NZ Customers’ Perceptions of Brand Trust and Trusted Brand Endorsements

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Abstract

The purpose of this research is to understand NZ customers’ perceptions of brand trust and trusted brand endorsements. Reader’s Digest (RD) is a U.S. based magazine with one of the highest monthly circulation of any periodical across the globe (Augustyn, n.d.). It annually endorses “trusted brands” for several countries including New Zealand. Whittaker’s, a local NZ brand, best known for manufacturing chocolates, has been endorsed as the most trusted brand in NZ across all categories for eight successive years by RD. Several questions arise like: How do consumers perceive trust? Do brands perceive trust in a similar manner as their customers? Are brands really able to win the trust as claimed by the endorsements? How do the customers perceive the agencies that make the endorsements? Thus, this study was undertaken to investigate customers’ perceptions of “brand trust” and “trusted brand endorsements”.

This thesis seeks to study brand trust and trusted brand endorsements by performing a qualitative analysis of customers’ experiences, expectations, and perceptions of those two concepts. The qualitative data is obtained through three focus group interviews and thematic analysis is used to identify key themes and to draw inferences from the data corpus. The study reveals that the length of familiarity and experience of the customers with the brands is an important factor that determines the customers’ trust in brands. It is similar to some extent, to the trust among family members. It is noted that the participants in the study watched the sincerity and commitment of brands in following ethical business practices, the brands’ reputation, their consistency, transparency, and the spirit of innovation for determining the extent of trust they should place in these brands. This research study concludes with recommendations for further examination of the difference in perception of trust among participants of various age groups and for examining whether trust can indeed be endorsed.
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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

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Ethical Approval

AUT University Ethics Committee (AUTEC) approved the ethics application for this research on 29th November 2018. The application number is 18/ 439.
List of defined terms and abbreviations

Terms used in the thesis that require definition/clarification are as below:

**RD** – *Reader’s Digest* – the Magazine that conducts annual surveys in several countries (including New Zealand) to endorse “Trusted Brands” for those countries.

**ASB** – *ASB Bank* – a bank in New Zealand

**FG** – *Focus Group* – as in Focus Group Discussions

**WoM** – *Word of Mouth* – recommendations
Chapter 1: Introduction

1.1 Overview

According to Mitchell (2018), the consumers today face a vast variety of brand options to make their purchases from. In such a scenario, ‘customer trust’ emerges as an important factor that allows a brand to stand apart from its peers. It also acts as an ‘insurance policy’ against any future setback to a business. Customer trust, however, is not easy to build as it results from a brand’s sincere care for the customers and their needs (Mitchell, 2018). The research work of Castaldo, Perrini, Misani, and Tencati (2009) suggested that the behaviour of brands have an influence on customers' trust. To make the choice of correct strategies, the brands must have thorough understanding of needs and expectations of its customers. The present research seeks to understand the New Zealand customers’ perceptions of trust for brands. In addition, this research also seeks to study the NZ customers’ perceptions of the trusted brand endorsements by Reader’s Digest.

It is important for brands to nurture trust among their target market and to understand that businesses thrive on robust customer relationships. If the customers trust a particular brand, they will prefer to engage with that brand over a competitor’s. Simpson (2017) said that an average western customer is exposed to thousands of brand messages per day, so a question arises as to how customers can filter this onslaught of messages and make up their minds on which brands to trust. Brands are spending huge amounts of money on advertising, endorsements, and sponsorships, and the customers are incessantly bombarded with an information overload.

Some NZ businesses attempt to build their brands through brand endorsements in multiple categories like the most trusted brands (Trusted Brands, 2019) and the most loved brands (Brunton, 2018), or through endorsements in specific categories like fashion brands (Tunui, 2017) and local New Zealand brands (Coates, 2018). Brunton (2018) has been running the “Brands I Love” survey since 2012, with 1,000 New Zealanders surveyed each year. The brand list is compiled from spontaneous mentions and is updated annually Brunton (2018).

According to Duncan and Moriarty (1998), communication has always been understood as a human pursuit, which is at the heart of making meaningful relationships with people and bringing them together. Their work discusses that in the field of marketing, the
communication process is often forgotten as a critical dimension in the building of relationships. On the contrary, to be successful, brands must ensure that they maintain engagement with their customers diligently (Duncan & Moriarty, 1998). With the large number of choices and communications available in today’s markets, customers tend to choose from those brands that are successful over others in the crowd in creating their brand awareness (Quarterly, 2009).

The matching of values between brands and their customers is important. This requires a comprehensive understanding of customer needs by the brands, which determines the ways the brands maintain the relationships with their customers. Ratner (2017) explained that brands need to communicate effectively with their audience through all the communication channels to build a deep emotional connection with the customers. This strong emotional connection can be even more important than having great products or services and contributes to the built up of brand trust. In order to enhance mutual trust with their customers, brands use endorsements whether they are celebrity endorsements (Roy & Moorthi, 2009), sponsorships or influencer marketing (Loechner, 2018), often at a substantial cost.

Reader’s Digest (RD), a customer-based American family magazine owned by publisher Trusted Media Inc., annually provides “trusted brands” endorsements for several countries including New Zealand. These endorsements are based on a quantitative survey (to the extent known these are not bought/paid for) involving a sample of a predetermined number (1400) residents in New Zealand. RD has conducted this survey in NZ for the past 20 years. For the year 2019, the survey involved brands in 68 categories of products and services throughout a broad spectrum of industries. RD claims that it ensures transparency and breaks down the characteristics, features, and hallmarks a brand should possess to preserve the relevance for the New Zealand market. The magazine defines trust as a strong emotion that fuels decision making for purchases, and is an intangible quality, which adds to the integrity of a brand (Trusted Brands, 2019). However, the question arises as to whether customers actually do trust these endorsements and if so, to what extent these endorsements affect their buying decisions.
1.2 Research Aims

This study focuses on understanding how customers in New Zealand perceive “brand trust”. Also, it seeks to answer the question as to whether customers indeed trust the “trusted brands” endorsements by RD. For this purpose, a focus group study with NZ customers has been undertaken with the aim of gathering first-hand accounts of customers’ understanding and expectations in respect of a trusted brand.

The specific research questions that this study seeks to answer are:

**RQ 1:** What are customers’ perceptions of brand trust with respect to RD’s endorsement of Whittaker’s?

**RQ 2:** Do customers indeed trust the endorsed brands?

The first question seeks to understand the varied views that customers in NZ hold about brand trust. The endorsement of Whittaker’s as the most trusted brand of NZ for several successive years by RD has been taken as the case for obtaining the views of the participants. The focus group discussions were conducted for gathering of qualitative data.

The second research question seeks to understand whether customers in New Zealand trust the endorsements issued by RD; whether they are easily influenced by these endorsements or there are any other factors that come into play when it comes to being influenced by them. An attempt has been made to understand the expectations of the customers from the endorsers, and whether they are meeting these expectations; what should these endorsing agencies be doing to get the customers to believe in their trust endorsements?

1.3 Significance of the Research

Trust between brands and customers is important for the success of businesses. Digital communication channels today contain a vast variety of information from social media influencers, celebrity endorsements, and athlete sponsorships. In such a scenario, for the brand building exercise by businesses to be successful, they need to understand how this information is received, interpreted and internalised by the customers. By having discussions with a small sample of New Zealand customers as participants, this research aims to gain insight into how customers in New Zealand perceive brand trust and the trusted brand endorsements.
This research attempts to “study trust, more specifically, brand users’ perceptions of trust”. Also, the views of the participants on the extent of trust placed by them on the brand endorsement agencies have been examined/sought on the basis of their response towards “RD’s trusted brands endorsements”. The study seeks to understand the characteristics/capabilities that the endorsement agencies should possess so that their communication messages are accepted by the customers. By the study of the NZ customers’ perceptions of brand trust and the trusted brands endorsements, this research attempts to understand the implications for brands as well as brand endorsement agencies. This understanding may help brands achieve success in their brand building goals.

It is important that businesses understand their customers’ expectations and perceptions of brand trust to the maximum extent possible and then establish an emotional connect that lasts for a long time. This will enable them to have loyal customers who not only buy from them, but also spread positive word of mouth influence over other potential customers. (Khadka & Maharjan, 2017). This study aims to identify these perceptions of customers about brand trust, which in turn might affect how brands could implement effective brand building strategies in the future.

By the study of customers’ perceptions of brand endorsement agencies, this study aims to identify the factors that are important in building trust between customers and these agencies. For the brand endorsement agencies, identification of these factors is likely to help them take the right direction that leads towards achieving success in their brand building goals.

1.4 Structure of the Thesis

This thesis is structured into six main chapters. The first chapter is the introduction, in which an overview of the research is presented, the aim and purpose of the research is discussed and the contribution that this research is expected to make to the existing body of knowledge in the area is presented. The second chapter is a literature review, which is divided into three main sections, wherein the relevant literature on the subject has been discussed. The third chapter presents the methodological framework used in this research, including the design of the research and the data collection method. The fourth chapter presents a summary of the findings from the gathered and analysed qualitative data. In the fifth chapter, the discussion on findings occurs in the context of the wider concerns and
knowledge in the subject area, which leads towards answering the research questions. The final chapter is the conclusion of the thesis, where the research questions are answered, the implication of this research is discussed, the limitations of this study are presented and suggestions for future researchers are made.
Chapter 2: Literature Review

2.1 Introduction

Steve Jobs, the man behind building Apple’s market value cap to trillion-dollar, always emphasised that a brand’s customers were its biggest competitors. He quoted that “a brand is simply trust” (Saunders, 2018). Trust has been the subject of study by psychologists and political scientists for a long period of time, but the social science research has not been able to clear the confusion regarding its meaning and role in social life (Lewis & Weigert, 1985). It has remained a subject of investigation in various disciplines, among which are psychology, sociology, philosophy, social studies, economics, and marketing (Blomqvist, 1997). Trust can be interpreted in numerous ways; however, mostly it gyrates around the certain expectations of fair dealing, trustworthiness, promise-keeping and of not being taken for granted (Crosby & Zak, n.d.). Trust relationships, whether internal with the employees and peers or external with the clients and partners, play an important role in the success of businesses ("Understanding the Trust Equation," n.d.).

Trust is a critical strategic asset for businesses, which drives the brand value (Prahalad, 2011). In today’s business world, there is an ever-increasing need for efficient and effective relationship building between brands and their customers, before, during and after transactions. The success or failure in doing so can strengthen or demolish significant brand relationships (Duncan & Moriarty, 1998).

Against this background, the literature review chapter is structured in the following sections:

a) Understandings and definitions of trust

b) Trust in brand-customer relationships

c) Brand endorsements

The first section covers a review of the concept of trust, and its different definitions in a variety of contexts. A review of the literature on the importance and relevance of trust in the field of marketing and branding is presented in the second section. In the final section, the literature review of the brands' endorsements and their efficacy is presented.
2.2 Trust: Understandings and Definitions

“Trust in everyday life is a mix of feeling and rational thinking” (Lewis & Weigert, 1985, p. 972). According to McKnight and Chervany (1996), trust is central to how humans interact with each other, and it is even more central during the times of crisis. Morgan and Hunt (1994) contended that trust is essential in relational trade and is the foundation of strategic partnerships between companies and their various stakeholders. These strategic partnerships are liable to fail if the trust is broken. According to Möllering (2001), trust helps in the reduction of complexity in social interactions, allowing them to proceed in a smooth manner. Gambetta (2000) described trust as an essential feature/requirement in all types of interpersonal communications. As described by Elena and Jose (2001), trust is an essential trait which is part of any important interface between individuals.

Lewis and Weigert (1985) have described trust as a complex and multi-faceted phenomenon, in line with the view held by many other scholars. Their work has viewed trust as possessing subjective, emotive and circumstantial manifestations, all of which may not be present simultaneously at any one time. Though it is common to question whether a customer trusts or suspects a brand, the answer may not be accurate, as it may be true in some sense and contexts and may not be so in others (Lewis & Weigert, 1985).

Blomqvist (1997) has extensively analysed how the notion of trust is addressed and stated in diverse terms in the fields of social psychology, philosophy, economics, and market research. Blomqvist (1997) concluded that trust is context dependent and situation specific, and therefore, there cannot be a universal definition of trust. Khodyakov (2016) threw light upon the complexity of trust and explained in his work how trust is a process rather than a variable. In the same way, McKnight and Chervany (1996) concluded that there is a collective scholarly inadequacy of agreement about the significance of trust; research by scholars in one domain being in contrast to the work by others in other domains. They have opined that the formulation of trust development must be multidisciplinary in its essence. By the creation of an interdisciplinary form of trust conceptions, referred to by them as cumulative trust research, McKnight and Chervany (1996) have attempted to devise a method which enables researchers from different fields to make summative improvement on the concept of trust.
According to Lewis and Weigert (1985), trust reduces the complexities in relationships which are commonly visible in the temporal aspects of social life. The complexities in relationships arise due to differences in the social time tables of two individuals as well as due to occurrence of unexpected disruptive events (Lewis & Weigert, 1985).

Khodyakov (2016) elucidated that it is pertinent to treat trust not as a variable but rather as a process of its creation, development and maintenance in society. Khodyakov (2016) further explained the levels of trust in three dimensions – thick interpersonal trust (strong ties), thin interpersonal trust (weak ties) and institutional trust which varies over time. Thick interpersonal trust is based on familiarity and similarity with the trustee and strong emotional bonds between people. Basically, it is the first type of trust people develop in their lives and is most commonly seen among families and friends. It is restricted to the people of the same background and therefore is less risky but leads to the development of strong bonds. In thin interpersonal trust, there is reliance on less familiar and weak ties. Besides, the basis for this kind of trust is predominantly on the assumption and optimism that the other person would reciprocate and obey with behavioural expectations and ethical rules.

Sherwin (2016) explained the building of trust with increasing levels of commitment. As soon as the demands of an individual are met in a sufficient way, they will be likely to trust more and progress to the next level. At the lowest level of the pyramid, there has been no establishment of trust as there is no commitment between the parties. With initial familiarity and little experience, just enough trust is established so that the needs on either side can be met. With increased affirmation of this trust, one is willing to take more interest, and prefer to associate with, and trust, the other party. Successively, with more familiarity and positive experience, one party trusts the other with sharing of personal information. Further deepening of trust results in the sharing of delicate and monetary information and finally exhibits the preparedness to commit fully to the ongoing relationship.

Maslow (1948) in his work on studying a hierarchy of needs from a psychological perspective explained that the wants of individuals range from lower to higher. Starting from the bottom level, where the physiological needs lie, the progressively higher levels are occupied by the safety needs, requirements for love, fondness and belonging, esteem needs,
and finally the desire for self actualisation, that lies at the very top of the pyramid. Sherwin (2016) pointed out that, much like the model of Maslow on the hierarchy of needs, the establishment of trust is also a gradual process in relationship building. The evolution of relationship occurs via various stages of commitment, with stages built on top of each other and the higher stages cannot be attained before passing through the lower ones. To summarise, the pyramid of trust is made up of five distinct experiential levels of commitment. At each level of commitment there are certain needs that the individual wants to be met to finally reach the stage where he or she is willing to commit to the relationship that passed through other lower levels.

2.3 Trust in Brand-Customer Relationships

Morgan and Hunt (1994) imply that trust is an important variable in developing an understanding of all business relationships. Specifically, trust has been identified as an important element that results in development of brands, increases the effectiveness of promotional tools and enhances the profitability of businesses (Chatterjee & Chaudhuri, 2005). Moreover, (Ratner, 2017) believes that brands need to come up with more innovative communication skills to cater to modern audiences, as customers today are increasingly becoming sceptical of brands’ marketing strategies.

Since people trust other people more as compared to brands, the formation of personal relationships with customers can be achieved by making the brand appear more informal, fictional toned, engaging and witty (DeMers, 2016). If the brands intend to build the relationships of trust, which is the groundwork for relationship formation, then they must increase their efforts to form more personal relationships with customers on an individual level. When two parties decide to commit to an association, they open themselves to any possible loss that might occur due to breach of such commitment by any of the parties. Thus, they seek those allies that can be relied upon. The involved parties are willing to bind themselves into such connections where trust is respected (Morgan & Hunt, 1994). Tanis and Postmes (2005) concluded that trust between two parties results when one party expects the other to behave in a manner that is expected, and not otherwise. When such types of expectations of reliable behaviour are met, the trust becomes stronger.
Three Harvard professors Maister, Green and Galford (2009) created a mathematical equation for trust by describing it as a tool to measure the trustworthiness of a person or a business. The equation says that trustworthiness is equal to the sum of credibility, reliability and intimacy, divided by self-orientation. In business, for high trustworthiness, a high score is required for the factors in the numerator, i.e. credibility, reliability and intimacy; and a low score is desired for the denominator, i.e. self-orientation ("Understanding the Trust Equation," n.d.). Baldoni (2008), in his article in Harvard Business Review website, further elaborates the use of the trust quotient tool by individuals for self assessment of their trustworthiness.

The Cannes Lions report (2019) identifies three ‘gates’ with regard to brand trust: the product, customer service, and societal impact. According to Richard Edelman, CEO of an American public relations firm Edelman, trust is an important factor in brand purchase and the expectations of customers from the brands on this aspect is high. A brand must successfully pass through the three gates of product, customer service, and societal impact to win the trust of customers. The report further elucidates that those brands, who score high on all three aspects/gates, are able to gain a very high level of trust from their customers, who not only buy from them, but also stay loyal, then become their advocates and finally defend them when things go wrong (Cannes Lions, 2019).

According to Keller (2013), it is not enough for a brand to be respected, they must earn the trust of their customers through actions that lead to fulfilment of their desires and aspirations. The organisation’s purpose, its value system, its actions and its way of communication decide its achievement of trust. It is required that all of them are properly aligned so that customers perceive that they are trustworthy (Dunne, 2018).

2.4 Brand Endorsements

Brands often use brand endorsements with a belief that such endorsements will have a lasting impact on customers’ trust. The question arises whether they do actually lead to positive brand building.

Many variables are taken into account while selecting the factors for the effectiveness of endorsements, including the validation of the credibility and the attitude towards the advertisement. For instance, the celebrity endorser might be so influential that the buying
decision of the customers towards a particular brand is significantly influenced through their endorsement (Till & Shimp, 1998; White, Goddard, & Wilbur, 2009). However, scholars also argue, that sometimes, media personalities endorsing the brand might spoil the brand image - if the endorser has a contradictory reputation because of involvement in scandals or bad media publicity.

According to RD, they have been approaching ordinary customers for the last nineteen years to ask their opinions about the brands that are essential to them. Citing their years of research knowledge, they claim to know precisely, the features that need to be present in the brand, to maintain significance for the customers (Trusted Brands, 2019). In a bid to remain with the changing times, the Reader’s Digest Association, which is now referred to as Trusted Media Brands Inc, in its presentation on May 8, 2017, reinforced its commitment to build an image of their brand as a digital-foremost multi-platform media company, pinning down the cross-platform methods for advertisers with a focus on storytelling in a transparent environment (“Trusted media brands announces”, 2017). Morales (2017) has said that more than half of the participants in RD’s survey responded that the badge of “Reader’s Digest Trusted Brand” approval increases their odds of trusting a brand, and 49 percent higher chance to buy its products. Since the inception of RD’s trusted brands program in the US in 2015, the number of winners integrating the seal into their advertising drives has increased fourfold. Whittaker’s, Resene and AA Insurance are some of the NZ brands that do use the RD’s badge on their social footprints.

However, the trusted brands endorsements like those issued by RD have their critics too. By citing an example of polls conducted to find ‘New Zealand’s most trusted personalities’, Jones (2011) explains how small changes in the approach to the surveys altered the inferences substantially. While in the year 2010, the opinions were counted if the respondents at all new the personalities they had to rate, in the year 2011, the criteria changed to whether they knew these personalities well enough to judge their trustworthiness. If the answer was ‘no’, their opinions were not counted. As a result, Corporal Willie Apiata, the Victoria Cross winner for bravery in Afghanistan, who had ranked at number 1 in 2010, was ranked at number 14 in the year 2011 list. Thus, Jones (2011) contends that a change in the methodology from one year to the other resulted in substantially different results.
Wasserman (2015) reported that RD was the second-most read publication after TV Guide in the US at the peak of its success in the mid-seventies, with a circulation of nearly 17 million. Thereafter, it went into a downward spiral, with the circulation coming down to 5.5 million in 2009. Reader’s Digest Association (RDA), for most of its history till the year 2002, was based mostly on the one title, i.e. the Reader’s Digest. Wassermann (2015) further reports that till 2013, the RDA had declared bankruptcy twice and had changed its CEO thrice in three years. According to Wassermann (2015), in the year 2013, the RDA asked one of its previous employee, Bonnie Kintzer, who had risen through the ranks during the period 1998 – 2007, and who was at that time running her own marketing agency, to come back to the company as CEO. Initially reluctant, she came back, and within eighteen months after her joining, she brought the company from bankruptcy to profitability. Also, she changed the name of RDA to Trusted Media Brands Inc. (TMIC) to remove the common belief that RDA was only a one-title publisher, i.e. the RD, which was not true. By the end of 2015, there were 52 websites at the company; the company claimed to have grown 70% in last 2-year period (Wassermann, 2015). Sharp (2013), in her online article, reported that perhaps the decline in RD’s fortunes was inevitable due to the shift of reading preferences from paper publications to other types of media. These events are significant because at least one commentator, Fresne (2013), has questioned the authenticity of the survey by Readers Digest. According to him, the survey does not serve any purpose other than promoting the interest of the publication itself; and is a gimmick designed to remind the readers that RD still exists; the magazine would otherwise have been forgotten long ago.

Similar doubts about the trustworthiness of such brand endorsement surveys have been voiced. Marks (2018) cites the example of United Airlines, which has been listed as a best aviation brand in a recent survey, in spite of a recent incident of a Vietnamese-American doctor being pulled off the flight and the CEO of the airline having taken a long time in responding to the situation. Marks (2018) further points out that most of the endorsed brands have very high marketing budgets, ranging from hundreds of millions to more than a billion dollars, suggesting that the endorsements might even have been bought.
2.5 Summary

Trust helps in reduction of complexities inherent in social interactions. It is an important factor in the development of relationships, whether in the interpersonal or brand-consumer context. The initial development of trust takes place when primary/lower-level needs of individuals are met. Thereafter, the trust gets reinforced and strengthened through repeated/consistent experiences, because of which, the sharing of more intimate (personal/financial) details take place till finally, an individual is ready to fully commit to the relationship.

In the context of brand-customer relationships, the brands need to be as pro-actively responsive to the needs of its customers as possible. For this, the brands need to comprehensively understand the needs of their customers and respond with wit, care and sensitivity. The trust between brands and their customers will build and become stronger when the customers’ expectations of reliable behaviour by the brands are met.

Companies use celebrity/agency endorsements, advertisements, sponsorships and/or influencer marketing for their brand building goals. While advertisements, celebrity endorsements, sponsorships and influencer marketing involve substantial costs, the endorsements by agencies like RD and Colmar-Brunton use surveys (to the extent known these are not bought/paid for) to declare most trusted/loved brands in several countries including New Zealand. Brands use these endorsements for building their customers’ brand awareness and recall.
Chapter 3: Methodology

3.1 Introduction

This chapter explains the methodological framework used for the collection and analysis of the research data. The qualitative data for this research was gathered using focus group sessions where the views presented by the participants provided an insight into the research topic – NZ customers’ perceptions of brand trust and trusted brand endorsements.

3.2 Methodological Framework – Qualitative Research

RD declares brands as “trusted” through a quantitative research method that involves conducting a survey of a sample of 1400 people from the NZ population. According to Berg (2001), a quantitative research method refers to information and data that are measurable and countable; and also to the understanding of the characteristics, definitions, concepts, symbols and other descriptions of things. According to Berg (2001), social life and relationships between people, rather than being completely chaotic, have fairly regular patterns. These patterns, when carefully examined, can lead to certain inferences (Berg, 2001). In contrast, this research adopts a qualitative perspective, in order to examine what customers understand trust to be, rather than simply counting how many people say they trust a certain brand.

Qualitative analysis aims at drawing information from the respondents by understanding thought processes on an issue being researched (Jensen, 1987). In communication research, qualitative analysis not only captures the complexities, chaos and contradictions of reality and people but also allows the researcher to make sense of the patterns (Braun & Clarke, 2013).

A focus group (FG) is a widely used qualitative technique involving a group discussion procedure around set prompts, which is a useful way to generate data in a short period of time. FG discussion not only consists of a range of ideas, opinions, experiences and perceptions that the participants bring to the table but also helps identify the different perspectives of the individuals (Rabiee, 2004). FGs are used to gain a deeper understanding about the participants’ attitudes and behaviours (Rubin, Rubin, & Haridakis, 2009). The large amount of raw qualitative data is required to be reduced to a manageable level in
order to make it more understandable, and to identify/draw out various themes/patterns from it (Berg, 2001).

FG discussions were the chosen method to obtain the research data from the participants in this study. Participants were encouraged to vocalise and express their views on the subject comfortably, which resulted in attainment of descriptive and multifaceted discussions. These discussions fall under the semi-structured category as points and questions were raised during the process to prompt the participants to share their perceptions about trust and the practice of trust endorsements freely with each other (Babbie, 2013).

3.2.1 Thematic analysis

In order to analyse the qualitative information gathered from the focus group discussions and to understand the patterns and themes emerging from it, thematic analysis was used. Thematic analysis is the leading methodological framework used to systematically analyse and interpret a complex set of data. The two reasons that make this method popular for data analysis are its accessibility and flexibility and this results in illuminating the themes and occurring patterns (Braun, Clarke, Hayfield, & Terry, 2019). Thematic analysis brings precision in understanding and determining the relationships between the themes and concepts gathered in the form of data in the research, thereby making the discovery in the research more systematic (Alhojailan, 2012). According to Braun and Clark (2013), thematic analysis is an analytic method that can be applied to a wide range of theoretical frameworks with qualitative approaches.

The thematic analysis process involves generation of codes through careful examination and evaluation of collected data, once the focus group data has been transcribed. After repeated reading of the transcription to achieve complete familiarisation with the data, features are identified that are found interesting and relevant for guiding the analysis. These are listed as codes, which explain these features in a concise way. According to Braun and Clarke (2013), coding is an organised and iterative process useful to give meaning to a complex and rich data that is not obvious and visible. A theme is a concept or an element, which comprises a meaningful pattern of the codes identified with a common point of reference; it presents an overview of information gathered and combined regarding the question under investigation (Vaismoradi, Jones, Turunen, & Snelgrove, 2016).
Braun and Clarke (2013) have suggested a six-stage model for conducting thematic analysis. The first step in this model involves familiarisation with the data by repeated reading of transcribed data, making notes and identifying the recurring data patterns and related meanings; and categorising the key words that appear frequently. The second step comprises generation of codes (which explain key features in concise words) that are the building blocks of analysis, and collation of the data relevant to each code. The third step is searching for the themes, where the researcher reviews the coded data to identify the similarities and overlaps, constructs each theme using relevant codes and finally reviews the emerging patterns. The fourth step involves reviewing the themes that have emerged in relation to the coded data or the entire data set, understanding the story about the data emerging from the themes, identifying connections between the themes and constantly working on refining the themes till they tell the overall story about the data. The fifth step is to finally define and provide definite names to the themes so that each theme is unique and distinct. The sixth and final step is the production of the report in which there is the final collation of all the relevant themes gathered that together tell the story about the data, eventually leading towards answering the research questions (Braun & Clarke, 2013).

3.3 Research design

The research design involves qualitative focus group discussions, which provide the data for the research. Explanations about the means of data analysis and participant recruitment and selection are discussed below.

3.3.1 Focus groups

The focus group methodology is used to gather qualitative data in the form of in-depth group interviews. Interviews are widely tested and accepted method in communication research today as well as in marketing research. FG interviews also aim to understand the customers’ attitudes and behaviours systematically and efficiently (Rubin et al., 2009).

The data for this study was gathered from focus group discussions with a total of sixteen participants. During the course of each of these discussions, the participants were asked a series of ten questions1.

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1 The list of questions is placed at Appendix 1.
The questioning method began with an opening introduction, moving on to transition, leading to the key and ending questions (Morgan & Spanish, 1984). The opening questions were intended to introduce the participants to each other as well as to the topic of the discussions. With an aim to encourage free flow of sharing of ideas, questions about interpersonal trust were asked first, before moving on to discussions on brand trust and trusted brand endorsements during the transition phase of questioning. Participants’ experiences with brand Whittaker’s and the endorsement agency RD were also discussed in this phase. In the key questions, participants’ views on brand trust and trusted brand endorsements were asked.

The role of the moderator (performed by the researcher) was to create a relaxed and comfortable environment for the participants leading towards exchange of ideas, thoughts, feelings and positive engagement (Rabiee, 2004). The moderator ensured a quiet and peaceful ambience and serving of refreshments during the course of discussions as part of plan for a relaxed environment. It was ensured that all participants were provided an opportunity to share their ideas, and excessive speaking by any one participant was avoided. The sessions were audio-taped using recording devices at the time of discussions.

### 3.3.2 Sampling

The FG discussions involved participants who are in New Zealand and are customers of products in this country. For this research, a convenience sampling technique was used, where participants who were available to volunteer for the focus group discussions were asked to join in (Rubin et al., 2009). This was done because a direct conversation initiated with the people made them more interested to participate in the research. No specific differentiating criteria was adopted for choosing participants other than the age; individuals of more than 18 years of age only were included, as they are likely to make the purchase decision themselves rather than that decision being made for them by others, such as their parents. Another technique that was useful to select the participants for the focus group discussions was the snowball sampling, whereby a portion of participants were not necessarily directly recruited by the researcher but through other people who connected the researcher to other persons as participants (Marcus, Weigelt, Hergert, Gurt, & Gelléri, 2017).
3.3.3 Data scope

Each focus group was kept to a maximum of six to seven participants (overall sixteen participants in three groups) to create a manageable group size for obtaining rich data and to provide a good opportunity for every participant to express their views on the subject. The size also made it easier for the moderator to direct the discussion (Rabiee, 2004). According to research by Rabiee (2004), for answering of simple research questions, the number of focus groups may be three or four. In this case, it was thus decided that three focus groups would gather sufficient qualitative data for answering the research questions.

3.3.4 Participant recruitment and selection

The researcher sent out invitations through posting on her Facebook wall, a brief description about the research, the planned focus group discussions and venue/contact details. The interested participants on the researcher’s Facebook network responded to the invitation by not only contacting the researcher directly but also sharing the invitations further in their own networks, which led to accumulation of participants. This recruitment strategy is known as “snowball sampling”, where the recruitment of participants does not always occur directly by the recruiter but also through other people who help the researcher connect to people belonging to the former’s networks as participants (Marcus et al., 2017).

An advert was also placed in the NZ Herald. Convenience and snowball type of samplings are non-random forms of sampling where the targeted sample population meets factors such as easy accessibility, geographical proximity, availability at a given time and the willingness to participate (Etikan, Musa, & Alkassim, 2016).

3.3.5 Data Analysis

The audio files from FG discussions were first transcribed and all the transcribed files were combined together into one file to create the data corpus. The coding and analysis processes for the focus group data was done manually by making notes of frequency of different words and phrases such as dependability, transparency, emotional connect and matching of values, from which codes (concise words/phrases describing salient features of the data) were developed and eventually compared. From these codes, the patterns and themes
emerged. The thematic analysis to examine and interpret the data for this research was done by using the six-stage model suggested by Braun and Clarke (2013).

Raw data was examined for codes/ themes as below:

- Data on the meaning of trust for the participants: this data primarily includes the discussions on interpersonal trust where relationships between family members, friends and other acquaintances are examined.

- Data on factors that lead to trust: this data includes discussion on various actions by brands that are trusted by the participants such as Whittaker’s, Kathmandu, H&M and ASB bank. The trust of the participants is a result of what the brands are doing to be trusted.

- Interpersonal Vs brand trust data: this data includes discussions on interpersonal trust as well as brand trust with an aim to examine how the interpersonal trust is similar or different from brand trust.

- Data on brand endorsements: this data includes the discussions on RD’s endorsements of trusted brands for New Zealand and seeks to identify how customers will respond towards the endorsements issued by agencies for various brands.

- Data on Whittaker’s as most trusted brand in NZ: this data includes discussions on RD’s endorsement of Whittaker’s as most trusted brand of NZ for the last eight years in succession. Through this discussion, the participants views of trust were examined with respect to actions by Whittaker’s for winning the most trusted brand badge.

3.4 Summary

This chapter has outlined and provided a description of the methodological framework and design of this study. The data collection process has been entirely qualitative and was carried out through focus group discussions leading to gathering insights on consumers’ perceptions on trust and trust endorsement practices in NZ. The recruitment was carried out respecting the ethical rules and privacy of the participants. Thematic analysis was used to discover; study the themes and patterns that the data brought forth.
Chapter 4: Findings

4.1 Introduction

The findings which are presented in this chapter are from the data gathered through three sets of focus group discussions with a total of sixteen participants as part of the research. During the discussions, the participants were given a series of ten questions by the researcher to facilitate the talks. The purpose of the focus group discussions was to get fair and uninhibited views of the participants on two important issues:

- Customers’ perceptions of trust
- Customers’ perceptions of endorsed trusted brands

This chapter presents the patterns found in the data as the principal findings. The participants, who actually associated trust with words like faith, belief, reliability, transparency, and honesty repetitively used these words in the discussions. The majority of the participants agreed that trust depended substantially on length of experience and familiarity. While a few participants stated that the essence of trust differed significantly in the contexts of humans and brands, there were some who felt that it remained the same in both of the contexts and did not differ significantly.

4.2 Customers’ ideas and expectations of trust

Across the three focus groups, eight factors emerged as important influences on the participants’ understanding of the concept of trust.

4.2.1 Length of familiarity and experience

The focus group discussions indicated that the length of time spent with each other was an important reason for development and strengthening of trust between two persons.

Basiclly the first people you would trust would be your family because over time they've proven not to be harmful, so I believe trust grows with time. The longer you are exposed to a particular group or a particular person, you're going to trust them more or else learn to trust them less, depending on how they behave with you. (P6)
The participants were having a common view about their family members being the most trusted persons in their lives. The reason why the participants trusted their families was “due to the large amount of time that they had spent with their families” (P1, P2, P3, P7, P9, P10, P11, P15). Another important reason identified by the participants was because they had “never been deceived by their family members” (P3, P7, P11, P15). Also, most participants agreed that trust is a feeling that builds over time. When people remain together through happy and sad periods in life, their trust strengthens. In the context of interpersonal relationships, “emotional attachments” were important for the building up of trust relationships. (P1, P2, P3, P10, P11, P14). Due to the emotional attachment, a person is also willing to accept flaws in the other person, while continuing to trust them. While it would be easy to forgive another person for a mistake without stopping the trust, it may not be the case with brands, where forgiveness may not come that easily (P3, P7).

4.2.2 Reliability and dependability

It came to light from the focus group discussions that trust can be given to something or somebody we can depend and rely on (P2, P4, P6, P7).

Now after nearly two years of having it, when the time comes after perhaps another 12 months to first upgrade, I'd be very surprised if I would go past Lenovo, again because I've been so happy with it, reliability and everything. (P4)

Reliability in the context of brand trust was explained as the feeling of confidence that people have that brands will not break the promises made to them. The participants cited their experience of reliability with electronic products retailer brands like JB Hi-Fi and Noel Leeming which trade laptops, clothing, televisions, etc. The reason why the participants would continue trusting those two brands was because they would tend to go with that brand, which has been providing reliable quality products in the past, rather than with unfamiliar ones. However, most of the participants mentioned that when they see that a product has been endorsed by an agency, it sends a signal to their minds that it is an unreliable action and should not be trusted. They would like to trust a product/ service only if they find it reliable through their own experience rather than believe the endorsement by a professional endorsing agency (P2, P5, P6, P7, P8, P12, P13). Trust was explained as something or someone that can be relied upon, a reliable friend or a reliable product (P4, P5, P8, P9, P12). The extent to which the users could depend on a product to perform
satisfactorily when needed, determined the level of trust that participants were ready to place in it (P1, P4, P5, P7, P11, P13).

In case of brands, the relationship is stronger when it is a matter of someone’s life. Maybe if you say about the public Vs the private sector. Or say the hospitals, where it is a matter of patient’s life. In such case, the relationship is stronger. (P3)

In the case of products or services that concern a person’s life, the participants were of the view that the relationships are stronger in such cases. All in all, dependability and reliability are important traits on which trust is built (P7).

4.2.3 Transparency

The participants from the focus group discussions were of the view that it is important for brands to be transparent in their dealing with their customers, which includes not only the process they follow in making of their products, but also in defining their values and acting accordingly. Giving the example of Whittaker’s brand of chocolates, participant P12 said that they “did exactly what was said on their tin”, pointing towards their perception that Whittaker’s delivers what it promises. For example, Whittaker’s also transparently declare their commitment to following ethical business practices, like non-use of palm oil in their chocolates, on their communication platforms and demonstrate the same through their actions. Participant P2 mentioned that in the case of relationships in families also, trust is built on the foundation of transparency. According to another participant (P11), if someone is just being honest and transparent about their business and provides good service or selling a good product, then P11 would surely trust them. Lastly, six participants felt that when transparency was maintained by brands, it helped them in winning the trust of customers.

4.2.4 Consistency

It was pointed out during discussions that consistency in actions was a key factor that played a vital role in the construction of trust in the minds of participants towards a brand.

I think the trust for me is the consistency. I would recommend if it's consistent every single time and it's a good quality product every single time. I don't think I would
Participants P4, P5, P7, P11 and P12 mentioned that consistency of a brand’s performance in the delivery of “quality” and “value for money” products and services was more important in gaining the trust of the participants than the brand endorsements to influence customers in their purchase decisions.

In the context of interpersonal relationships, participant P15 said that the consistency demonstrated by their friends in remaining with them through good and bad times alike, helped build a deeper level of trust for such friends.

*I’ve made a lot of friends in life whom I trust to an extent, as they are always there with me for the good times. But when I am low and going through a rough time, this is when one can really know who are the people who have always been there with you, and this builds a deeper level of trust. I can say that these are the friends I trust the most along with my parents.* (P15)

These views were affirmed by P2 also.

*Among the people I would trust most are my mother, and my friends, not necessarily the ones I spend more time with, but those who have been with me through good and bad times.* (P2)

Thus, for deeper level of trust, both in interpersonal as well as in brand-consumer relationship contexts, consistency in behaviour was agreed upon as an important factor by majority of the participants.

### 4.2.5 Social respect

The focus group participants P12 and P16 stated that trust also develops for a person or a brand when there is an established social respect for the profession to which the person/brand belongs.

*Also, what a brand does for the society ... that is important in trusting that brand.* (P3)
The actions by brands for the welfare of the society allowed them to earn the respect of the participants. Participant P13 mentioned about Whittaker’s use of local sourcing of milk from Fonterra, ethical sourcing of cocoa beans from Ghana, and their small company feel, all these factors helped Whittaker’s in earning the respect of local NZ community. P3 mentioned about ASB’s excellent reputation in NZ society for being an excellent employer and sponsor of All Blacks team.

This social respect is responsible for the build up and strengthening of the trust that brands enjoy with their customers. The majority of the participants mentioned that their trust for a person or a brand depends on the reputation and positive image that the entity has in the society.

4.2.6 Matching of Values

Some of the focus group participants (P1, P7, P11, P13) expressed the view that matching of their value systems with those of the brand helps in building up trust.

_Let me explain, when I buy the down jacket, Kathmandu clearly says that the feathers have not been plucked from the animals and that no animals have been harmed, however, Mac Pac does not clarify on this aspect. So, that sort of thing helps build my trust. Basically, here, my values match with the values of the brand. So, common values help in building trust._ (P1)

P1 further explains that some other brands do not do so and hence, a customer, who is conscious about issues of animal protection would trust a brand more if it clearly states that it intends to follow animal-friendly policies in its manufacturing. On being asked whether they too agreed with this view, P3 mentioned that though they did, it was not the primary reason for trusting brands. For them, other factors like cost and taste were primarily important. Another participant cited the example of trust in families, saying that a family is an institution and the trust therein stems from the matching values and virtues that are instilled in all family members.

Participant P6 pointed out that Whittaker’s have a sustainable system of product sourcing, like sourcing of cocoa beans, and also they pay a premium price as compared to other groups (P6).
Whittaker’s basically have a sustainable system. They source a particular type of beans from my country and they make a particular chocolate with their label. They give back in a way that they make sure that the cycle of farming cocoa beans is sustainable and they actually pay premium as compared to other groups so that’s one big thing. (P6)

This was agreed to by another participant who said that Whittaker’s were doing a good job in terms of ethics and sustainable farming (P4). Explaining the method used by Whittaker’s, P4 told that they directly contracted farmers in Ghana for producing a set amount of cocoa beans and acquired them directly, paying a proper price for the same. This ensured that no over-exploitation of resources took place. P4, P6 and P13 said that they appreciated Whittaker’s value system as the brand made efforts towards sourcing the raw materials ethically and did not use palm oil in its products, thereby showing concern for environment protection. This action of Whittaker’s demonstrated that its value system matched with those of the participants P4, P6 and P13.

4.2.7 Emotional Connection

It appeared from the discussions among the focus group participants that in the case of human relationships, emotions were extremely important (P2, P3, P11). According to them, moving away from brands was easy, whereas human relationships were more close and lasting (P2, P3, P6, P7, P11, P14). P3 said that in the case of brands dealing with products or services that involved life care, such as hospitals, the relationships evoked the emotion of respect in customers. According to P3, the trust for a brand also depended on what a brand did for the society, and such trust was strong and enduring. P2 expressed the view that as within families, emotional attachment plays an important part, so it does in the case of brand trust relationships too. According to P2, though humans were a little more complex than brands; yet brands need to tap the right emotions to make people buy it.

I like Pic’s because it comes in small sachets also, which is somewhat unique. Also, I like the three brands (Pic’s, Nut Brothers and Forty Thieves) because they are all Kiwi brands. It is because I like buying Kiwi brands here. They are very good Kiwi brands and buying them makes me feel more connected. (P2)
It is quite an interesting point here. In NZ a lot of campaigns are centred on themes of patriotism. It feels good to use Kiwi brands as you feel that you are experiencing NZ more that way. (P3)

The above views of participants P2 and P3 signify that the emotional connect felt by them for the brands gave them a feeling of pride and this made them want to associate with the brands more. The use of some brands that are centred towards themes of patriotism also help in establishing the emotional connect that is important for winning the trust of the NZ customers.

4.2.8 Spirit of Innovation

The discussion among the focus group participants (P3, P4, P5, P8, P13) highlighted that a brand’s spirit of innovation further contributes to strengthening of brand trust. Citing the example of the ASB bank, participant P3 said:

“What ASB does really well is that it is well known for its innovation. It is a market leader in using technology, to maintain relationships with its customers. It is particularly popular among the younger generation. It has also got a significant presence in terms of its sponsorships; it sponsors the All Blacks and also tennis. It has a presence that transcends banking; have excellent visibility with its use of bright yellow colour on billboards, and they are perceived as excellent employers.” (P3)

Other participants (P1, P12, P13) pointed towards innovative marketing practices of Whittaker’s by saying that they look the most attractive on the shelf due to their packaging and variety. P13 highlighted the fact that Whittaker’s advertising strategy, which presents the brand as a sustainable family run business, that has invested in the New Zealand economy, has helped strengthen P13’s trust in the brand. Whittaker’s show that their chocolates are made in NZ making use of the locally produced dairy ingredients. In other words, they have invested in New Zealand as a community and support local farming.

Delicious, superior, luxury, affordable, gold wrapping makes it stand out on the shelf, gives it a touch of class, its pricing is well within the reach of most of us, so affordable, its often on offer, you can get it pretty much anywhere. At the Super markets, convenience stores, airports, very easily accessible. I said superior
because they are better than most around them, their product quality and their marketing, is just better than other brands. It just looks superior on the shelves, quality and the variety of the flavours. (P2)

The above remarks from P2 indicate that Whittaker’s are innovative in the ways they market their chocolates. Use of stand out packaging of gold colour, affordable pricing, widespread and easy availability, consistent quality and variety are all indicators of Whittaker’s innovative spirit. Pointing towards Whittaker’s spirit of innovation and enterprise, P13 further remarked that Whittaker’s have done an excellent job of maintaining the small company feel in their advertising. They seem to have learned their lesson from what happened to Cadbury\(^2\); and they have done a good job at strengthening their brand awareness among their customer base in NZ.

4.3 Customers’ trust for endorsed brands

A wide range of opinions emerged on trust for endorsed brands in New Zealand. While most participants had clear views, ranging from completely positive to entirely negative, a few participants were neutral/ uncertain in their views.

4.3.1 Views in support of brand endorsements

Participant P1 was of the view that if the brand was doing well and was delivering quality products, then it had the right to use these endorsements for its marketing advantage. P3 also supported this view by saying that if the brand has been found to be suitable for the award, then it is entitled to use the endorsements for its benefit. Participant P15 expressed the view that for certain categories of items like insurance, for which they do not have much previous awareness, the brand endorsements, however trivial they may be, prove to be helpful in making the buying decision.

4.3.2 Views not in support of brand endorsements

The following sub-sections elaborate the reasons brought forward by participants for not trusting the brand endorsements.

\(^2\) In the year 2009, Cadbury, a globally renowned chocolate brand admitted its use of vegetable palm oil instead of cocoa butter and reduction of family bar size from 250g to 200g. This resulted in a consumer backlash, resulting in significant loss of market share for Cadbury in NZ and subsequent closure of its Dunedin factory (Edmunds, 2017).
4.3.2.1 Endorsements can be bought

According to P2, the word ‘endorse’ would send a message as if some money has changed hands; especially on the social media platforms, people are sponsored to endorse the products, so they cannot be trusted. The participant elaborated that the word ‘endorse’ signals that something similar has happened in the case of brand endorsement agencies also.

*I do not think I will trust a person recommending me about a product if he or she is paid to do so.* (P5)

P6, P7, P12 and P13 were also of the view that the act of endorsement by an agency was perceived by them as an unreliable action and thus was not to be trusted. They were in favour of trusting a product or service only on the basis of their own experience and not the endorsement by a third party.

4.3.2.2 Doubt over credibility of endorser

One of the participants declared they would trust the opinion of people they knew rather than that of an agency like RD. P4 wondered that it was an irony that the most trusted brand in NZ (nationwide and among all categories) was a chocolate manufacturer. According to P4, companies like Ferguson Tractors that make excellent farm machinery, and who were leaders in their field known for their innovation, would have been a better choice. P5 did not trust RD as an endorsing authority because over the years, RD has promoted particular types of political platforms and there have been debates for years on the quality of the condensed versions of books published by RD.

P5 said that if it was the Auckland Chamber of Commerce (ACC) making such endorsements, they would be more trustworthy as ACC has a rigorous way of doing everything.

*An entity more trustworthy than RD is perhaps required. RD doesn’t do a thing and it’s not going to help. The quality of RD condensed books is debatable. The source has to be something that has to be more trustworthy.* (P5)

P4 also found RD as not trustworthy because they found that over the years, RD has been a bit more right-wing in their political views (implying that they are biased and not neutral)
and their quality has also been under question. P15 said that the credibility of the source validating the knowledge was important, citing that if it was Reader’s Digest versus the Forbes, they would trust Forbes more for making brand endorsements as unlike RD, it is a business-oriented magazine.

P12 remarked that if they were to trust something that had been recommended by someone, it was important that they trusted the person who was making the recommendation. So, if a person did not trust RD as an endorser, they will not follow RD’s recommendation. P12 further said that only when they will experience the recommended product first hand, will they be able to trust it. The evaluation through actual personal experience would make much more difference than somebody telling them to trust something. P8 affirmed this view by saying they would like to experience the taste of Whittaker’s chocolates before giving any opinion.

**4.3.3 Neutral views on brand endorsements**

P13 said that though their decision to trust a brand might be influenced by an endorsement, it would not be the ultimate deciding factor until they had actually experienced the brand or product personally. This is why P10 was of the view that they might be influenced by endorsements but there will be other factors that will decide. Participant P10 gave as an example, that if someone has two bottles of a product, one with a logo and one without, then one tends to go for the one with the logo. In that way, P12 said that just because RD has endorsed a company as the most trusted that does not make them trust it any more than they would do anyway.

> So just because a product has a pretty sticker on it or it has got some famous person selling it on the TV, does not mean that we will be influenced to eat that (Lindt chocolate) more. (P12)

P15 said that a celebrity endorsement of a product should be given by a person who is an expert in the field to which the product belonged. Giving an example, the participant said that if Roger Federer is associated with a tennis brand, a sport he is an expert in, in that case, his endorsements related to the sport of tennis will have credence. Similarly, the participant would consider Forbes magazine, being a business-oriented magazine, as a more expert agency than Reader’s Digest to associate with brand endorsements. Furthermore,
participant P12 clearly expressed doubt over the survey done by RD saying that it was a very small sample size of only 1400 people out of a total NZ population of about 4.2 million.

*Does anybody know of a good mechanic recommendations or an electrician or someone to fix my roof. If you start seeing the same name or the same company appear over and over again in this post, then you're more likely to contact them then anybody else. But in the insurance, for me, I wouldn't go with AA insurance because it was trusted any more than anybody else. For me, insurance, does it do what I wanted to do? And in particular, in the case of insurance, I want it for as cheap as possible. So for example, if I wanted life insurance, and AA says we're going to give $100,000 life insurance for 20 bucks a week. But this other company who I had heard of but wasn't trusted, could do the same, like Countdown, which does insurance. So if Countdown could do me life insurance at the same amount for $100,000 but for 15 bucks a week, I'd go with Countdown, because it's because it's cheaper. As long as it satisfies me, what I wanted it to do. (P12)*

The above statement by P12 signifies that while in some cases, the recommendations do work, in others, they do not. While P12 is ready to choose the mechanic/ electrician/ mason based on recommendations, he will choose the insurance provider on the basis of cost consideration alone. While for the former case, the quality matters for P12, in the latter, it does not.

P3, P9, P13, P15, and P16 expressed neutrality or uncertainty about their views on brand endorsements. P15 stated that ‘it depends on how the endorsement really feels’. The same participant further stated that “if completely new to the brand then something as trivial as an RD endorsement can help make a choice”. P13 and P16 mentioned that endorsements can be trusted if backed up with evidence on how they have been declared as trusted. P7 gave more importance to the cost and taste over the brand endorsements.
4.4 Summary

The FG discussions brought forth the participants’ ideas and expectations of trust as well as their views on the trusted brands' endorsements. The participants associated trust with qualities and behaviour like length of familiarity and experience, dependability, reliability, transparency, consistency, reputation, social respect, matching of values, emotional connect, and the spirit of innovation.

The longer association of brands with their customers leads to the strengthening of the trust that customers have in the brands. The greater the length of positive brand experience, the more likely it is to benefit the brands immensely, as customers will make repeat purchases, stay loyal and even spread WoM recommendations, resulting in the further growth of the brand. Another strong determinant of trust was the reputation that the brand enjoys, which encourages customers to associate and commit themselves to the brand. The matching of ethical values that the brand upholds and the customer’s respect leads to brand trust. It also emerged from the FG discussions that a brand’s reliability and dependability are important for brand trust, more so in the case of life-saving products and services, such as ventilators, medicine and surgical equipment (products) and hospitals, clinics and pathology labs (services). Likewise, the presence of transparency in a brand’s conduct of all activities is also an enabler of brand trust.

Several views of participants on brand endorsements in general, and on the role of RD as an endorser in particular emerged. The term ‘endorse’ was viewed as an activity that involved payment/exchange of money. Thus, the endorsements were suspected to have been bought, and thus, were considered unreliable. It also emerged that the participants would like to experience the brand themselves to form an opinion, rather than trusting the endorsements blindly. Participants were willing to trust the views of another person more than those of any endorsing agency. RD was viewed as a magazine which was now outdated and whose content quality was doubtful. Thus, RD was not found trustworthy by them as an endorsing agency for trusted brands. The participants also doubted the genuineness of quality of the survey conducted by RD, citing that such a small sample size cannot reliably convey the views of the whole population.
Chapter 5: Discussion

5.1 Introduction

In this chapter, a discussion of the findings is provided along with a description of how these findings lead towards answering of the research questions. Furthermore, these discussions connect the data gathered with the related identified literature presented in an earlier chapter, and constructs the knowledge on how ‘brand trust’ and ‘trusted brands endorsements’ are perceived by the NZ customers.

The discussion in this chapter is presented in two sections:

(1) Trust and (2) Brand endorsements.

5.2 Trust

“Faith, confidence, something or somebody you can depend/rely on, somebody you feel secure with, somebody who has been with us through good and bad times, someone with whom we find that our values match, we feel emotional connection”. Trust meant one or more than one of these words/phrases for each of the participants.

5.2.1 Length of familiarity/experience

From the participants’ views, it is inferred that with continued trust over a long period of time, the buyers tend to turn into loyal customers and still later, they recommend the use of brand to others through WoM communication (brand advocacy). The views of participants pointed towards the fact that with the passage of time, the trust between two individuals deepens.

*I believe trust grows with time so the longer you are exposed to a particular group or a particular person, the more you’re going to trust them.* (P6)

Similarly, in the context of brand trust too, the length of time customers have been familiar with a brand, determines the level of trust they shared. A consistently good association experienced with a brand leads to strengthening of brand trust. This deepening of trust results not only in repeat buying, but also in the development of respect for the brand in the minds of users (participants). For brands, this has the implication that they must aim at maintaining their trustworthiness in the minds of consumers for the longest possible extent.
Participants were of the view that when a person interacts with another, the exchange of warmth and understanding is deeper than that felt during an interaction with a brand. This, and the reason that there is a vast variety of brands available to choose from, leads to migration of customers from one brand to another. This switching of brands is easier than switching of friends/acquaintances. Furthermore, the focus groups pointed towards the fact that interpersonal trust and brand trust have similar foundations in the building of relationships, but building a relationship may be more difficult for a brand than a person because the interaction between brand and customer tends to be less personal, and less frequent. Some of the constituents of foundation on which brand and interpersonal trusts are built, identified by the participants, include honesty, transparency, matching of values, length of familiarity, reliability and dependability. The participants’ views imply that the brands need to try and achieve as much closeness/connect with their customers as exists between two persons. In other words, the brands need to be as humane as possible in their dealings with their customers. This they can do by being more alert, pro-active and sensitive to the needs of their customers, which also means that they should first attain a comprehensive understanding of the customers’ needs.

Hupcey, Penrod, Morse, and Mitcham (2001) in their research have talked about trust being a learned behaviour that is built over time. It is a gradual process that evolves from past experiences or interactions. These past interactions and experiences lead to the development of emotional connections, which are otherwise not possible. The mention by participants that it was the emotional attachment (which does grow with time) that made them trust their families the most again points towards the need for brands to establish a close bond with their customers by demonstrating through their actions that they understand their customers well and are keen to attend to their needs pro-actively. Since interpersonal trust is easier to establish in comparison to brand-consumer trust (or simply brand trust), the views of the participants point towards the need that brands must make lot of efforts to establish a trust relationship with their customers that resembles an interpersonal relationship, to the extent possible, in its characteristics.

Just as familial trust is based on a strong foundation (of honesty, transparency, sharing of values, and dependability), the brand trust too needs to be nurtured for long periods of time to deliver sustained positive outcomes for the brands. When the length of brand trust
relationship is long, the customers will not only be involved in repeat purchases, they are likely to be loyal and with time, that loyalty is expected to promote itself to the level of brand advocacy, wherein the customers will start to recommend the brand to their acquaintances, resulting in increased brand awareness. Another participant pointed out that due to the existence of a wide range and variety of product choices in the market, customers are more likely to switch over to other brands. For brands, this implies that they may have to make considerable efforts to ensure customer retention over long periods of time to reap the rich benefits that accrue with such retention.

According to one FG participant, the possibility of lengthy brand-customer relationships is diminishing with the wide variety of product choices available in the market. This vast variety increases the probability that a customer will switch over to a different brand. For brands, this view put forth during FG discussions has an important implication. In the competitive business scenario of today, it is crucial for the brands to take proactive actions (like faster response to service calls, providing product repairs at home, to the extent possible) to convince the customers about their willingness to meet the customers’ needs, and thus win the trust of their customers. It is important to diligently retain the loyal customers through greater understanding of their needs. The loss of trust leads to diminishing of customers’ brand loyalty, thereby providing an opportunity to the competitors to move in and grab the advantage.

The participants mentioned that while it would be easy to trust any other person and to forgive them for their mistakes, it may not be the case with brands, where forgiveness might not come so easily. Possibility of committing inadvertent errors exists in businesses. A brand in the business of food products may commit an inadvertent error, which its competitors would be keen to exploit to their advantage. As an example, Maggi instant noodles, manufactured by the multinational Nestlé brand, was alleged to have a lead (Pb) ppm level higher than the permissible limits (Advisorymandi, 2019). Maggi noodles have been in the Indian market since the year 1982 and by the year 2015, it had 80-90% of the market share. In the month of June 2015, Maggi noodles were banned in India as Food Safety and Standards Authority of India (FSSAI) allegedly found high lead and Mono Sodium Glutamate (MSG) content in the noodles, which was unsafe for human consumption. As a result, Nestlé had to recall billions of Rupees worth of noodles from the
market. The ban was reversed in the month of August 2015 and Maggi noodles re-entered the Indian market in the year 2016. The long length of association of Maggi with Indian customers helped the brand to recover a substantial percentage of market share (Advisorymandi, 2019). The long association that the brand had with its customers, allowed Maggi to re-establish itself in the business on return in the year 2016, after the setback suffered in 2015. This case further supports the inference drawn earlier that brands stand to gain an insurance against setbacks by nurturing brand trust over long lengths of time.

Few participants expressed the view that because of strong emotional attachment, they were even willing to accept flaws in the other person and will continue to trust them even after knowing those flaws. As both interpersonal as well as brand trust are built on similar foundations, for brands, this has a vital significance. By building a strong emotional connect with customers, brands enjoy the surety that customers will not change loyalty for insignificant reasons.

_I think it is slightly different, because people after all are different, and much as we may try, we are imperfect. I trust my mom, but I know that like me, she too is flawed._

(P2)

The participants mentioned that while it would be easy to trust any other person and to forgive them for their mistakes, it may not be the case with brands, where forgiveness might not come so easily.

_For me, emotions in case of human relationships are very important. With brands, you can change them easily, if you are not happy, but in the case of human relations, it is not so. Maybe in the case of friends, it is less so. You can stay away from them, if you feel so. But in the case of family, it is much more close and enduring relationship._ (P3)

The views of the participants indicate that emotional connection leads to trust belonging to the higher tiers of the trust pyramid (Sherwin, 2016). This higher level of trust is enduring and will not be affected by inadvertent mistakes committed by brands.

_I love my friends as they have been with me through my good and bad times. But then I also love H&M. Even if it does make a mistake, I will still go back to it, because I love H&M._ (P15)
As an example, such inadvertent mistakes may take place in the form of a brand communication message that hurts the sentiments of a particular group of population, or release of a particular product in the market that has a small defect that has been mistakenly overlooked. Thus, by building strong emotional attachment with their customers, brands get insured against minor setbacks. The view of P15 indicates that strong emotional connection leads to the generation of enduring brand loyalty, wherein they would not only forgive the brand for any mistakes they might make but go back again.

Khodyakov (2016) elucidates trust as a process of its creation, development and maintenance of trustworthy relationships, and explains that the levels of trust exist in three dimensions – thick interpersonal trust (strong ties), thin interpersonal trust (weak ties) and institutional trust which varies over time\(^3\).

The statement below is an example of thick interpersonal trust.

> People have different individualities. Trust acts like a base foundation and is buildable in any relationship. I will trust my family because I share a strong emotional attachment and bond with them. (P14)

Even though they represent slightly contradictory stances for initial trust, the statements of participants reproduced below are examples of thin interpersonal trust, which is developed on the basis of less familiarity but depends upon the reputation of either a potential trustee or trust intermediary (Khodyakov, 2016).

> When I meet someone I would much rather trust them at first rather than being suspicious of their motives, and will trust people in the first meeting until they prove my trust wrong. There is a baseline upon which everything is built, so you assume the person is trustworthy to a certain level and then you build a trust. (P7)

> If I don't know you then I don't trust you. There has to be some level of friendship or there must have been some kind of conversation and connection to have that initial level of trust. But if some stranger is walking down the street, I won't trust them mate, definitely not. (P12)

\(^3\) This has already been dealt with in section 2.2 of this report.
Some participants, who had no prior experience with the brand Whittaker’s, were introduced to that brand through WoM recommendation from a trusted acquaintance/previous user. The thin trust for Whittaker’s is thus developed, inducing the participants into experiencing the brand for the first time. When this leads to continued buying, with longer length of experience, this trust strengthens further.

*Since I have come to NZ, I have known Whittaker’s. I love this brand, trust it and recommend to any new comer in the country. It is renowned, has big range, and the quality is better as compared to other chocolates.* (P1)

*I love Whittaker’s and tasting its chocolates was the first thing I did when I came to this country. It is always my first preference of chocolates as compared to other brands.* (P14)

The participants’ views point towards the development of thick trust for Whittaker’s due to longer length of familiarity with the brand. The customers having thick trust for the brand help establish a thin trust among new/first time users by WoM recommendation for Whittaker’s. This thin trust induces initial buying among the new users, increasing the brand’s customer base. With longer length of association, the thin trust among new buyers converts into thicker trust, thereby enabling induction of newer buyers for Whittaker’s, leading to further broadening of its customer base. Thus, brands that are able to win and keep the customer trust for long durations, stand to reap the benefits through this process.

### 5.2.2 Reputation

Brands that have a positive reputation are more likely to attract customers to do business with them, as compared to those with negative reputation (Knowledge, 2019). During FG discussions, a few of the participants mentioned that if they have not had an experience with a brand then they would rely on its reputation just to have enough trust to try it out. A brand’s reputation is built on various parameters, which include organisations that the brands partner with, responding to criticisms on communication channels, monitoring their customer service performance, making improvements on feedback gathered, practicing transparency and delivering on promises (Payberah, n.d.). At the same time, the participants referred to the importance of brand’s reputation on its consistency, transparency, reliability, and its concerns over the environmental/social causes.
The consistency in the performance of a brand across a variety of activities, such as its product/service quality, its commitment to society, its ethical behaviour and its customer-centric policies, is extremely important for winning and keeping the trust of customers. The product/service quality has to be consistently good and customers should be able to rely on the brand to be able to provide the expected quality at all times. When customers realise that the brand is not being consistent in its actions, the trust starts to diminish.

Whittaker’s has been declared as the most trusted brand of New Zealand continuously for the past nine years. When the participants were asked about their views on this, a variety of opinions were brought to the table:

*It has possibly been voted as the most trusted because they don’t have many scandals in the past. They are consistent in everything they do and are thus in their “A” game.* (P12)

When participants talk about consistency, they talk about the overall performance of the brand, which includes its history, its product and service quality, its track record, customer service and whether it does what it promises. There is stiff competition in the market today, where branding is the key to standing out in the flooded market and consistent delivery of brand promise and desired experience builds trust that becomes the foundation for loyalty and promotion (Arruda, 2016). Arruda (2016) further elaborates that consistency does not mean the brand cannot make any changes, but consistency does provide a firm foundation for a brand to evolve and offer more options to its customers.

British Brands (2015) says that consistent good quality is highly relevant to trust and is even more important than superior quality and value for money. This factor is not only important for building long-lasting and loyal brand-customer relationships but was also discussed by participants in the focus groups in the context of human interpersonal relationships. Simultaneously, consistency gives customers something tangible to grasp from the brands, makes the brand stand out from its competitors and boosts brand loyalty (Covit, 2017).

Elliott and Yannopoulou (2007) state that trust is a process that represents a hierarchy of emotional involvement that evolves out of past experiences and interactions and moves from predictability, dependability, to trust and ultimately to faith. The consistency in
behaviours is the primary requirement of the first stage (predictability) which builds the knowledge base for a person, and the rest of the process then continues thereafter (Elliott & Yannopoulou, 2007). Nevertheless, P11 had mentioned that even though they have been around in the country for sometime, they had not tried Whittaker’s, as their preference in terms of taste and price was more towards Lindt chocolates. But P11 did mention that knowing from other participants about Whittaker’s clear track record (free from controversies), it has created a positive image in their mind towards this brand, so they would be inclined to try it out. Thus, the implications that emerge from the focus group discussions are, for brands to be able to develop and sustain brand trust, it was important that they demonstrated consistency in every aspect of their business. Also, it points towards the effective role of WoM communication in creating initial brand awareness, which is important towards assessing the baseline relevance and trust that a customer’s needs can be met by that brand, as mentioned in Sherwin’s (2016) trust pyramid model.

The participants in the focus groups used the terms honesty, reliability and dependability interchangeably during the discussions. These words were used by them to explain their understanding of trust both in the context of interpersonal relationships and brand-customer relationships. Dependability and reliability both have been termed as important parameters that determine the trustworthiness and trust building. This was validated when P4 and P6 shared their experiences using Lenovo and Dell laptops respectively for a few years and the good experience and product qualities made them find those brands dependable and reliable. P4 furthermore shared his experience with the brand ‘Number 1 Shoes’; this brand was found dependable due to keeping its promise of quality at a reasonable price. The above views of the participants highlight the importance of a brand’s reputation of being honest/ reliable/ dependable for winning the trust of its customers.

A brand is expected to do what it says it will do. If it is revealed that the brand has been hiding certain key information about its products/services/policies, it affects the trust it has been given by its customers. P12 participant expressed their appreciation for Whittaker’s by saying, “It does exactly what it says on the tin,” making it evident that transparency helps Whittaker’s win the trust of its customers. On the same note, a few other participants mentioned the Cadbury’s palm oil fiasco as an example of how Cadbury’s lost their customers’ trust due to non-transparent behaviour. P5 also mentioned that their trust was
lost in KFC when they discovered that KFC had been deceiving customers by not mentioning the word “fried” clearly on display boards.

The data highlighted that participants were willing to ignore inadvertent mistakes by the brands, if the brand had provided them with reliable past experiences, but none of the customers was willing to give the brand any second chance once they felt they had been deceived purposely by the brand. This was also mentioned in the context of interpersonal relationships; the reason participants trusted their families and friends is because of not having been deceived by them. It is also expected from a brand that it would not do anything to deceive its customers; and would be honest in sharing all information with its customers that is necessary for them to make an informed decision. Customers take pride in associating with those brands that are honest and truthful in their dealings with them. This is evident from the views of P1 on Kathmandu (for not harming animals during manufacture of products) and P12 on Whittaker’s (for ethical sourcing of its ingredients).

It emerges from the views of the participants that the brands should strive to maintain a good reputation, should be perceived as ethical, with good intents to serve its customers and the society. The participants’ views also indicated that brands, which have reputation concern for its customers and society are worthy of trust. It should have such a reputation that when it is introduced to a new person, they are inclined to test it. The brand should try to establish two-way communication with its customers and stakeholders so that they feel confident that the brand is concerned towards their welfare and protection of their interests. The values that the brands uphold should match with the value systems of the customers. In today’s world, those brands that conduct their businesses in a manner that takes care of the environment and does not disturb the ecosystem are valued and trusted. Participants’ views suggested that they feel a stronger emotional connect with brands that are reputed for being caring and conscious towards society and environment, leading to deeper and long-lasting trust.

Although primarily participants placed product quality and cost as the main criteria that made them initially try out a brand’s products and services (P6, P7, P8, P11, P12, P15), it is the consistency of the brands that wins the trust of customers. However, participants also give substantial weight to how brands follow ethics in their business practices and show
their consideration towards environment. P1 expressed conviction about their liking for Kathmandu brand as compared to its competitor Macpac.

Furthermore, P1 explained that ethical and environment-friendly business conducted by Kathmandu makes customers feel good about the brand. Singh, Iglesias, and Batista-Foguet (2012) convey that brands’ ethical behaviour is a key strategic aspect that benefits them through strengthening of their customers’ brand loyalty. When the participants were asked about their awareness of the brand Whittaker’s, some of them quoted the sustainable farming practice of Whittaker’s as the primary reason for their brand recall and liking for it (P1, P4, P6, P14). From the discussions, it emerged that ethical practices followed by brands and their contribution to society have been much valued by the participants. The majority of the participants agreed that the ingredients in Whittaker’s products came from familiar local companies, making the participants believe in its transparency and superior quality, and thus trusting it.

During the discussion, participant P7 said that they would put their trust in a brand if that brand does some tangible work in areas like working for the benefit of environment or the society.

*I do not think it would mean that much to me if the company earns awards I don't really see as particularly meaningful. If they won an award, which is like the most investment in third world countries or something like that, if they have these social causes that you can quantify, then I would be much more willing to trust, thinking that's a good thing and something tangible. But if the reason is that it's the most delicious chocolate on the planet that doesn't mean anything as it is subjective.* (P7)

P1, P4, P5, P6, P7 and P13 mentioned that a brand’s ethical behaviour and concern for society were important factors for initiating the baseline trust among customers, which as per Sherwin (2016) is the first level of trust that makes the brand appear to be more credible than other brands. Schaverien (2018) explains that the ethical principles followed by a brand reveal the foundations and core values on which that brand is built. Customers today, especially the millennial generation, want to trust the foundation of the brand more than its products and services. This viewpoint was confirmed by the millennial participants, that even though the customers may have grown fond of a particular brand they are cautious enough to want information about the brand’s offerings towards environment and society.
The ability of the brand to maintain relations with communities in NZ does seem to play an important role in building a trustworthy image in the minds of customers. Scott (2015) mentions that Cadbury’s palm oil fiasco undermined the customers’ experience with the brand significantly and they punished the brand for this by terminating their relationship with Cadbury. Participants mentioned the ethical practices of Whittaker’s as their plus-point, and pointed out that the palm oil controversy proved indirectly beneficial to them. Nine out of sixteen participants appreciated the transparency maintained by the brand in terms of displaying its ingredients and how openly Whittaker’s displays the process of preparation of chocolate that goes right from sourcing of raw materials through to the making of end products.

On the importance of honest behaviour by the brands, some of the participants mentioned that they could forgive and maintain their trust in a person or a brand if they made small mistakes inadvertently, but they will not do so if they were knowingly deceived. The difference between unconscious mistakes and deliberate dishonesty was clear in the minds of participants and in their opinion, Cadbury had deceived the customers, thereby losing their trust.

It emerged from the discussions that in order to put trust in a brand, the reputation of the brand in the terms of its consistency, transparency, reliability, ethics and environment friendly policies are of importance. Brand trust comes predominantly from the customers’ experience with the brands. When new to a brand, customers are guided by its reputation to trust it enough to give it a try.

**5.3 Participants’ views on Brand Endorsements**

Customers are more comfortable with trusting brands which they have experienced themselves rather than brands that are recommended or endorsed by third parties as being trustworthy. ExpertVoice is a leading global advocacy marketing company (Brosey, 2018). According to Loechner (2018), the ExpertVoice Customer Trust Panel report says that the marketplace today is overcrowded and customers are more inclined towards trusted recommendations before making any purchases. 4% of customers today trust celebrity endorsements whereas 83% of the customers trust the recommendations coming from friends and family, and the rest of the customers trust professional athletes (7%) and social influencers (6%) when it comes to seeking advice to make purchases (Loechner, 2018).
This result from the above report was confirmed in the focus group discussions, wherein the participants mentioned that they would trust a word-of-mouth (WoM) recommendation more than endorsements. P12 said that people on Facebook ask their fellow users to share their opinions on a product or service, even though they have the option of using Google search or to refer to brand endorsements, showing that people give more weight to WoM recommendations.

Fresne (2013) questions the authenticity of the survey by RD. He calls it a promotional stunt designed to remind the readers about RD being still alive; it does not serve any purpose in regards to determination of brands as “trusted”. This opinion was also observed during the FG discussions where the majority of participants were doubtful about the role of RD as an endorser of trusted brands saying that it would be nothing but a marketing trick used by brands to influence customers’ opinions. It emerged during discussions that the word “endorsement” evoked a feeling that they have been paid for.

*I do not think I will trust a person recommending me about a product if he or she is paid to do so.* (P5)

Participants expressed doubts over trusting RD as source, being sceptical about RD for two reasons – their doubtful credibility as a source and whether they are being paid to do this validation.

*The source knowledge that is validating something is important. Thus, if there is a case in which it is RD’s results v/s that of Forbes Magazine, I would rather trust the latter.* (P15)

Since Forbes magazine is an expert in the field of business, its views are likely to win the credence of customers over those of RD. Brands must be careful in their choice of agencies that promote them since the credibility and trustworthiness of these agencies will only be able to ensure the customers towards trusting their brand endorsements.

*I think it is a good thing for brands to use the validation by RD as “trusted” in their websites because they're actually showing them that we have credible people supporting us. I don't know whether RD is trusted. So to trust the results, trusting RD is imperative. Credibility is very important.* (P10)
The views from participants cumulatively highlighted that when it comes to recommendations or endorsements, it is important to trust the source first. According to Roy and Moorthi (2009), trust, expertise and attractiveness are the three dimensions of source credibility. People are more likely to believe the message communicated by a source that is perceived by them as expert and trustworthy. Attractiveness refers to physical appeal, which mostly plays a strong role in terms of celebrity endorsements to help capture the attention from mass audience (Roy & Moorthi, 2009). It was noted from the FG discussions that participants needed to trust the endorsing agency in order to trust the endorsements issued by it. 10 out of 16 participants were highly sceptical about RD’s trustworthiness citing its inconsistent track record in the recent past as the reason.

* I myself over the years was brought up on Reader’s Digest and it was almost like the Bible at that time, to get news, information and content. But over a period of time, there has been a debate upon the quality of their content and how they condense the information and not knowing about what information is left out. (P4)

This sentiment was echoed by several other participants of the focus group discussion.

* I don’t trust RD. So it undermines the results and endorsements declared by that entity. Over the years I have seen that they have promoted particular types of political platforms and been right wing in their political views, which is ok and everyone does it but there have been debates on how they condense the information in their books and novels. (P5)

P12 had labelled RD as a “Grandma Magazine”, implying that it is no longer fully relevant as a publication in the present-day scenario. P13 and P15 mentioned that they would trust Roger Federer for endorsing a product, being a globally renowned tennis player, or Forbes Magazine, being a commerce and business-oriented magazine, both being relevant and successful entities in today’s scenario. Like these views, P5 considered a validation by the Auckland Chamber of Commerce to be more authentic and trustworthy as compared to RD. Thus, it is clear that any endorsement agency needs to be trustworthy so that the people trust the endorsements done by it.

The implications for brands from the above views of participants are that they must be careful in their choice of the celebrity endorsers or the endorsement agencies. Choosing a
celebrity or an endorsement agency that lacks credibility with customers may not only prove to be a fruitless exercise, it may even cause damage to the trust that the brand shared previously with its customers. It is for this reason that companies are seen to distance themselves from their erstwhile brand ambassadors who land themselves into controversies. An example, Tiger Woods controversy lead to Gatorade, AT&T, Accenture and Gillette dropping Woods from endorsing their brands after the scandal (Kelley, 2018).

Participants also questioned the authenticity of RD’s online survey; beyond the number of people surveyed each year details of its methodology are not given out to the public.

*It’s a very small sample size with only 1400 people surveyed to extrapolate that into the general population is questionable. I wouldn’t trust the survey personally as it is only 1400 out of 4.2 million people in the country.* (P12)

DeMers (2018) mentioned that transparency is one of the key actionable steps that lead to improvement of trust as it allows more people to see how your company operates inside and out. Transparency was identified by the participants in the focus group as a key factor that leads to building of trust towards a brand. Several participants pointed out that they would trust the endorsements made by those agencies that share the evidence and information about their endorsements with the public. It was clear that participants in the focus groups felt that the agency must be transparent and honest in providing the details that would convince customers about authenticity of the method they have followed to arrive at the endorsements issued by them.

*Endorsing a brand boils down to the manner in which you convince someone.* (P11)

Thus, in the case of a new brand, the perceived credibility of the endorsement determines whether the customer will be drawn towards experiencing the brand. This strength of conviction comes when the brands not only promote themselves with attractive messages, they diligently keep the promises made in such promotional campaigns. P11 said that her own experience with a brand and word-of-mouth recommendations from people who have experienced the brand will convince her to trust that brand more than any endorsement by an unknown/untrustworthy agency.

*Trust can definitely be endorsed and should be backed up with evidence.* (P16)
It emerged that though the participants were open to new recommendations and endorsements, their ultimate deciding factor in terms of whether they trusted a brand or not was not the brand endorsements. Customers only trusted the endorsements with a reasonable degree of confidence when such endorsements were backed up with logical and credible evidence about their genuineness.

Knowledge (2019), an information integrity company, shows in its report that in today’s digital age, as much as it is easy to access a variety of information, it is also increasingly possible to manipulate or upload fake information on the online communication channels. This threat to reliable information is resulting in brands realising that trust cannot be bought and it takes transparency, years of known reputation in the market, to breed brand affinity (Knowledge, 2019). This report also clearly states that today customers are becoming increasingly aware of the presence of disinformation in the media channels about brands and hold brands and businesses accountable for deceiving the public. The focus group discussion results also validate this point, as none of the participants mentioned that they would blindly trust endorsements of any kind until they cross check it with the sources they do trust.

P4 and P5 remarked that they found it “ironical” that a chocolate brand has been declared as the “most trusted” brand (across all categories and on a nation-wide basis) in New Zealand, in a country that is known for its leadership in innovation in several products and services. This scepticism shows their distrust for RD’s endorsements. This view of participants point towards their expectation that the tag of being ‘most trusted’ among all brands across all categories deserves to be won by a product which is more technical/valuable, and which contributes more meaningfully to the needs of individuals/society. This viewpoint of participants also raises questions whether enough thought had been put into grouping all products into relevant categories so that the results would be more convincing, meaningful and trustworthy.

The question that arises here is whether, RD’s endorsements are useful to the customers in arriving at their buying decision. According to P14 and P15, RD’s endorsements would only be helpful in their decision-making as long as the brand was totally new to them.

“If you have two bottles – one with logo and one without, you tend to trust the one with logo” (P10)
In the quote above, by mentioning the word ‘logo’, P10 is referring to the trusted brand badge awarded by RD. However, P14 said if she is previously familiar with a brand and has experienced it herself, RD’s endorsements will not matter to her at all. Participant P13 mentioned that these badges and awards, which are assigned to the brands, might influence the decisions to make purchases, but do not become the ultimate deciding factor for making the purchase. P13 added that it also depends upon the value ascribed to the product. The higher the product price and the money investment, the more helpful the badges and awards become to influence the decision made by customers.

The above discussions bring forth a few important messages for brands that aim to embark on their brand building exercise via the agency brand endorsements route. The companies must ensure that the agencies that are issuing the endorsements for their brands are themselves trustworthy and respected by the customers.

5.4 Summary

Participants in this study prefer to trust the word of mouth recommendations from people known to them more than an agency’s endorsements for brands. The length of experience and degree of familiarity with brands determine the extent of trust of customers for brands. The strongest level of trust is obtained from experience. The more experience, the higher is the trust. The example of Maggi noodles in the Indian market, as detailed in the discussions above (section 5.2.1) illustrates the advantage that brands stand to have, if they maintain a strong relationship of trust with their customers. The reason why Maggi could gain people’s trust was through its consistent quality (from year 1982 till the alleged lead content controversy in year 2015). Maggi enjoyed complete trust of Indian customers till the controversy broke out in the year 2015, and it was quick to make substantial recovery of market share after re-introduction in the year 2016 (Advisorymandi, 2019).

The focus groups discussions also confirm the conclusion of the study by Morgan and Hunt (1994) that trust is not a variable but a process, which is buildable. A brand’s reputation in the market, consistency in overall performance, transparency in business practices, and concern for the environment and societal welfare are also important factors that determine customers’ trust towards a brand.
An important takeaway for the brands is that they should focus on ethical core values and firmly back up their marketing communications with actions that convey their commitment towards diligently upholding these values. They must be careful to engage in fair business practices, must demonstrate their concern for the well-being of the society, their customers and the environment. They must be transparent about their business practices and ensure consistently reliable products/services delivery.

The customers who participated in this study relied on endorsements and recommendations only when there was a complete lack of experience and familiarity with a brand. Also, they tended to rely more on recommendations from people they know and trust, and who have experienced the brands themselves. In case they need to search online about a brand, participants showed more trust towards customer reviews online, which briefly but effectively explain about experience with a brand’s products and services. RD’s trusted brand endorsements lack credibility for most of the focus group participants. The participants viewed RD as a magazine that had seen glorious years in the past, but which was struggling to maintain its relevance in the current media communications scenario. Calling it the ‘Grandma’ magazine, the participants questioned its ability to make credible brand endorsements.

The research findings have brought forth several important implications for brands. Brands need to be aware that not only is it difficult to establish a strong emotional connect with their customers; it is even more difficult to maintain that connection over long periods of time.

Also, in order to develop and sustain brand trust, it was important that brands demonstrate consistency in performance in every aspect of their business. The companies must ensure that the agencies that are issuing the endorsements for them, are themselves trustworthy in the eyes of the customers. Brands must also be transparent about their business practices and ensure consistently reliable products/services delivery; engage in fair business practices, and demonstrate their concern for the well-being of society, their customers and the environment.
Chapter 6: Conclusions

6.1 Introduction

This research study was designed to understand the views of New Zealand customers on what constitutes “trust” with respect to numerous brand-building attempts they are constantly subjected to through various marketing activities. Three focus group sessions were conducted to gather qualitative data from a sample of the New Zealand population. This chapter answers the research questions, and throws light on the implications of the study, including its limitations. This chapter also makes suggestions for further research on related subjects to enhance and complete the knowledge in the field of current study.

6.2 Answering the research questions

6.2.1 Question 1: What are customers’ perceptions of brand trust with respect to RD’s endorsement of Whittaker’s?

The answer to this research question was sought through the gathering of standpoints of the focus group participants on “trust” and by examining the brand image of the “most trusted brand” Whittaker’s in their minds. With respect to RD’s endorsement of Whittaker’s, the customers perceive brand trust as an outcome of variety of factors – the length of familiarity and experience of customers with a brand; brand’s dependability, reliability and consistency of delivery of quality products/services. Its reputation, transparency, honesty, and truthfulness in sharing with customers as to what it did and how it conducted its business. Furthermore, how its values matched with the values of customers; whether its conduct of business was in a socially responsible manner; whether it accorded priority to putting aside part of its earnings for development of the society responsible for the success of the brand; whether it had a good emotional connect, rapport, communication, and interaction with its customers; and whether it had a positive spirit for innovation and new technology induction.

From the perspective of the participants, some of these factors could lead to the development of the initial or lower level of trust, while some others may lead to deeper and higher levels of trust. It is the deeper level of trust that leads a customer to become more
loyal to a brand and even become a brand advocate. The focus group discussion on the brand Whittaker’s confirmed many of these factors to be available/present in the way it conducted its business. Participants were of the view that Whittaker’s was ethical in the conduct of its business; sourced the raw materials in sustainable and environmentally friendly ways; was consistent in the delivery of quality and a wide variety of products; was transparent in sharing the information on what ingredients it used, and displayed socially responsible behavior.

6.2.2 Question 2: Do customers indeed trust the endorsed brands?

With respect to the role of influencers like the Reader’s Digest, who attempted to contribute to brand building through their trusted brand endorsements, many participants were vocal about their distrust for such endorsements, citing the lack of trustworthiness of RD as the endorser. A few participants were circumspect in their views. These participants were of the view that with respect to those brands, of which the buyer was previously totally unaware, the endorsements acted as an enabler of initial awareness. For gaining a bigger share of mind and trust of customers, these endorsements were viewed as unsuccessful; participants tended to look deeper into aspects such as brand’s track record and reputation as a society-centric/customer-centric business entity. The ethical aspects of businesses, their transparency in sharing the information desired by the customers for making their own assessment, their pro-activeness in meeting customer’s needs like product/service quality and variety, all these factors were examined by the customers before arriving at the decision to extend their trust to the brand, rather than getting directly influenced by the endorsements. The focus group participants also examined the endorser’s trustworthiness as an influencer. Participant’s views on RD as an endorser were not positive, as the popular magazine of the yesteryear has now lost its credibility as producer of quality content. Participants were of the view that an entity, which has been seen to be struggling for its own survival in the recent past, cannot be relied upon in the role of a brand endorser. In contrast, the brand Whittaker’s, which has emerged as New Zealand’s most trusted for the last eight years in succession, was viewed very positively by the majority of the participants. Thus, while the participants were in concurrence with the RD’s endorsement result and were willing to trust the Whittaker’s brand, they were sceptical about accepting the brand RD as a trustworthy endorsing agency.
6.3 Significance of the study and implications of findings

It is clear from the analysis of the data that the participants in this study keep themselves well informed about brand and products they engage with, as there are numerous brands and endorsing authorities competing in the market to win customers’ trust. The implications of this for brands, as well as brand endorsement agencies, are far-reaching. For brands, it is important that they understand the customer’s ideas and expectations of trust and meet them to the maximum possible extent so that their marketing actions for brand building achieve the desired success. The endorsement agencies need to be aware that besides the brands that they endorse, their own credibility and trustworthiness is of paramount importance for their endorsements to be successful.

The length of familiarity and experience with brands is one of the most important factors leading to start and strengthening of trust. For brands, this signifies that they have to carefully nurture the trust of customers, gained by them for long periods of time. This will ensure that their customers remain loyal and spread positive word of mouth influence over other potential customers.

The outcomes from this research show that customers are likely to trust the WoM recommendations from fellow users more than those issued by professional agencies like RD, as the two-way communication between humans is more tangible in nature. In case of an initial lack of familiarity with a brand, customers tend to rely on WoM recommendations from people who have experienced the brand themselves. This finding implies that brands need to stay focused on things such as consistency, transparency, ethical behaviour and being sensitive to the needs of their customers, which help build and retain the trust of their customers. For this, they must correctly understand the customer’s perception of trust. Thus, through long term association, customers are likely to stay loyal and also advocate the use of brand to others through WoM. This study is significant in that it has attempted to gain a further understanding of the customer’s perception of trust. This understanding can help brands in achieving success in their brand building goals.

Social media platforms like Facebook are being used by people to seek the views of peers about products and services, which have been endorsed positively by agencies. The reviews submitted on online platforms by previous users of products/services are trusted more than endorsements by celebrities/agencies. This is quite similar to the practice of companies
asking job seekers to submit not only their resumes but also referees (previous employers or any relevant person) who are ready to recommend them. In some ways, the user reviews are a variant of WoM recommendation expressed through an online channel. Again, this implies that brands need to be honest, sincere and transparent in their business and must not allow the customer-trust to break through wrong/complacent actions. Brands must not rely on their past achievements and brand endorsements alone but make continuous efforts to retain the trust of their long term customers.

Marketing agencies must understand the significance of the fact that in today’s world, there is scepticism towards the term “marketing” and “endorsement” as there is a growing feeling that brands are misusing their trust. This study reveals that a well-informed customer is not likely to be influenced by any marketing endorsement that does not explain the logic behind its claim. For the brand endorsement agencies, this has the implication that for their endorsements to be believable and successful, they must be able to thoroughly justify and satisfy the customers about the claim they are making through their endorsements.

Another finding from the study is that the brands must attempt to establish a deep emotional connection with their customers. Ideally, this connection should be as strong as in the interpersonal trust relationships. Brands need to be very careful not to engage in acts that lead to a diminishing of the trust in the minds of their customers. This has the significance for brands that they need to be constantly adapting to the needs of the customers and must make sure that all claims made by them in their brand-building exercise are followed up with actions that demonstrate their commitment to fulfill the expectations and aspirations of their target market.

6.4 Limitations of the study and findings

The two main limitations of this study were: 1) the limit on the scope and size 2) the absence of information about RD’s survey questions and participant’s responses.

The present research is a qualitative study that investigates the meaning of the concepts of trust and not a quantitative study that sets out to accumulate a set number of factual responses to questions. Through a combination both qualitative and quantitative exploration, a wider set of more definite views would have emerged, enhancing the significance of the study.
The second limitation was the absence of information about the survey questions and participant’s responses in the survey conducted by Reader’s Digest to arrive at the most trusted brands of New Zealand\(^4\). Clarity on this would have provided details of the factors that RD had considered being important to assess the trust of customers for various brands of NZ. It would have provided information about whether the customers’ understanding of trust was at variability with the endorsement agency’s understanding of it. While this information would have shown as to how comprehensively RD had designed the questionnaire for the conduct of its survey, the lack of this information did not lead to alteration of answers of the research questions in any way.

6.5 Recommendations for future research

This study revealed that though endorsements by agencies like RD do influence the buyers towards awareness generation and initial buying, the customer loyalty results only through consistent performance and fulfilment of the brand promise by the brands themselves. Brands need to be guarded in their actions as any act in contravention to the customer’s expectations may result in loss of the brand-building advantage garnered through the endorsement actions. It is important that the endorsements are issued by agencies that are trustworthy themselves.

There is a significant scope of further research in related areas. Following are three potential areas where research can be conducted:

1. Examining how the perception of trust differs between younger, middle-aged and New Zealand residents over the age of 60.

2. Examining whether there is any difference in the list of factors that are identified by customers for “most loved brands” (declared by Colmar-Brunton) as against the “most trusted brands” (declared by RD every year).

3. Examining whether trust can indeed be endorsed.

In the present research, the scope did not include an examination of the variability of perceptions of trust among customers of different age groups and how they might view

\(^4\) The correspondence with RD is placed at Appendices 5 and 6.
trusted brand endorsements by agencies. Including this aspect in the scope of current research would have meant further stretching of the time and other resource requirements beyond the permissible limits for this academic study. However, it is important to find whether the views differ significantly among the younger, middle and above 60 aged customers. It would thus help the marketing agencies in designing their brand-building strategies according to the target age group among the wider distribution of the current NZ population, and in line with the overall business goals of the brands.

It would be important to examine whether there is any difference in the list of factors that are identified by customers for “most loved brands” as against the “most trusted brands”. Are the two ways of defining the strength of brands based on similar foundations or do they differ? Are the supposedly two different ways just an exercise by various endorsing agencies to grab a portion of the marketing world space, without much value addition for the customers? It would be important to see whether the emotions of “love” and “trust” do differ significantly in the marketing context. The research may also involve an examination of the concept of “love” and “trust” in sociological/philosophical contexts.

Yet another area of research could be to examine whether an emotion like “trust” can indeed be endorsed, or does it simply emerge from people’s perceptions that are developed through familiarity, experience, and observation? The current research has indicated that the customers do not find trust endorsements trustworthy, hence implying that trust cannot be endorsed, rather it can be won through a series of sincere and committed actions by the brands. However, an exhaustive examination in this area will mean that brands can spend their time, money and efforts in more important areas than endorsements to achieve their goal of brand building.
References


Appendices

A1 Focus Group – Indicative Questions:

1) Can we go around the table and introduce ourselves and say something about what do you understand by the term “trust”? Perhaps the first thing that comes to your mind?

2) Who would be the people in your life you would say you trust? And Why (What makes you trust those people)?

3) Imagine I am your friend and new to New Zealand. Which would be the brands that as a person living in New Zealand you would proudly introduce me to?

4) Would you say that you trust any of these brands?

5) How does that differ from your trust of the people you mentioned that you trust in your life?

6) Please share your experiences with any of the brands you trust.

7) Can you all write down a few words that pop in your heads when you hear Whittaker’s?

8) Why would you say you trust Whittaker’s? OR Why would you say you do not?

9) When you see a Whittaker’s endorsed as ‘trusted’, what are your views regarding that?

10) Do you think that ‘trust’ in a brand is something that can be endorsed?
A2 Description of Event on Facebook

HOW IMPORTANT IS TRUST TO YOU?

Join a focus group to discuss.

Participate in a research study about the perception of “trust” by the customers in New Zealand. The research will consist of an investigation of the concept of ‘trusted brands’ and its impact on New Zealand customers.

This research relies on voluntary participation. It is designed as a series of focus group discussions.

Participants need to be aged 18 years or above and be available in Auckland at a date in the end of December or early January. Local commuting costs to AUT will be reimbursed.

Location: Auckland University of Technology (AUT), Auckland, 55 Wellesley St E, Auckland, 1010.

The primary researcher is Vyoma Gupta, currently pursuing Masters degree in Communications degree at AUT. If you are interested in participating / or have any questions, please contact:

Email: vyoma123@gmail.com

Or call: +642108216395
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Email: vyoma123@gmail.com

Or call: +642108216395
A4 Ethics Approval

29 November 2018

Paul White
Faculty of Design and Creative Technologies

Dear Paul

Re Ethics Application: 18/439 Perception of trust by the customers in New Zealand: Investigating trusted brand endorsements by Readers Digest and its impact on New Zealand customers

Thank you for providing evidence as requested, which satisfies the points raised by the Auckland University of Technology Ethics Committee (AUTEC).

Your ethics application has been approved for three years until 28 November 2021.

Standard Conditions of Approval

1. A progress report is due annually on the anniversary of the approval date, using form EA2, which is available online through http://www.aut.ac.nz/research/researchethics.
2. A final report is due at the expiration of the approval period, or, upon completion of project, using form EA3, which is available online through http://www.aut.ac.nz/research/researchethics.
3. Any amendments to the project must be approved by AUTEC prior to being implemented. Amendments can be requested using the EA2 form: http://www.aut.ac.nz/research/researchethics.
4. Any serious or unexpected adverse events must be reported to AUTEC Secretariat as a matter of priority.
5. Any unforeseen events that might affect continued ethical acceptability of the project should also be reported to the AUTEC Secretariat as a matter of priority.

Please quote the application number and title on all future correspondence related to this project.

AUTEC grants ethical approval only. If you require management approval for access for your research from another institution or organisation, then you are responsible for obtaining it. You are reminded that it is your responsibility to ensure that the spelling and grammar of documents being provided to participants or external organisations is of a high standard.

For any enquiries, please contact ethics@aut.ac.nz

Yours sincerely,
Kate O’Connor
Executive Manager
Auckland University of Technology Ethics Committee

Cc: vyoma123@gmail.com
Enquiry for my Masters Thesis

Vyoma Gupta <vyoma.gupta.mcs@gmail.com>  
Aug 6, 2018, 5:04 PM

Hello Sheron,
Greetings!

I am currently pursuing my Master of Communication Studies degree from Auckland University of Technology (AUT), and my research focuses on "How Local does a brand need to be in order to be a Trusted Brand of NZ?". My research also focuses upon the results by Reader's Digest that are produced every year declaring the winners of brands in various categories, including top 10 overall most Trusted Brands.

For my research, I need to understand what is the methodology that is being used by Reader's Digest for this event, and what are the questions that are being given in the survey to the consumers.

Ma'am, it would be great if you could send me the questionnaire or even a sample questionnaire that would have all the relevant questions which the consumers answer, that ultimately helps in the declaration of the results. Or if you could kindly put me in touch with any other relevant person for this query, I would love to interact with him/her, to get an idea around this.

I am sending here my LinkedIn account link as well so that you may get more idea about me, as I understand you wouldn't want to send any detail to an unknown student.

LinkedIn: https://www.linkedin.com/in/vyoma-gupta/

Kindly respond to my email Ma'am, as it would very much help me to proceed further with my Thesis.

Looking forward to a positive reply,

Warmest regards,
Vyoma Gupta
(Ph: 02108216395)
Hi Vyoma

Thank you for your email, Sheron has passed this on to follow up.

Trusted Brands is a global Awards initiative that has been running for 20 years aimed at uncovering which brands consumers trust most. It is an annual initiative that is independently conducted through Catalyst Research here in Australia, New Zealand and Asia. The research spans across 70 different categories including consumer goods/electronics/finance & insurance and FMCG products. If you’d like further information please visit www.trustbrands.com.au.

RESEARCH – BASED ON CONSUMERS OF EACH COUNTRY

HOW

Discovering the Most Trusted Brands has a two stage approach:

1. Scoping: An initial scoping survey was conducted to build brand lists for each category, via an open-ended questionnaire.
2. Measurement: After analysis of the scoping results the main survey is deployed to Australians who rated brands on a trust scale of 1-10.

Data was post-weighted to ensure the data is representative of the population.

Hope this help

Many thanks
Darlene

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