

E-Commerce Wins the Day

Talking points on the most compelling results of the 2017 National Survey by Dr. Jason J. Teven, California State University-Fullerton.

Founded by Jeff Bezos, Amazon is the largest Internet-based retailer in the world by total sales and market capital. Amazon.com's overall cTrust score of 5.45 was the highest score in this year's 2017 National Most Trustworthy Brands Survey. Simply put, Amazon is America's most trustworthy brand. Out of the five variables that comprise cTrust (*Consistency, Competence, Candor, Concern, and Connection*), Amazon has the distinct honor of being rated the best in all of the following five categories:

Competence	5.67
Consistency	5.68
Candor	5.51
Concern	5.39
Connection	5.00

Competence

Competence is an indicator of being able to efficiently and effectively perform at a level that meets the customers' expectations for quality. Clearly, Amazon demonstrates tremendous speed at which they deliver their products to their customers. Many customers marvel at that lightning speed, sometimes receiving their items within 24 hours of ordering them online! This transaction speed is what customers value, need, and appreciate. Amazon has exceptional product accessibility and functionality that both foster a positive customer experience engendering a strong brand that consumers trust.

Consistency

Closely related to Competence is Consistency. This indicator measures reliability, stability, and dependability of the brand. Amazon stands by their products, vendors, and commitments. They also provide a mechanism for customer feedback and reviews and continually strive to improve. Amazon offers low, competitive prices and free shipping on orders over a reasonable minimum total—that is seen by customers as offering value. The ease of searching and ordering products also help shoppers save time.

“Joy” Outcomes

Moreover, Amazon also received scores of 5.43 (Loyalty), 5.19 (Satisfaction), and 5.77 (Trust). These scores were the highest for these particular categories across all brands from industries reflecting fast food, airlines, mobile services, auto insurance, retail, hotels and electronics. Since Amazon is an online retailer of such a wide variety of products, it isn't surprising that they not only won the overall brand trust score but also placed first in nearly every individual trust value. These satisfied customers are more likely to advocate for Amazon, their products, and website.

Concern, Candor, and Connection

In terms of Concern, Candor, and Connection, Amazon fosters relationships with its consumers by encouraging their participation, helping them make purchase decisions through recommendations of items based on their past purchases, and user reviews and ratings. In our study, Amazon received a Connection score of 5.00. This really is a milestone rating reserved for one of the best (killer) brands out there. Amazon also provides its consumers with several options for forging a personal bond with the Amazon brand, including user profiles, reviews and ratings, and wish lists (both public and private).

Demographics

Finally, in terms of a demographic breakdown, Amazon was rated highest by both males and females in our survey and won nearly every age bracket including customers who self-identified as 34-54 (Gen Xer) and 55-plus years old. Amazon only came in razor-thin second place regarding trust to Marriott Hotel with the 18-34 year old (“Millennial”) age bracket (the margin of difference was only .04 which is essentially a statistical tie). Fifty-five percent of millennials claim to be more brand loyal today, compared to 39% of consumers in the 34-and-older group (as cited in the Marketing Executives Networking Group).

From E-Commerce to the Industries of Fast food, Airlines, Mobile Services, Auto Insurance, Retail, Hotels and Electronics

The following brands have the distinct honor of being rated the Top Brands in their respective industries¹. The following table provides the overall cTrust score for each of the top brands and their respective industry:

<u>Category</u>	<u>Brand</u>	<u>cTrust Score</u>
QSR	Subway	5.08
Airlines	Southwest	5.04
Mobile Services	AT&T	4.89
Auto Insurance	Geico	4.70
Retail	Costco	4.95
Hotels	Marriott	5.30
Electronics	Microsoft	5.23

Note¹: Amazon was taken out of this particular analysis. After Amazon, Costco received the highest overall cTrust score in the Retail category.

The following table presents the mean scores of the five variables that comprise cTrust (Consistency, Competence, Candor, Concern, and Connection) for each brand:

<u>Brand</u>	<u>Consistency</u>	<u>Competence</u>	<u>Candor</u>	<u>Concern</u>	<u>Connection</u>
Subway	5.26	5.34	5.11	5.09	4.61
Southwest	5.17	5.16	5.10	5.06	4.71
AT&T	4.97	5.07	4.96	4.90	4.54
Geico	4.80	4.86	4.74	4.68	4.42
Costco	5.01	5.07	5.04	4.95	4.66
Marriott	5.43	5.55	5.27	5.33	4.94
Microsoft	5.39	5.49	5.19	5.12	4.97

Several patterns with this data stand out. As the data shows, the Marriott brand was rated the highest in terms of Consistency, Competence, Candor, and Concern. It should also be noted that Marriott essentially tied (statistically) with Microsoft in the category of Connection, revealing it further to be a powerhouse brand. Predictability in service is highly valued in North American customer culture. This explains the primary reason for ratings (the results found in this study) and their success as a brand overall. Similarly, the Marriott brand generally delivers a consistent experience for its customers through a rigorous quality assurance program. If you look at the national brands and chains (the top rated brands in this study) you see more long-term consistency in their five “C” scores.

The following table presents the mean scores of three variables identified as Loyalty, Satisfaction, and Advocacy (the “Joy” Outcomes) for each brand:

<u>Brand</u>	<u>Loyalty</u>	<u>Satisfaction</u>	<u>Advocacy</u>
Subway	4.82	5.56	4.50
Southwest	4.79	5.81	4.59
AT&T	4.66	5.44	4.45
Geico	4.45	5.49	4.24
Costco	4.73	4.83	4.60
Marriott	5.03	5.88	4.74
Microsoft	5.19	5.56	4.81

Satisfaction

In term of customer satisfaction, Southwest airlines was rated the highest. Southwest Airlines is an independent, low-cost carrier that is unique in the airline industry. They have worked to create a distinct personality through everything from open passenger seating to flight attendants who sing the safety demonstrations. Southwest has a fun environment and quirky culture that has proven to be proficient operation in getting its travelers from point A to point B in an efficient, affordable manner. Not surprisingly, Southwest Airlines was rated as one of the two brands highest in Satisfaction (5.81) across all of the categories/industries.

Loyalty and Advocacy

Building a loyal customer base is not always an easy endeavor. This process for a company brand can take years or even decades. Clearly, Microsoft has been working to improve their customer base after years of fierce competition from Apple. Microsoft's top scores for Loyalty (5.19) and Advocacy (4.81) speak to their efforts in these areas, encouraging repeat customer purchases of their products and spreading the good word to their friends to name just two indicators.

Conclusion

This report offers a review of a national survey of companies that everybody knows and trusts. In the end, all of these top rated brands continually attempt to improve quality and consistency of the customer/guest experience. The results also reveal areas for each of the participating companies to improve. Whatever the industry, today's most trustworthy brands have created relationships with their consumers through experiences that trigger positive responses and build trust.

The report that follows this one (due March 8th 2017) will focus specifically on the brands associated with the QSR, Airline, and Hotel industries.

Methodology

The national survey was deployed to 1,434 respondents in total during the first quarter of 2017. Approximately 200 respondents rated brands in each of the six categories. Respondents are adults, 18+, and live in the United States.