumers' wallets during a time when those dollars are most needed, it could go a long way toward helping consumers "see" AAA is being transparent and socially aware by demonstrating its care and concern for local communities that are struggling.

USAA does a good job of talking about how it supports military families. It could do even better by continuing to showcase how it supports growing families as their insurance needs evolve, reflecting its efforts to be thoughtful, committed and transparent.

Bottom line: Both brands are performing well, but honing in on the dimensions where they're lacking and putting messaging in place that demonstrates they're truly living their brand promise and values will buoy their authenticity in the eyes of consumers.

Top Performers: Target

Target is known for being committed, reliable and socially aware, which gives it an advantage against other brands. Core to its values is providing joy to consumers. The company does this, in part, by donating a portion of its profits to the community, dedicating more than one million volunteer hours and giving shoppers an opportunity to help [direct its giving](#) to about 800 nonprofits—all actions that reflect how Target is socially aware and thoughtful.

The brand is also committed to inclusivity and is transparent about its perspective and stances on social issues. That said, it could do better in being transparent, as consumers rate Target much lower than Trader Joe's on this attribute.

More than 10,000 of Target's staff members participate in its [six diversity business councils](#) supporting LGBTQ, Black, Asian American, women and military groups. The brand has also been an outspoken supporter of the Black Lives Matter movement, [committing \\$10 million](#) to ongoing resources to advance social justice and support rebuilding and recovery efforts in local communities. Target can leverage all of this excellent work by communicating more about what it is doing. While the brand did a great ad campaign on this at the onset of the health crisis, it can improve in both transparency and thoughtfulness by focusing its message on the good work it does in the communities it supports. As Target continues to work within the communities it serves, particularly in times of strife, its contributions will bolster the value of the brand and continue to prove its authenticity.



Target is committed to inclusivity and is transparent about its stances on social issues.

Top Performers: Samsung

Samsung ranks highest among technology brands due to its reliability. After a 2016 public relations ordeal around defects in its Galaxy Note 7 smartphones, the brand managed to [regain customer trust](#) by quickly recalling the phones, maintaining transparency, communicating about how it would improve defective batteries, and releasing safer products. By demonstrating authenticity, Samsung turned negative perception into brand love. Today, the Note series continues to be one of Samsung's most beloved and highly sought-after smartphones.

The brand is also demonstrating its keen focus on being socially aware with its [COVID-19-related initiatives](#). It has provided technology and products to frontline healthcare workers in hospitals and donated smartphones to patients in quarantine so they could keep in touch with their loved ones. To support remote learning, the brand is donating tablets to schools and making its corporate social responsibility (CSR) education modules available to students so they can access high-quality educational content at home. It also donated \$4.3 million in COVID-19 relief to local partners in communities where US Samsung employees live and work.

Beyond the current situation, Samsung is engaged in the communities it serves across the US and world through its [Global Goals](#) campaign. To improve the other authenticity dimensions where it isn't as strong, the brand could make consumers more aware of the good work it does to support local communities worldwide on big issues such as inequality, climate and environmental degradation, and education.



Samsung provided products to frontline healthcare workers and donated smartphones to patients.

Top Performers: Amazon

Consumers consistently perceive Amazon as a reliable and committed brand. However, the tech giant is a prime example that the bigger the brand, the more you need to work to earn consumer trust and be perceived as authentic. CEO Jeff Bezos has become his own personal brand that is intimately connected with Amazon and, as he is in the news almost daily, there are even more opportunities for both consumers and the government to scrutinize him, which impacts how consumers perceive Amazon.

Both the company's CSR efforts and COVID-19 initiatives have undergone scrutiny. Last year, Amazon [announced its own Climate Pledge](#) with an ambitious goal to reach net-zero carbon emissions by 2040, a bold action that signaled the brand is being socially aware and committed. However, when it reported progress toward the pledge, the company received [criticism from employees and other groups](#) about carbon footprint reporting practices, partnerships between Amazon Web Services (AWS) and the fossil fuel industry, and funding connected to think tanks hostile to climate action. Consumers perceive these actions to go against Amazon's Climate Pledge, thereby reinforcing the perception that the brand is not authentic because it is not being fully transparent, committed or socially aware.

Conversely, Amazon's [COVID-19 response](#) and associated advertising campaign that highlighted how the company was working to ensure employee and consumer safety had a positive impact on how consumers perceive it. Among the highest performers in terms of lift in brand perception, 46% say Amazon's response have made them think more positively of the brand. Its response was also the most polarizing, with 11% indicating they feel more negatively about the brand, which reflects the tight rope Amazon and Bezos need to walk in the eyes of consumers.

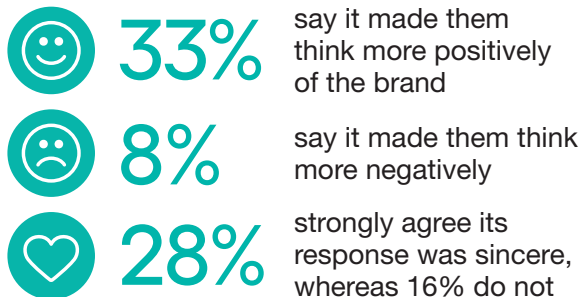


Like most brands, Amazon struggles with being perceived as transparent. Nevertheless, if the brand has proven nothing else, being reliable is an aspect of its service we've come to expect as consumers. Who doesn't love seeing those smiling boxes arrive so quickly at our front doors? And due to COVID-19, Amazon has become an essential provider that so many consumers have relied and are relying on—despite the ongoing criticism against the company and Bezos. As such, it continues to be critically important for Amazon to pay close attention to how it is aligning business decisions and actions with its communication to employees and consumers. It needs to focus on crafting thoughtful and transparent communication that demonstrates how the positive, meaningful work it is doing for its workforce and in the community is in-line with its brand promise while also addressing areas of public scrutiny. For example, Amazon could focus on making a clear connection about what it is specifically doing to protect the health and safety of employees while simultaneously working to lessen its carbon footprint. This type of communication will help reinforce to consumers that the brand is socially aware and committed to supporting the greater good, which will boost its authenticity.

Bottom Performers: Facebook

Although Facebook is encountering challenges across all five dimensions of authenticity, it scores lowest on transparency and thoughtfulness, while its highest score is on being socially aware. More consumers actively disagree with Facebook being reliable, transparent, thoughtful and committed than most other brands. This is most likely due to the recent scrutiny by the US Department of Justice along with the backlash from the 2016 election and 2018 Cambridge Analytica scandals that have been repeatedly spotlighted in the news.

Facebook's COVID-19 response falls short with consumers:



This year, Facebook has confronted mounting public criticism and an [advertising boycott](#) for its [policies on moderating content](#), including [inflammatory rhetoric](#), [hate speech](#) and [misinformation](#) that spread on its platforms. Facebook has taken this criticism seriously and has put into place processes to stop the spread of misinformation around COVID-19 as well as during the 2020 election. As we have seen over the years, every action the company has taken while navigating this situation has been



publicly scrutinized, as is the case with CEO Mark Zuckerberg, who is his own brand and inextricably linked with the company brand.

Facebook should consider focusing on its high “socially aware” score, and use this to develop a platform toward building brand authenticity. To do this, Facebook should focus on messaging that speaks to how hard it’s fighting in these areas of scrutiny, and then follow those words with specific actions that illustrate how seriously it takes the government probes and what it’s specifically doing to combat the spread of misinformation. This could even become a rallying cry for Facebook users—if done correctly, Facebook could engage its consumer base to advocate for the brand and the good actions it’s taking on these issues. These actions would go a long way toward improving consumers’ perception of Facebook as a more authentic brand that is thoughtful, transparent and committed.

Bottom Performers: Comcast

While there's no love lost for cable companies as an industry, Comcast in particular has been blasted for poor customer service. This is so widely documented that in 2017 Comcast earned the spot as the No. 1 hated company by [24/7 Wall Street's list](#). Since then, however, the leadership team at Comcast implemented a multi-year strategy that has improved many of its customer service metrics.

In terms of brand authenticity, Comcast doesn't suffer as much from some of the polarizing issues that Facebook does. Instead, the brand is plagued by lower consumer agreement that Comcast exhibits the five dimensions of authenticity. Comcast has done a lot of work on this over the past few years, with its CEO recently [speaking out](#) on how media and entertainment can help in times of social injustice by bringing those stories to the forefront. Additionally, Comcast [committed \\$100 million](#) to support social justice and equality, and is continuing its 2011 initiative to expand low-cost internet service to homes in underserved communities.

Comcast sees its highest score around being committed and can build off this to improve its brand authenticity. By focusing communication efforts around its CEO's recent message and the company's actions to support social justice and equality, the brand can demonstrate and reinforce that it is being socially aware, thoughtful and committed in its actions to support local communities. To take it a step further, Comcast will need to expand its messaging to connect its social justice work with its brand purpose so consumers understand the higher vision of the company and why it is being socially aware, thoughtful, and transparent about its community contributions. The good news is that Comcast's second and third highest scores are in being perceived as reliable and socially aware, thereby providing it with a solid base from which to build.



Comcast sees
its highest score
around being
committed and
can build off this to
improve its brand
authenticity.

Recommendations

Here are five steps you can take to make your brand more authentic.

1. DEFINE AND COMMIT TO YOUR BRAND VALUES AND BELIEFS

If you don't know them already, identify your brand values and beliefs. Here are some questions to consider:

- What will your focus be? If you can identify what fires up your brand, you've taken a huge first step toward where you should devote your time, energy and money.
- How do you take a stand in a way that aligns with your values and business strategy?
- How do you take a stand without being seen as opportunistic or inauthentic—which could do more harm than good?
- How will you back up your words with action?

2. DETERMINE WHERE YOU STAND

Balance knowing what you want your brand to be with how consumers perceive your brand so you can manage and align those perceptions.

- Determine what consumers want from your brand and how to connect with them through tone, content and format.
- Understand how consumers perceive your brand so you can weave it into your strategy.
- If your brand and consumers are misaligned, acknowledge it, find a way to reconnect, and evolve. It's much easier to adapt if you have a strong strategy in place.
- Make authenticity part of how you evaluate your brand performance. Consider the five key dimensions: Are you being thoughtful, transparent, reliable, committed and socially aware?

3. REVISIT YOUR BRAND STRATEGY

Each of the five dimensions of authenticity has a different level of importance when seeking to balance your brand perception and reputation.

- Focus on the dimensions in which your brand is falling behind, but prioritize those that have the greatest impact on your brand's authenticity ratings to see the biggest advances.

In times of crisis, ask yourself what your perspective is before acting, what action you can take, and if/how you'll communicate it.

- Find the right time and place to demonstrate your values and authenticity. In times of crisis such as COVID-19 and change such as the Black Lives Matter movement, ask yourself what your perspective is before acting, what action you can take, and if/how you'll communicate it. And, of course, it's always important to try to put yourself in your consumers' shoes to consider how they might perceive your actions.

4. ACT ON CONSUMER FEEDBACK

Talk to consumers, integrate feedback and execute your new strategy.

- Before going to market with your new brand strategy and messaging, test it with consumers to determine which messages best reflect your brand perspective as well as positively impact consumer perception of your brand.
- After you determine what positioning, messages and actions best resonate with consumers, fold them into your brand strategy, and then take your revised brand strategy to market.

5. REEVALUATE REGULARLY

This is the place for your commitment to really shine.

- Check in with consumers regularly to track how they're receiving and reacting to your new strategy and messaging.
- Keep tabs on what your competitors and other best-in-class brands are doing. See what lands well, what falls flat and what you can learn from them.

Strategic Summary

It's more important than ever for brands to connect with consumers on the topics that matter most to them to continually foster trust, love and loyalty. But if you're missing the mark, you may still be able to improve your brand perception and reputation. By knowing where you stand and finding the proper balance of being thoughtful, transparent, reliable, committed and socially aware, you can chart a path forward with brand authenticity. And that means more brand love, more loyal customers, and more revenue in the long run.



TALK TO THE EXPERT



Jill Miller

Vice President
jill.miller@escalent.co
248.986.9878

P 1.734.542.7600
E INFO@ESCALENT.CO

ABOUT THE RESEARCH

Escalent interviewed a national sample of 1,000 consumers aged 18 and older from May 5 to 7, 2020. Respondents were recruited from the Full Circle opt-in online panel of US adults and interviewed online. The data were weighted by age, gender and census region to match the demographics of the US population. The sample for this research comes from an opt-in, online panel. As such, any reported margins of error or significance tests are estimated and rely on the same statistical assumptions as data collected from a random probability sample. Escalent will supply the exact wording of any survey question upon request. Special thanks to Full Circle for providing the consumer sample.

About Escalent

Escalent is a top human behavior and analytics firm specializing in industries facing disruption and business transformation. As catalysts of progress for more than 40 years, we tell stories that transform data and insight into a profound understanding of what drives human beings. And we help businesses turn those drivers into actions that build brands, enhance customer experiences and inspire product innovation.

Visit escalent.co to see how we are helping shape the brands that are reshaping the world.



[ESCALENT.CO](https://escalent.co)

© 2020 Escalent. All rights reserved.