**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:
- China: 7.4%
- India: 5.7%
- Indonesia: 5.3%
- U.S.: 4.2%
- UAE: 4%
- Hong Kong: 2.9%

Slow-growth economies:
- Italy: -1.8%
- Spain: -1.3%
- France: 0.3%
- Germany: 0.5%
- Sweden: 0.9%
- 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.

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**Introduction**

**Authenticity**

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. Skepticism 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.

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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:
The Age of Authenticity

The seven Authenticity Anchors

Our Cohn & Wolfe research team devised seven qualities of authentic brands - ‘Authenticity Anchors’ - comprising of communicating honestly, acting with integrity and having a purpose.

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.

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Authenticity Anchors

1. Communicating honestly about products and services
2. Communicating honestly about environmental impact and sustainability measures
3. Acting with integrity at all times
4. Being clear about and true to beliefs
5. Being open and honest about partners and suppliers
6. Standing for more than just making money
7. Having a relevant and engaging story

Business Benefits

1. Not letting customers down
2. Paying all levels and sexes of employees fairly
3. Accurately reporting earnings
4. Ensuring it operates a sustainable supply chain
5. Provides ample benefits and facilities to its staff
6. Strives to innovate
7. Brings truly innovative products, services and ideas to market
8. Is well-known in its field or region
9. Has a product or service that I cannot live without
10. Is more appealing/exciting than other brands in the market
11. Is popular among my peers

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Which of the following behaviours are important for companies to display?

(Whole global sample)

<table>
<thead>
<tr>
<th>Behaviour</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communicates honestly about its products/services</td>
<td>91%</td>
</tr>
<tr>
<td>Does not let its customers down</td>
<td>91%</td>
</tr>
<tr>
<td>Communicates honestly about its environmental impact and sustainability measures</td>
<td>87%</td>
</tr>
<tr>
<td>Acts with integrity at all times</td>
<td>87%</td>
</tr>
<tr>
<td>Is clear about – and true to – its beliefs</td>
<td>84%</td>
</tr>
<tr>
<td>Is open and honest about its partners and suppliers</td>
<td>83%</td>
</tr>
<tr>
<td>Is clear about – and true to – its beliefs</td>
<td>82%</td>
</tr>
<tr>
<td>Acts with integrity at all times</td>
<td>79%</td>
</tr>
<tr>
<td>Accurately reports earnings</td>
<td>78%</td>
</tr>
<tr>
<td>Ensures that it operates a sustainable supply chain, with an open sourcing policy</td>
<td>77%</td>
</tr>
<tr>
<td>Provides ample facilities and benefits to its staff</td>
<td>77%</td>
</tr>
<tr>
<td>Stands for more than just making money</td>
<td>74%</td>
</tr>
<tr>
<td>Strives to innovate</td>
<td>72%</td>
</tr>
<tr>
<td>Brings truly unique products, services and ideas to market</td>
<td>71%</td>
</tr>
<tr>
<td>Is well-known in its field or region</td>
<td>63%</td>
</tr>
<tr>
<td>Has a product or service that I cannot live without</td>
<td>61%</td>
</tr>
<tr>
<td>Is more appealing/exciting than other brands in the market</td>
<td>60%</td>
</tr>
<tr>
<td>Has a relevant and engaging story</td>
<td>43%</td>
</tr>
<tr>
<td>Is popular among my peers</td>
<td>39%</td>
</tr>
</tbody>
</table>

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Authenticity Anchors
The Age of Authenticity

Authenticity Anchors across markets

Which of the following behaviours are important for companies to display?
- Communicates honestly about its products/services
- Acts with integrity at all times
- Communicates honestly about its environmental impact and sustainability measures
- Is clear about – and true to – its beliefs
- Is open and honest about its partners and suppliers
- Stands for more than just making money
- Has a relevant and engaging story
The authentic impact on the bottom line

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 world.

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

- 64% I am loyal to that company
- 63% I buy from that company over and above competitors
- 59% I tend to recommend the company to friends and family
- 47% I would be happy to work for that company
- 23% I will invest in that company
- 19% I would follow that company on Facebook / Twitter

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. Kea
13. Coca-Cola
14. Vodafone
15. Microsoft
16. Nestle
17. Tata
18. Barilla
19. Lidl
20. Nokia

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.”

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

- SUPERMARKETS: 52%
- ELECTRONICS COMPANIES: 44%
- RETAILERS: 43%
- BANKS: 43%
- COFFEE SHOPS: 42%
- ENERGY PROVIDERS: 38%
- TRAVEL PROVIDERS: 38%
- SOCIAL MEDIA PLATFORMS: 36%
- MOBILE PHONE PROVIDERS: 35%
- FAST FOOD CHAINS: 32%
- ALCOHOL COMPANIES: 27%
Global Anger Meter

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

**Food**
- Produce food unsafely or in an unsanitary way: 77%
- Use low-quality ingredients in food when promoting a high-quality product: 72%
- Fail to report or conceal some of the ingredients used in food products: 61%

**Data**
- Sell your personal information to other companies: 71%
- Fail to protect your personal information: 67%

**Staff welfare**
- Treat workers unfairly: 63%
- Foster unsafe work environments for employees: 63%

**Engagement and communication**
- Fail to communicate issues that affect consumers in reasonable time: 53%
- Being unaccountable for vendors/suppliers’ business practices: 46%

**Product reliability**
- Produce unsafe products: 72%
- Produce unreliable products: 64%
- Overstate or use misleading language about a product’s benefits: 47%

**Environment and animal welfare**
- Treat animals inhumanely: 68%
- Harm the environment: 59%

**Pricing and finances**
- Include hidden charges in products: 54%
- Avoid paying taxes: 51%
- Pass on costs to customers to maintain profits: 49%

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
- Avoid paying taxes
- Fail to report or conceal some of the ingredients used in food products
- Use low-quality ingredients in food when promoting a high-quality product
- Harm the environment
- Be unaccountable for vendors/suppliers’ business practices
- Foster unsafe work environments for employees
- Fail to communicate issues that affect consumers in reasonable time
- Pass on costs to customers to maintain profits
- Overstate or use misleading language about a product’s benefits
For more information on receiving a full copy of the Authentic Brands study, please contact authentic.brands@cohnwolfe.com