

## **BBB Initiates Ground Breaking Trust Study.**

The first-ever BBB/Gallup Trust in Business Index survey found that nearly one in five (18 percent) adult American consumers say their trust in businesses that they regularly deal with has decreased in the past 12 months, more than twice as many who say their trust increased (8 percent). The survey also found that less than half of American consumers (49 percent) say they have a great deal (12 percent) or quite a lot (37 percent) of trust in businesses that they regularly deal with.

The Better Business Bureau (BBB) initiated this groundbreaking survey to measure consumer trust in businesses that they regularly deal with and to provide guidance to businesses, especially small businesses, about steps they can take to increase trust. The initial set of data establishes a benchmark for an ongoing BBB/Gallup Index. BBB and Gallup are planning a second survey in the spring to delve deeper into consumer trust in business issues, and the Index will be a regular BBB service in the future.

It's alarming that about 37 million American adults trust business less now than they did last year, and that fewer than half of all Americans have a lot of trust in businesses they deal with every day. There are many contributing reasons for this bad news – recent toy recalls, the sub-prime mortgage and foreclosure crisis, well publicized ethics lapses and criminal violations, and a long period of what many experts see as declining customer service.

When asked how important 14 reputational attributes are in determining what businesses they trust, American adult consumers rated a company's reputation for honesty and fairness most important, with 93 percent saying this is extremely or very important. A company's reputation for being both dependable and reliable was second with 91 percent saying it is extremely or very important, while a reputation for providing safe products is third at 89 percent. Reputation for providing good value for money and good prices ranked fourth and fifth respectively. Company advertising ranked lowest, with only 18 percent of respondents citing it as a key trust factor.

Further, respondents were asked to consider what one company, large or small, that they regularly deal with in everyday life, do they trust most – and what does that company do to earn their trust. From unprompted, top-of-mind responses, competitive, low prices were cited as a key trust factor by 29 percent of respondents, with nice and friendly personnel at 29 percent as well. Good customer service was ranked third by consumers as a core component of trust in companies at 26 percent. Consumers were also asked to consider the one company they deal with regularly that they least trust and comment on what the company does that creates the lack of trust. High charges and fees were noted by 30 percent of consumers as creating the most distrust, followed by poor service (27 percent) and failure to meet promises (16 percent).

Earning consumers' trust isn't simply the result of good ethics, integrity or even low prices, it's more – companies must keep their

commitments and produce results. If they don't provide quality customer service and deliver on promises, they won't be trusted, and consumers are not likely to purchase their goods or services. Here are more findings:

**Types of Business** - Consumers were also asked about their level of trust in 15 different types of companies they do business with regularly. Companies that fared worst in the BBB/Gallup Trust in Business Index include auto dealers with 16 percent of survey respondents saying they had a great deal of trust or quite a lot of trust, real estate brokers (17 percent), cell phone and wireless providers (21 percent), and furniture stores (22 percent).

**Gender and Age** - Women are more trusting than men - with 52 percent of women, to 45 percent of men - saying they have a great deal or quite a lot of trust in businesses they deal with regularly. And, older consumers are more trusting than their younger counterparts with more than 58 percent of consumers ages 65 and over saying they have a great deal or quite a lot of trust versus 43 percent under age 35.

**Business Size** - When it comes to the size of businesses and consumer trust, the survey uncovered that 67 percent of consumers say they would prefer to do business with a small company rather than a large company in their everyday life when given a choice. Further, 73 percent of consumers say they trust small companies more than large companies. And by nearly a two to one margin, consumers employed by large companies said they would prefer doing business in their everyday lives with small companies (59 percent) than other large companies (31 percent).

**Online Only Versus Brick and Mortar Businesses** - Only one in six American adult consumers (17 percent) say they have a great deal or quite a lot of trust in companies that only do business online, while 42 percent say they have some trust; 22 percent say they have very little trust, and 12 percent say they have no trust at all. As might be expected, younger consumers say they have more trust in online only companies than do older consumers with 23 percent of consumers 18-34 years of age and 20 percent of those 35-49 years old saying they have a great deal or a lot of trust in online only companies compared to 14 percent of those aged 50-64 and only 6 percent of those 65 years or older.

**Bottom Line** - As a result of this initial Index survey, consumer trust in business has been benchmarked and quantified. The challenge now for the BBB is to keep a close eye on how consumer trust in business changes over time and champion the qualities - honesty, reliability and performance - that will move the trust barometer upward.

###