Past, Present and Future of Brand Trust

A case study done in the Swedish market

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Acknowledgement

The period of stress and intense frustration has turned into a meaningful experience, new knowledge and a view into the possible future of brand trust within the Swedish market.

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Abstract

Title: Past, Present and Future of Brand Trust – A case study done in the Swedish market.

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Purpose: The purpose of this thesis is to investigate the declining direction that brand trust has taken, throughout the past years in the Swedish market. Analyzing the present situation to be able to build a picture of future solutions that brands could use in trying to build trust. By investigating the cause and then through these defined methods and tools be able to break this trend.

Method: With a qualitative method consisting of semi-structured interviews with 7 communication- and marketing agencies within in southern part of Sweden. With the aim of getting an expert view of the problem’s past and present, to be able to build an assumption about the future of brand trust in this market.

Theory: A theoretical framework consisting on the definition of brand trust, with a description of the micro- and macro perspectives. With theories about factors behind brand trust and also the markets mistrust of such. Some of which, authenticity, communication, satisfaction and customer loyalty arise as needed to build and uphold trust. These factors are described with the help of models, developed for this paper’s comprehension.

Conclusion: The result has indicated that the decline is due to digitization, expectations/satisfaction and confusion for the consumer. Moreover, the result in the long-term perspective is to build authenticity and genuineness, choose the right target groups, communicate the right expectations, dare to participate in public topics and build the brand with a purpose. Blockchain has also been located as a possible future solution.

Keywords: Brand trust, Digitalization, Satisfaction, Communication, Authenticity and Blockchain
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1 Introduction

Branding is about giving the selling item a personality, making a statement about it or signifying its membership (Burnett, Hutton, 2007). But it is not as easy as it seems. The famous Roy Edward Disney, a longtime senior executive at The Walt Disney Company, son of Roy Oliver Disney and nephew of Walt Disney the two founders, was quoted saying:

“Branding is something you do to cows. Branding is what you do when there’s nothing original about your product” (Burnett, Hutton, 2007, p. 342)

Cows look alike, and a certain mark of ownership is required to differentiate which cows are owned by what rancher. This quote reveals the core factor about branding, consumer must be able to trust what the brand stands for. Thinking of your brand as a THING makes it lose its meaning, however thinking of it as a NAME enhances and strengthens the values of which trustworthiness is built upon.

Trust is a factor influencing many dimensions, from generating word of mouth (Liao I, Chung Z, Hung, Widowati, 2010) and attracting new customers (Mal, Davies, Lawson, 2018) to obtain and instill customer loyalty (Ercis, Unal, Candan, Yildirim, 2012).

Mal, Davies and Lawson (2018 p. 936) explain the usefulness of trust as a vigorous act:

“Trust is helpful in retaining existing customers, in attracting new ones and in enhancing corporate reputation”.

This means that even when a trusted brand has a negative period, customers will support it until it gets back on the track to success.

Trust is also seen through a customer’s perspective, as Burnett and Hutton (2007, p. 343) imply:

“Nine out of ten respondents in the USA and eight out of ten respondents in Europe said that a corporation’s reputation for being trustworthy plays a large role in forming their opinion of the corporation’s products and services”.

There is no doubt trust plays a huge factor for brands. Brand trust declination from the past decade shows a vivid problem within the marketing sector, where consumers tend to mistrust brands more than to trust them (Edelman, 2018).
This research will focus on the macro-trend of brand trust, to be able to identify the present market problems. Targeting the lack of long-term solutions within the market, as a result of present scientific research being focused in the short-term causes behind the lack of brand trust and providing short-term solutions for it (Lantieri, Chiagouris, 2009) and the factors to building trust and preventing its downfall (Lantieri, Chiagouris, 2009, Schallehn, Burmann, and Riley, 2014, Azize, Cemal, Hakan, 2012, Ercis et al., 2012, Walsh, Mitchell, 2010, Mal, Davies, Lawson, 2018).

1.1 Background

Trust is a well explored area, the definition has been explained in several books and studies (Nootbeoom, 2002). Researchers have even indicated what the building blocks and factors concerning brand trust towards customers may be (Lantieri, Chiagouris, 2009, Schallehn, Burmann, Riley, 2014, Azize et al., 2012, Ercis et al., 2012, Walsh, Mitchell, 2010). But even though there is major research in this area, there are still problems weakening brand trust.

The Swedish market spent 78 billion Swedish kronor on advertising alone in 2017 (IRM, 2017), showing that a huge amount of money is being spent without any significant effect on brand trust.

Edelman’s trust barometer (2018), shows that there is a general distrust towards businesses/brands in the Swedish market. The barometer has a percentage index of 1%-100%, were these numbers show how high the trust is in each market. A number below 50% indicates a clear mistrust towards businesses/brands. Sweden scored a percentage of 48% compared to a global number of 52%.

Indicating a higher level of mistrust towards businesses/brands in the Swedish market compared to the global scale. Mistrust is not a new phenomenon; this declining has been going on for decades which Lantieri and Chiagouris (2009) explain with:

“For example, in 1990, 25 per cent of the public indicated that the honesty and ethical standards of business executives was very high or high. By 2005, that number declined to 16 per cent. In 1975, 34 per cent of the public indicated that they had confidence in “big business.” By 2007, that number declined to 18 per cent.” (Lantieri, Chiagouris, 2009 p.79).

It is determined that brand trust has been affected when it comes the Swedish market, and Lantieri and Chiagouris (2009) also concluded that there is a lack of research from the macro perspective. There is only quantitative research, revealing that there is a present lack of trust, such as Edelman (2018), but no further nor deeper understanding about cause.
1.2 Problematization

With present research focused on short-term solutions (Lantieri, Chiagouris, 2009), there is a gap in the understanding of the macro perspective. In relation to the low rating that brand trust has in the Swedish market (Edelman, 2018), the historical trust depression (Lantieri, Chiagouris, 2009) and how trust plays an important factor when it comes to purchasing and repurchasing (Ercis et al., 2012). The importance of trust is also found in terms of how the consumer perceives the brand with regards to its values and information sources. It also has an impact when it comes time for the consumer to choose between brands (Bachnik K., Nowacki R., 2018).

The relation between trust and market share (Chatterjee, Chaudhuri 2005) or higher revenue (Eggers, O'Dwyer, Kraus, Vallaster, Güldenberg, 2013) makes the question of trust to an important aspect for all companies and brands, understanding this perspective is essential for preventing the trust declination.

In the end, the very survival of brands will be challenged if this problem is not taken into consideration.

1.3 Purpose

This study aims on finding out in which areas and what practical tools brands need to develop in order to gain more trust. When understanding the historical causes, an analyze can be provided regarding the market’s future with or without actions taken. This study tends to contribute with long-term solutions, potentially directing the market towards a positive future.

1.4 Problematic questions

The questions are formed regarding the background and purpose of this paper.

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Table 1, Problematic questions
2 Theoretical frameworks

The study is built on a thorough and systematic theoretical ground base, presented below. Trust as a concept is explained followed by perspectives in the market and factors affecting brand trust.

2.1 Trust and brand trust

Trust is a notion that has been written about in many occasions and in different ways. When it comes to social trust and the relationships between people, it has always gathered attention. It is obvious that people would rather have a relationship built on trust than one built on suspicion. The basic analysis of trust recognizes the two sides of this term, on one part the trustor with its trust and on the other the trustee with its trustworthiness. Trust is based on the variables for a given trustor to attribute its trust to a trustworthy trustee (Nooteboom B., 2002).

Trust to a certain extent can be controlled, by acting on the information gathered. Being able to predict trust within a specific topic, but there are those unforeseen factors from the information not obtained concerning the unknowables of behavior.

“... a state of mind, an expectation held by one trading partner about another, that the other behaves or responds in a predictable and mutually expected manner” (Nooteboom B., 2002, p.6).

The trust a person has for a product depends on the trust they have for the brand. Behavior and experience affect the trust relation that individuals have towards a brand as a customer/consumer.

“Trust in things or people entails the willingness to submit to the risk that they may fail us, with the expectation that they will not, or the neglect or lack of awareness of the possibility that they might” (Nooteboom B., 2002, p.45).

This definition of trust is concerning trust in other people, how the behavior factor plays a role in whether a relationship can be built on trust. This can be seen in the case of trusting information by how accurate, factful, impartial, authentic, secure and other factors that may make a person trust in that certain provided information.
“An important question, relatively neglected in the literature, concerns the relation between trust in people and trust in organizations. How do they differ? Is trust in organizations based on trust in people, or vice versa, or both?” (Nooteboom B., 2002, p.56).

The elements of behavioral trust can be encountered in the expectation a person has when entering a relationship with a brand, the trust that this specific brand will not fail them. An individual's trust in a brand is based on the visible factors such as the company’s technology, how it performs and their material supply (components or labor). These factors are things a company has primarily a total control over. However, there are factors of which a company does not have full control over, such as people's competence. A company to a degree builds up the competence in its employees, allowing a certain performance quality but this factor still has an uncontrollable result which can affect the customer’s relationship experience with a brand.

“We can have trust in the competence of organizations to foster and control the competencies and intentions of the people in it, including their dedication and care, and their inclination towards benevolence rather opportunism” (Nooteboom B., 2002, p.58).

Trust can be a tricky subject when it comes to brands. Involving people within the process can always be an affecting factor when it comes to trust. One individual may not be able to keep their promise because it is out of their reach, competence or influence. An employee may not be backed by their boss or a boss may not be backed by the company’s shareholders. Other external factors rely on the trustor of a given brand not being affected by rumors, opinions or facts based on hearsay which a brand has little to no control over in how it may affect the brand’s trust.

The bases or foundation for trust such as calculus-based trust and knowledge-based trust. Related to the reputation, ratings, experience, records, publications and likes., factors which give an individual a public awareness, in this given case of a certain brand. Knowing also that a so-called affect-based trust is based on psychological causes, making this subject much more complex (Nooteboom B., 2002).

Trust is necessary in any type of relationship. It allows relationships between customers and brands by reducing the risk in their relation.
“Trust does not operate on its own, but in varying combinations with other instruments of governance, such as contracts, mutual dependence, hostages, reputation mechanisms, intermediaries and structure of networks” (Nooteboom B., 2002, p.201).

Furthermore, Portal et al. (2018) defines the close connection between trust and brand trust as a form that progresses over time, the willingness of a customer to rely on a brand to fulfill their promises. The consumers trust is built upon perceived risk; therefore, they will search for brands that have a high trust factor when uncertain or unsure. Trustworthiness, reliability and integrity are factors that will determine trust (Portal et al., 2018 and Bachnik, Nowacki, 2018).

“Brand trust develops over time, through direct experiences and occurs in the context of a relationship. Therefore, it may be more closely associated with relational trust ... the ultimate goal of marketing is to create a formidable bond between the brand and its consumer, and trust is key to enhancing this bond.” (Portal et al., 2018, p.5)

In Chatterjee and Chaudhuri’s (2005) study about the relation between trust with relation to market shares, the following quote appears were McAllister (1995, p. 26, see Chatterjee, Chaudhuri, 2005, p. 2-3) states that:

“The amount of knowledge necessary for trust is somewhere between total knowledge and total ignorance. Given total knowledge there is no need for trust and given total ignorance there is no basis upon which to rationally trust. Available knowledge, and “good reasons” serve as foundations for trust decisions, the platform from which people make leaps of faith, like those involved in trusting.”

This quote describes why brand trust is such an important factor, Chatterjee and Chaudhuri (2005) divide it into two fundamental approaches. We begin with the first one, that explains how trusted brands will be easily retrieved from customer’s memories and second. Brands that have built trust in customers eyes create an ideal regarding what kind of aspects to look for when buying a product, resulting in an example that other competitive brands will have to achieve to be able to get and keep customers.

2.2 Different perspectives in the trust market

The decline of trust within marketing can be seen from two different perspectives: at a micro- and macro perspectives. In these case micro- and macro perspectives should not be mistaken
for the well-known economics definition such as: microeconomics which, studies an individual aspect or macroeconomics which, is the study of a general aspect.

In this scenario a micro perspective lasts typically three to five years. A wide variety of studies have focused their research around many micro issues regarding brand trust, in hopes of understanding why and what this is a consequence of. The examination of different definitions when it comes to the variables which, have consequences or impacted in some way the marketing trust on brands. Micro level has been researched extensively in the academic world (Lantieri, Chiagouris, 2009).

“More than $200 billion has been spent on advertising and promotion in the USA each year for most of the past decade” (Lantieri, Chiagouris, 2009, p.78).

This is where the macro perspective comes in, issues which last longer, around five to ten years. Some studies have been made within this area, surrounding views regarding the similarities between expert reviews of this decline in trust topic (Lantieri, Chiagouris, 2009).

The general view on this topic has been made very clear by different experts, that brand trust varies from situation to situation, it does not come alike, and it depends on the product/brand within the market. The existing knowledge gathered concerning the background on this trust declining topic, while correct and suited for the subject has a short-term limitation. Many of the information found during this initial state of study shows that:

Researchers have only found short term solutions for how to protect a brand from the downfall of trust within the market, without having been able to propose a long-term solution to this issue encountered by every brand, regardless of the market size (Lantieri, Chiagouris, 2009).

2.3 Factors behind brand trust

Previous research information gathered in the initial stages of this study show the relation to different factors. These factors could be linked to brand trust and the successful build of this topic.

Authenticity, communication and satisfaction seem to be three topics well regarded for customers to be able to put their trust on a brand.
Figure 1, factors behind trust (own model)

Trust and market share

There are studies that show how trust and market shares are connected through loyalty (Chaudhuri, Holbrook, 2001) and even more studies focus on the separate positive linkage between loyalty and trust (Ercis et al., 2012). Chaudhuri and Holbrooks’ (2001) study found strong evidence that there is a clear connection between trust and business success, with loyalty linking both factors. Furthermore, there is a fair amount of research that determines what affects brand trust, such as: authenticity (Schallehn, Burmann, Riley, 2014 and Portal et al., 2018) and communication (Aziz, Cemal, Hakan, 2012 and Noteboom, 2002). But there is also a direct linkage were trust and market shares are positively correlated, Chatterjee and Chaudhuri (2005) shows this important connection in their study. This linkage shows the importance of building trust to be able to gain a higher market share.

Even though, this connection is disputed by Romaniuk and Bogomolova (2005) by indicating in their study that, there is no clear relation between trust and market shares. Nevertheless, they claim that every brand must have a certain level of trust to be able to be competitive against other brands.

Still Xingyuan, Li and Wei (2010) argue that trust is a major factor when trying to gain market shares and revenue, even though the trust factor links to others such as brand knowledge, brand awareness, brand belief and others. Eggers, O’Dwyer, Kraus, Vallaster and Güldenberg (2013) state in their report that trust leads to greater revenue for small and for medium sized companies.

Taking this knowledge into consideration, Chaudhuri and Holbrooks´ (2001), Eggers et al. (2013), Xingyuan, Li and Wei (2010) and Chatterjee and Chaudhuri (2005) strongly adduce that the link between market shares and trust exists and is an important factor. Therefore, it shows a stronger and wider research, suggesting a correlation between trust and market shares.
**Brand authenticity**

The concept of authenticity is about being the “real thing”. Many companies compete about being the market´s original such as Coca Cola or Adidas. Coca Cola claims to have the real recipe, with a first of a kind product (Schallehn, Burmann, and Riley, 2014), which is a part of being authentic.

The concept of brand authenticity is separated into two main parts, brand identity and brand image.

“Brand identity is defined as “those sustainable cross-spatiotemporal attributes of a brand which determine the brand’s essence from the perspective of the internal target group”, e.g. employees, executives and intermediaries. In contrast, the brand image represents the exterior view of a brand. It is understood as “condense and judgmental perceptions about a brand fixed in the psyche of relevant external target groups”, e.g. customers and consumers” (Schallehn, Burmann, Riley, 2014, p. 193-194).

This can further be simplified as the identity often not being visible. Moreover, the customers only have a perception of what the company’s identity is (Schallehn, Burmann, and Riley, 2014). If a brand is genuine, real and true to an extent, that explains both the brand identity and their behavior. Credibility, reliability and integrity are other explanations for the genuine, real and true factors (Portal et al., 2018).

Having both image and identity in a brand are two main factors but cannot be achieved without credibility, reliability and integrity.

**One-way and Two-way communication**

When it comes to the communication and how it joins people into creating relationships, it is regarded as one of the main steppingstones needed to build brand trust. Brands and customers can create a positive attitude when managing brand relationship (Azize, Cemal, Hakan, 2012).

Communication can result in two forms:

- One-way or so-called indirect communication, such as advertising, TV, radio or other forms of communication where only one side can communicate their message (Azize, Cemal, Hakan, 2012).
Two-way or direct communication is a form aimed towards existing customers, a way they can interact with the brand and being able to apply that into future prospecting customers. Two-way communication can be linked to customer satisfaction (Azize, Cemal, Hakan, 2012).

A well-developed communication can allow for a positive flow of information between the actors in a relationship. This strengthens the trust/suspicion factors of a relationship. A well-developed communication allows for honesty which, is crucial for trust. Honesty and trust reinforce each other, the same way suspicion and dishonesty do. The proper flow of honest information helps reduce risk for each actor in a relationship (Nooteboom B., 2002).

**Customer satisfaction and brand equity**

The satisfaction from a purchase is determined by the value of the product. If the value is higher than the price, it creates an increase in satisfaction (Ercis et al., 2012).

> “The positive attitude a consumer develops as a result of evaluating his consumption experience with a certain product is called satisfaction” (Ercis et al., 2012, p. 1398).

This in relation to trust is important. With a higher customer satisfaction for the product, it creates an increase of trust for the brand (Ercis et al., 2012 and Chaudhuri, Holbrook, 2001). The connection between satisfaction and brand trust is proven in several studies (Azize et al., 2012).

> “When the relationship between satisfaction and trust was considered, it was found out that there was a positive relationship between these two variables. Accordingly, as the trust consumers feel for the brand increases, their satisfaction also increases.” (Ercis et al., 2012, p. 1402)

Equity is about how the customer’s judge a brand’s fairness, rightness or deservingness compared to others, this is about how the customer is treated by the brand (Syzmanski, Henard, 2001). Ercis el al. (2012) presented in their study that brand equity influenced trust.

**Customer loyalty**

Customer satisfaction and customer loyalty are the result of one another, and further loyalty is highly linked to trust when it comes to the relationship between customers and brands. The factors surrounding a customer’s decision to repurchase a product is correlated to how a brand carries out their promises in the eyes of the customers (Ercis et al., 2012).
The link between this is studied and shown to be an important factor of word to mouth (Liao I., Chung Z, Hung, Widowati, 2010). Word of mouth is an important aspect of marketing, and a form of advertisement were pleased customers tell potential customer about the product (Solomon, 2017).

As Liao I et al. (2010) present in their research:

“...brand loyalty has a positive impact on word-of-mouth. That is to say when brand loyalty is higher, the more willing to form a positive word-of-mouth spread ... brand trust has a positive impact on customer satisfaction ... In view of this, building customer trust in the brand is very important.”

(Liao I et al., 2010, 1322)

Furthermore, the concept of brand loyalty is important for companies in terms of getting higher revenue.

“...the role of loyalty in the brand equity process and has specifically noted that brand loyalty leads to certain marketing advantages such as reduced marketing costs, more new customers, and greater trade leverage.”

(Chaudhuri, Holbrook, 2001, 81)

The costs of getting new customers is higher than keeping old ones, this supports the importance of focusing on loyal customers. Brands with big market shares tend to have a lot of loyal customers, in other words the customers tend to rebuy from these brands (Chaudhuri, Holbrook, 2001).

Both Ercis et al. (2012) and Liao I et al. (2010) results indicate that satisfaction and loyalty have an influence on further commitment to a brand, and both are affected by trust. Further commitment is important regarding repurchasing.

This states that brand trust is indirectly linked with brand loyalty, and linked to market performance (Chaudhuri, Holbrook, 2001). Furthermore, Chaudhuri and Holbrook (2001) found that there is no link between market shares or relative prices, which indicates that the pricing has no effect over trust. But the relative price is higher when trust is higher.
2.4 Factors behind mistrust

There are several factors affecting trust, the science has focused on investigating some areas that directly affect trust. Furthermore, connecting to the ground pillars of trust shown above.

Unethical advertisement

Controversial advertisement is a method in which companies differentiate themselves from one another, shockvertising results in a violation of the social norms and creates a feeling of fear or offence for a given part of its audience (Bachnik, Nowacki, 2018). Companies create this advertising trying to go around regulations, as Bachnik and Nowacki (2018) explains:

“The existing regulations were designed primarily to counteract unfair competition and stop inappropriate messages from being released in the mass media rather than to provide a solid framework for the promotion of goods and services.” (Bachnik, Nowacki, 2018, p. 4)

The concept of gaining high attention and awareness, comes with a side effect that could undermine the consumer’s trust, resulting in the customers abandonment of a certain brand (Bachnik, Nowacki, 2018).

Confusion

A confused customer will not be a promoter of positive word of mouth (Walsh, Mitchell, 2010). When the consumer is confused, rational buying decisions cannot be analyzed, resulting in less qualitative purchases. Walsh and Mitchells (2010) tells:

“Moreover, customer loyalty and (positive) customer word of mouth communication “are referred to in the marketing literature as key relationship marketing outcomes” which are inextricably linked with trust.” (Walsh, Mitchell, 2010, p. 839)

Furthermore,

“For example, when confused, consumers are often in a state of anxiety, frustration, lack of understanding and indecision.” (Walsh, Mitchell, 2010, p. 839)

The rise of confusion can start from products similarities, not knowing how to do the best purchase or an overflow of information blurring the initial message to consumers (Walsh,
Mitchell, 2010). All these factors affect brands at a small-scale but also filter into a problem at a larger-scale. Walsh and Mitchell (2010) states in their report:

“...Consumer confusion proneness is a multi-dimensional phenomenon that has a significant impact on key variables such as marketplace trust, general marketplace related word of mouth and macro (largescale) satisfaction” (Walsh, Mitchell, 2010, p. 854)

2.5 Other aspects

There are other aspects that are interesting in the concept of brand trust, that are or could be affecting trust in different ways.

Brand communities and social media

When consumers join because of affection to a brand, it is common for them to start a brand community. These communities gather up like-minded individuals often within social media, and in a way serve as agents for the brand. Promoting and discussing it, but also to support and help each other out and as advocators in defending the brand. Habibi, Laroche and Richard, (2015) summarize a brand community as:

“specialized, non-geographically bound community based on a structured set of social relations among admirers of a brand” (Muniz & O'Guinn, 2001, p. 412, see Habibi, Laroche, Richard, 2015, p. 153).

There is further research done in this area, Hajli, Lin, Featherman and Wang, (2014) focus on the impact and opportunities that social media has on brand trust. They state (2014, p.675):

“In fact, social media may now be used to build and develop trust, such as consumer trust.”

This gives the consumers possibilities to interact before they do their purchases and having the opportunity to evaluate with others. Social media allows customers and prospective customers to access forums to read comments but also to express word of mouth (Hajli, Lin, Featherman, Wang, 2014).

Algesheimer, Dholakia, Herrmann (2005) investigated the purchase intentions and brand loyalty within brand communities and found that both were correlated with brand relations. This relation variable is essential in brand communities. Therefore, it is supported that brand communities have a positive effect on loyalty.
Furthermore, this is connected to brand trust and Habibi, Laroche and Richard (2015, p. 156) explain:

“Theoretically, repeated interactions and long-term relationships increase trust between parties. The second mechanism is related to the level of exposure to the brand and increased interaction the consumer will have through developing relationships with the brand community elements.”.

In their study they investigated the impact brand communities have over brand trust. First there is an important factor to point out regarding negative comments which, have five times bigger of an impact than positive comments on social media. But still the study supported the fact that brand communities and engagement, build brand trust (Habibi, Laroche, Richard, 2015). As Habibi, Laroche as Richard (2015 p.159) concluded in their research:

“Our results clearly show that three out of four brand community relationships enhance brand trust. … Customers form strong relationships with brand elements which in turn add to their trust in the brand. Thanks to social media, having brand communities with millions of members is today possible. However, not only the number of members but also their level of engagement is important.”

A concept that is sometimes mentioned together with communities is that of tribes. But an important distinction between tribes and communities, can be that tribes are usually connected to a specific product whereas communities focus on the whole brand (Ekström, Ottosson, Parment, 2017).

**Word of mouth**

Trust is an important factor in generating word of mouth, which is an important for brand loyalty as mentioned above (Liao I et al., 2010). Word of mouth is a vital factor for every brand. It gives the prerequisites for a brand to retain and to also recruit new customers.

“It facilitates consumers’ commitment and loyalty to a brand; it promotes more positive word of mouth, higher purchase intentions, and greater price tolerance … Trust is helpful in retaining existing customers, in attracting new ones and in enhancing corporate reputation” (Mal, Davies, Lawson, 2018 p. 936)
This is important for all marketing; a positive word of mouth can generate higher revenue for a brand. Trust also plays a major factor when it comes to word of mouth, which can be linked to revenue (Mal, Davies, Lawson, 2018).

As mentioned above, Hajli et al., (2014) supported the online word of mouth connection to trust, which they focused on in their study. They conclude it as follows (2015, p 684):

“This finding supports our argument that businesses may build their customers’ initial trust by implementing appropriate social commerce strategies. Trust – an ongoing factor in the e-commerce context – could be tackled through the application of social media.”

Trust recovery in failures

Failures in different areas, mostly services, are common and inevitable. The recovery to this could be essential to regaining and increasing trust. As Pacheco, Pizzutti, Basso, Vaerenbergh, (2019, p 2) states about failures:

“They may trigger customer reactions such as anger, switching behaviour or even a desire for revenge”

The important factor in trust recovery is a quick response to the customer concerns and often an apology is just enough with a follow up promise about how the problem should and will be solved (Pacheco et al., 2019). Pacheco et al., (2019, p 16) continues:

“The effect of the trust recovery tactics on customers’ attributions of integrity and competence also depends on the time at which these trust recovery tactics are communicated.”

Blockchain Technology

Blockchain technology is known for its roll played within the so-called Bitcoin, a virtual currency created in 2009. Blockchain is described as:

“a distributed database comprising records of transactions that are shared among participating parties” (Zhao, Fan, & Yan, 2016, p. 2)

Or as:

“just another type of database for recording transactions – one that is copied to all computers in a participating network” (Deloitte, 2016, p. 5)"
Fredrik Voss, the Vice President of Blockchain Innovation at Nasdaq explained that, this technology needs a network to be able to reach its full potential (Seppälä 2016). This can be compared to a business or brands ecosystems in which many actors interact.

Blockchain is mostly used within the financial sector at this time but has the possibilities to be incorporated into so many other areas. Blockchain is a very complex technology, making it very difficult to describe without getting into the technical aspect of it all. In a general perspective one could say that blockchain is a modern and secure way to gain consumer trust, it enables the reduction of uncertainty in several ways (Witold, 2017).

“A simplified and aggregated representation of the relevant activities of a company” (Wirtz, Pistoia, Ullrich and Göttel, 2016, p. 41)

The insecurity of who the counterparty is, ensuring promises and having traceability. Ertemel (2018) listed several benefits with blockchain but enlighten the trust improvement as the biggest. A system that offers transparency and the high security making it very difficult to tamper with.

This technology has been new to the business part of life, creating the opportunity for blockchain in a way to be implemented as a technology to build brand trust in the future. Such as honesty, traceability consideration, accountability and transparency are just some of the
advantages. This will build trust and authenticity towards brands, eliminating dishonest actors on the market (Ertemel, 2018).

Ertemel (2018, p 44) says as the final word of his study:

“Blockchain is still in its infancy and it will take some time until we see Blockchain based projects on the mainstream. However, Blockchain technology has a lot of serious implications for marketers that need to be studied from now on.”

This is an insight that is important to consider, blockchain is a new technology and could be useful in retaining trust in the market. This technology may not only make changes in the way brands, businesses or industries operate in the present but may also create solutions for problems occurring within these institutions (Ertemel, 2018)
2.6 Summary

The framework explains the three main things affecting trust: Authenticity, communication and satisfaction. Leading brands to gain trust and increasing the probability of getting loyal customers. This is the base of trust, illustrated in figure 1.

Without trust, brands cannot instill customer loyalty or retain customers. Beside this, there are several factors that are affecting authenticity, communication and satisfaction directly and trust both indirectly and sometimes directly. In both positive (green) and negative (red) direction which is illustrated in figure 3 below.

![Trust model](image)

*Figure 3 Trust model, factors behind trust and aspects affecting trust illustrated in red and green (own model).*

As figure 3 illustrates the way these aspects and factors move through the model is not completely clear, but it is shown that there is an impact in several dimensions.

Authenticity is explained by Portal et al. (2018), as the promises kept by the brand, showing that they care about their customers and that their customers are treated in a consistent and fair way resulting in a higher authenticity factor. Furthermore, a well-developed communication reduces suspicion and strengthens honesty; this reduces the risk for the customer leading to a crucial build of trust (Nooteboom B., 2002 and Azize, Cemal, Hakan, 2012). At last, the higher satisfaction a consumer has with a product, the higher trust it will also show towards the brand itself (Ercis et al., 2012, Chaudhuri, Holbrook, 2001 and Azize, Cemal, Hakan, 2012). These are the three main factors behind trust, which have a clear connection to
brand trust. When an increase develops in all three, trust in the brand will also gain a higher level.

Furthermore, trust will affect loyalty which is crucial for a high market share. Chaudhuri and Holbrook (2001) say that brands with big market shares have many loyal customers. They also state that brand trust is important to be able to have loyal customers. Both Ercis et al. (2012) and Liao I et al. (2010) studied the strengths linked between trust and loyalty. But there is also a direct link between brand trust and market shares (Chatterjee, Chaudhuri, 2005).

All these connections are illustrated in blue in figure 3, these are considered the backbone of brand trust.

In addition to this is the concept of word of mouth, which is important for all companies and can affect all factors shown in figure 3 in ways such as: retaining, attracting and getting a positive company reputation. But as Mal, Davies and Lawson (2018) implies: without trust a good word of mouth will not occur, therefore the link in figure 3 is mainly focused in trust even though the link to word of mouth is wider than only to trust. A form of word of mouth is brand communities, which nowadays often arises on social media. This communities have both, an impact on loyalty (Algesheimer, Dholakia, Herrmann 2005) and an increase in brand trust (Habibi, Laroche, Richard, 2015) and it is therefore placed separately from word of mouth. The community aspect is important when building trust both online and offline.

However, there are still aspects that affect trust directly and indirectly through the backbone factors. These are colored red and green in figure 3, green for positive effect and red for negative effect.

Confusion is when the consumer does not know what the best purchase is. It could occur from too much information or very similar products (Walsh, Mitchell, 2010). Unethical advertisement is a concept that differentiates each brand from one another, with the way in which they gain attention and awareness. It can easily backlash and harm trust, resulting in a lower market share (Bachnik K., Nowacki R., 2018). These two concepts affect only in a negative perspective and it is why they are colored in red in figure 3.

There are two concepts in the figure that are illustrated in both green and red, these two could affect in both a negative and positive way. Equity is about the fairness, rightness or deservingness one consumer is perceive by the brand compared to other consumers (Szymanski, Henard, 2001) and is according to Ercis et al. (2012) linked to brand trust. Furthermore, trust recovery is about the efficient work of a brand, in which a proper recovery
can stop the declination of trust (Pacheco et al., 2019). This can be explained with the actions taken by a brand when there have been incidents that affect the trust negatively.

The final aspect in figure 3 is blockchain, which is a modern and technical tool of securing information, which builds trust and authenticity towards brands, eliminating dishonest actors on the market (Ertemel, 2018). Colored in green, it shows that this technique if used correctly can positively affect brand trust and lead to a higher market share.

The figure ends with the market share factor (purple in figure 3), if a brand is successful in building trust the result will be a greater market share, leading to a higher revenue (Chatterjee, Chaudhuri, 2005, Xingyuan, Li and Wei, 2010, Eggers et al. 2013 and Chaudhuri, Holbrook 2001).

2.7 Central concepts

The following concepts are explained with the main purpose of assuring the reader understands the central concepts surrounding this study.

<table>
<thead>
<tr>
<th>Concept</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>The willingness of the customer to rely on that a brand will fulfill their promises. The trustworthiness, reliability and integrity are factors that will determine trust (Portal et al., 2018 and Bachnik, Nowacki, 2018).</td>
</tr>
<tr>
<td></td>
<td>“Reliability and integrity are associated with consistency, competency, honesty, fairness, responsibility, helpfulness and benevolence.” (Bachnik, Nowacki, 2018, p.1).</td>
</tr>
<tr>
<td></td>
<td>Furthermore, the exact details of the definition of trust is disputed and not determined between the brand and its costumer (Portal et al., 2018).</td>
</tr>
</tbody>
</table>

Micro and macro perspectives

“A micro trend typically last 3 to 5 years. A macro trend, like social media has become lasts longer more in the 5 to 10-year range. A style of dress may be a fad that only affects one segment of the population, but the use of social media is a trend that reaches a broader segment” (Haberman, 2015).
**Authenticity**

The concept of Authenticity is wide and can be explained in numerous definitions, but it can be narrowed down into three dimensions: credibility, reliability and integrity. This can be seen when a brand keeps their promises, that they care about their customers and that their customers are treated in a consistent and fair way (Portal et al., 2018). Also, it can be explained by brand image and brand identity is (Schallehn, Burmann, Riley, 2014).

**Two-way or direct communication**

A form of communication aimed towards existing customers, the way they interact with the brand and being able to apply that into future prospecting customers (Azize, Cemal, Hakan, 2012).

“Communication is the human activity that links people together and creates relationships. Communication functions such as meaning making and organizing functions play important role in building brand relationships” (Azize et al., 2012, p.1361-1362).

**Customer satisfaction**

“The positive attitude a consumer develops as a result of evaluating his consumption experience with a certain product is called satisfaction. Customer satisfaction is the precursor of brand loyalty” (Ercis et al., 2012, p.1398)

“Satisfaction can either refers to transactional measures focusing on a discrete incident or a cumulative construct resulting from a series of transactions” (Azize et al., 2012, p.1362).

**Digitalization**

The technology transformation of human experiences (Fors, 2010).

**Influencer**

“The influencer is the individual whose effect on the purchase decision is in some way significant or authoritative” (Cambridge Dictionary, 2019a).
<table>
<thead>
<tr>
<th><strong>Ambassador</strong></th>
<th>“Brand ambassadors are people who promote a product or company, both publicly and among their friends” (Cambridge Dictionary, 2019b).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target groups</strong></td>
<td>The group of people that a message or advertisement is intended to reach (Cambridge Dictionary, 2019c)</td>
</tr>
<tr>
<td><strong>Expectation</strong></td>
<td>What the consumer think, or hope will occur in the future (Cambridge Dictionary, 2019d).</td>
</tr>
<tr>
<td><strong>Word of mouth</strong></td>
<td>Word of mouth is an important aspect of marketing, and a form of advertisement were pleased customers tell potential customer about the product (Solomon, 2017).</td>
</tr>
</tbody>
</table>

*Table 2, Central concepts*
3 Method

This section describes which scientific methods used during this study, how the data was found, and the approach taken throughout the analysis.

3.1 Scientific approach

This study as many other qualitative papers is built upon an epistemological and ontological point of view, which means that it investigates the social connection and the social environment between humans rather than the natural scientific model which is used in quantitative research. The social behavior is the foundation of the connections between humans, and the study aims to find these values in relation to brand trust. This gives it a naturalistic approach; the study wants to reveal the connections of its problem in terms of how it really is. Furthermore, this will support the building of a conclusion (Bryman, Bell, 2015).

3.2 Research strategy

This study has selected qualitative interviews as its main source from gathering data surrounding the selected problem, within brand trust in marketing. Qualitative interviews have a less structured process than interviews made during a quantitative research. While structured interviews provide quantitative research with reliability and validity gained by the designed questions formulated by the researchers. Qualitative interviews give the advantage and flexibility to researchers to focus on the insights of the interviewee (Bryman, Bell, 2015)

Qualitative interviewing has two major approaches when conducting interviews. This research will be conducting semi-structured interviews. Semi-structured interview has been selected since it brings both, a list of questions specific to topics selected by the researchers and the flexibility of letting the interviewee go off topic and for interviewers to follow up with questions connected to what the interviewee sees relevant or important during each given interview. In the process of semi-structured interviews within this qualitative research, similarities will be found regarding the form each question will be asked by the interviewers to each interviewee. (Bryman, Bell, 2015)

These interviews will be conducted by a pair of interviewers. Researches in this study see the advantages of allowing the process to be taken by two individuals simultaneously. Being able to have one individual direct the interview and at the same time have another taken detail notes and to observe and analyze the interviewee. The individual directing the interview can go through the topics and keep the interviewee active in a conversation while the interviewer can be following the topics and take part of the conversation when they feel like a topic has been
overlooked or focused on too much. Finally, this study sees that having multiple interviewers makes the atmosphere of the interviews more informal, having a conversation between three individuals instead of the interviewee feeling like and interrogation from a one-way interview. (Bryman, Bell, 2015)

The disadvantage surrounding the selection of this method has also been discussed by the researchers in this study. The potential of an interviewee going to much off topic, given the semi-structured process or given the multiple interviewers having a negative response by the interviewee in the sense of them feeling intimidated, have all been factors brought up by throughout the initial steps of the study. These researchers do not think that these factors are of concern, if encountered researchers will be able to adapt depending on the situation.

Having analyzed the disadvantages concerning the selected methods surrounding this study. It has been clear that each method used will provide this research with both reliability and validity, two main factors that allow this study to reach an academic level.

3.3 Gathering of data

This study also uses previous public knowledge from documents within the topic of marketing and brand trust as a way of gathering secondary data. This is surrounding the fact of limited time and resources available to apply to this study. Previous researches, reports, articles and others will help the analysis of this study’s selected problem concerning brand trust (Bryman, Bell, 2015). A disadvantage with this process of data gathering can be regarded as a clear lack of control these researchers have over the results provided by the data.

The primary data was gathered through semi-structured interviews, both personal interviews that took place at the companies’ locations and skype interviews which allowed researchers with long distance video calls. The researchers aim was to have semi-structured interviews to strengthen the personal feeling of the interviews, giving researchers an easier control, which mirrors result in the deeper answers (Bryman, Bell, 2015).

3.4 Description of the empirical area

The empirical data has been collected from different size companies throughout southern Sweden. Southern Sweden is defined by the researchers as south of Stockholm. Requests were sent out to 105 marketing and communication companies, through which 7 companies replied positively and the interviews were made.
Following companies were interviewed:

<table>
<thead>
<tr>
<th>Company</th>
<th>Geographically located</th>
<th>Type of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>House of brandy</td>
<td>Halmstad</td>
<td>Skype</td>
</tr>
<tr>
<td>MCO reklambyrå</td>
<td>Halmstad</td>
<td>Personal</td>
</tr>
<tr>
<td>Quicksearch</td>
<td>Halmstad</td>
<td>Personal</td>
</tr>
<tr>
<td>Basunera</td>
<td>Helsingborg</td>
<td>Personal</td>
</tr>
<tr>
<td>By kommunikation</td>
<td>Norrköping</td>
<td>Personal</td>
</tr>
<tr>
<td>Volt</td>
<td>Stockholm</td>
<td>Skype</td>
</tr>
<tr>
<td>8190</td>
<td>Örebro</td>
<td>Skype</td>
</tr>
</tbody>
</table>

*Table 3. Interviewed companies*

These companies' sizes vary, each having between 2 – 50 employees.

Furthermore, the companies will allow access to interviews with employees with knowledge about the Swedish market. This will give the study the adequate prerequisites for the needed findings. During the study the companies will be assigned a random letter from A-G, this will secure that the companies' opinions will stay anonymous.

### 3.5 Analysis method

For this study to properly analyze the gathered data, an approach of induction form has been selected. Allowing universal findings to the problematic questions through the chosen companies, within which, the method of grounded theory will be adapted. An extensive theoretical framework to produce the interview guides, giving the study the prerequisites to compare theory with its results (Bryman, Bell, 2015).

The interview process will be transcribed and coded. Obtaining correct findings and at the same time doing a continues comparison with the selected theories (Bryman, Bell, 2015). The coding will be categorized and developed through the interviews (Merriam, 2011). This analysis is referred to as thematic analysis (Bryman, Bell, 2015).

Furthermore, the interviews will allow for further complementation with future interviews with the companies if the researchers require it (Bryman, Bell, 2015).

### 3.6 Ethics

Due to the company’s willingness to give information about clients, their anonymity is granted if requested. The companies have allowed their name to be published and the clients have been given the opportunity to be anonymized. Surrounding sensitive information that could be used by other interested groups to damage the selected case study companies (Merriam, 2011).
# 3.7 Operationalization

## Categorization of the interview guide

**Describing questions**

(Interviewer: explain a little about what they know about the company being interviewed)

- Is there anything you want to highlight about how you work and what you think is most important?
- What are the top three most important components you work with?

When it comes to your customers, how is your relationship with them? - (partnerships, one-time customers, one-time assignments, etc.)

**Factors behind trust**

- What do you think is included in trust, which components are the most important?

  (If the points below are not mentioned, discuss them and ask why:)
  - Authenticity
  - Communication
  - Satisfaction (satisfaction)
  - (Equity)
  - (Loyalty)

  In a scale of 1–3 in both a long-term and short-term solution, place authenticity, communication and satisfaction in a perspective linked to trust.

  - Develop why you value them this way?

- What do you think is included in each component (authenticity, communication and satisfaction) and what do you think is missing?

- If we continue with the components Authenticity, Communication and Satisfaction, in which way do you work with them towards your customers?

**Factors behind mistrust**

- What do you think about unethical advertisement (example)?
<table>
<thead>
<tr>
<th><strong>Other aspects</strong></th>
<th><strong>Trust perspective and possible solutions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>What do you think about confusion (confusion, similar brands, difficult to distinguish etc) why is this and how can you solve it?</td>
<td>What do you think the trend in trust is towards brands - what is this development due to?</td>
</tr>
<tr>
<td>What do you think about equity, how do your customers treat their consumers?</td>
<td>What do you think is the reason why consumers have lesser trust in brands now, rather than 10 years ago? (individual companies and market perspective?)</td>
</tr>
<tr>
<td></td>
<td>If no changes are made, how do you think the market would develop?</td>
</tr>
<tr>
<td></td>
<td>What is the solution to increase confidence in brands in a long-term perspective?</td>
</tr>
<tr>
<td></td>
<td>Is there any general advice you usually give your customers, linked to trust?</td>
</tr>
<tr>
<td></td>
<td>Is there anything else you want to add about trust, which we have not already discussed?</td>
</tr>
</tbody>
</table>

**Illustration of our own model**

*Table 4, Categorization of interview guide*

The interview guide is presented above and categorized into the important trust concept developed in the theory.
Also, an information sheet (appendix B) was sent out to the interviewed companies before the interviews. This way the companies knew what topics we were going to discuss, and this would generate more qualitative answers.

3.8 Validity and reliability

The selection of the case study companies was directed to their position within the market, a purposive sampling with a mix of theoretical and a criterion sampling. The companies were chosen in context with their working with marketing and communication in general and brand trust specifically. The close similarities to other companies, provides the reliability concerning the structure of this research. The companies were chosen with the same criterium. A selection that had in mind the facility for future researches to duplicate these results, such as using a method for gathering data trough semi-structured interviews for the same duplication factor for future studies. A transparency regarding the different positions interviewed within the companies, and to an extent if possible, the more sensitive business information strengthening and securing this study’s external reliability. Furthermore, interviews performed by two different researchers, enables a red thread perspective through all the interviews. Two researchers taking part of each interview, allowed the analysis to develop a broader scope of the information. Allowing two perspectives to merge into building one concrete and theoretical analyses of the gathered data, resulting in the internal reliability of this paper. As a form of facilitating sources for future researchers, the interview guide used in this study will be provided at the end of the paper (Bryman, Bell, 2015).

The validity of this research is the result of the theoretical base structure of the interview guide. The procedure in which, this took place and in what matter. Questions derived from theoretical concepts and ideas strengthening further this study’s internal validity (Merriam, 2011 and Bryman, Bell 2015). The correspondents will also continually review the data produced, so that the researchers have interpreted the interviews correctly (Merriam, 2011). External validity is provided in terms of the degree of the findings generalized from the Swedish market, results which could be implicated in some or the entire Swedish market (Bryman, Bell, 2015). Even though the view of the companies could differentiate from other competitors within this market which, results in a criticism against this study, researchers have found that this external validity gives a significant conclusion that can be implementable to brands in the Swedish market.
3.9 Limitations

The study has been limited to the Swedish market regarding the time and resource limitation available for this research. Furthermore, the empirical data was only gathered from the southern part of Sweden. This selected geographical area was related to researchers' resources available at the time of this study, to travel to the selected companies. With regards to the interviews these researchers first choice was to have personal meetings by because of factor out of these researches’ hands internet interviews were also used as means of data gathering.
4 Empirical data

Following section will present the results from each interview, the companies are mentioned by a randomized assigned letter. The interviews are presented in three steps: declination, trust factors and future to get the text in a more structured form. At the end of each interview a key word categorized is shown in terms of the important and central concepts throughout the interviews.

4.1 Company A

Declination

First the company A states the importance of a harder competition, especially internationally as a big factor for the lack of trust in the market. The customers have a lot more to choose between, and the younger generations are also more interested in the core values of the companies and brands. The lack of this for many companies is one cause for the declination in trust. But company A also talks about the difficulties with getting recognition, to get recognition you must work with the emotional aspects.

Trust factors

In the discussion about components of trust aspects of honesty and transparency in the long-term perspective are highlighted and in the short-term the importance of finding a personality for the brand.

“You have to understand that the need is the same for all branches, you have to build trust and relations with your customers. But there is a difference in the different target groups of how they want their services. (company A)”

One thing that they wanted to highlight is tribes and communities, this is something much more important today. As an example, they enlighten influencers that build a community and how people want to be associated with that brand and the customers will be loyal with it. Also, if the tribe/community fails in their values the customer quickly changes.

Company A also highlights the importance of communication:

“At the same time, communication is a difficulty. For just communicating, thus just spitting out advertising does not work in the long run. Communication is based on 2-way interaction, the feeling of be able to influence”
But also, the importance of satisfaction, and the relation between satisfaction and expectation and the expectation when it comes to the brand. To be able to find the correct level and communicate it properly, the company must deliver what it has promised to its customers.

Company A also discusses the importance that everyone has within the company, employees must pitch the brand image in a way that the customers will remember, in a memorable storytelling way.

“A brand is only in one’s mind, it is not for real” (Company A)

There is an importance of building brand trust on the correct foundations, company A makes examples of a low fare airline company that is famous of being cheap but has an extremely low trust rate. But this company still has an enormous high revenue, which implies that there are two sides of the coin.

Future

Furthermore, the discussion about the reasons for the declination of trust. Company A enlighten that modern companies have not kept up with digitalization, they are not transparent in digital medias and social medias. They need to be personalized in the digital forums.

If no actions were taken, they thought that only the brands with the highest trust would survive, because customers have higher demands nowadays. But also, they must build the brand on the correct foundation. To build trust with the right target group. There are groups that think trust is a major factor and some who do not. The equality with trust and market share is not always true. But company A points out that accessibility and honesty are the key to success, the most important factors.

Regarding blockchain the modern technology is always helpful, and solutions from this could maybe be found.

Finally, the trust model that was built by the researchers commented slightly simple and linear, it should maybe be presented as more circular and that it could be affected from many directions.

Key categories: Competition, Communities, Satisfaction, Digitalization, Communication, Expectation and Loyalty
4.2 Company B

Declination

Company B think it is hard to say something in general what is the main purpose for the declination, but the main thing is when brands are not authentic. Modern consumers look through this, in a way that we have not seen before.

Trust concepts

One concept is loyalty clubs, it is one of the outcomes with trust. Also, something that many associates with trust.

The most important is to fulfill your promises, always. If you want to be a cheap brand, do not be afraid to say it. You must be authentic in your promises, otherwise you will not get any trust.

The communication aspect is also important, to both gain trust and uphold trust. Everything depends on what your goal is.

When discussing word of mouth company B claims that it is not an important factor, not in the regular businesses. Of course, when there are bigger scandals and such, but in general you will still buy your things even if you friend says something bad. The word of mouth marketing is expensive and not especially smart to focus on.

Brand communities is only valuable for big brands.

Further on, the confusing concept is affecting trust. There are so many ads that are focusing on price and product rather than on brand strengthening. The customer will have problems remembering which ad said what.

Future

The new trend about environment and sustainability is essential, if you do not catch that train it will be enormously hard for you to catch up. There is already a move towards this, the new era of environmental brands. But in general, the concept of not to promise to much will let the market stabilize itself when it comes to trust.

But the biggest thing, that could be implied on all brands is participating on topics and debates, if you do this your brand will get personalized and humanized. This is a form of simple marketing, get a part in the society. For example, if you are a small local milk brand you should debate against the big ones. Support the local farmers and debate around this topic. This is
authentic and the brand will get credibility. This debate is a form of conflict, dare to have an opinion and then you will be seen for free.

Move from price and products and initiate brand building advertisement, this will create trust.

**Key categories:** Authentic, Promises, Environment, Sustainability, Conflicts and Brand building

### 4.3 Company C

**Declination**

Company C thinks that a major factor for the question about why the declination in trust is occurring, is that expectations have increased, and the digitalization has made this rise possible. Also, the digitalization has made the customers more alert, which affects the brands in a way where they must be more transparent which they have not been.

**Trust factors**

Company C explains the concept of trust with 3 lead words: delivery, genuine and authentic. Most products and services are not unique or better than the competitors, instead you must focus on making trust with the customers. The delivery part is about satisfaction, and its connection with the expectation. It is a scale when it comes to how satisfied the customers are, which depends on how much expectation they have. But to be able to gain higher trust the brand must exceed their expectations. The expectations are changing more rapidly nowadays, and brands cannot keep up, this is also an effect of digitalization. This is the reason why all brands are also more examined.

To be authentic and genuine company C claims that the brands need a long-time perspective, Volvo and its security is one example. They have pushed this in a way that it has been common knowledge, but still they need to work with it in a genuine way. If not, they will be lynched, and the trust will disappear.

*“The brand builds a promise, then they deliver according to the promise”*  
*(Company C)*

This quote demonstrates the importance of delivering and communicating the brand promises, which the demand has risen with digitalization. This has created more channels for both one-way and two-way communication, and the two-way communication has increased with platforms such as social media.
Digitalization has also made simple services more reliable, such as auctions and room renting online. These services are ancient, but brands have built trust in technology as a solution.

Company C has also described the importance of word of mouth, they suggest that we live in a world of recommendation. The customer can easily find out what ratings a brand has by going online, but still a friend’s opinion in the real word is more important than the online ratings. Word of mouth and using ambassadors, in a way like influencers but also the ambassadors that occur by delivering good products. Still, there is also the aspect of finding the right target.

“If you get your right target group then they will be satisfied, which leads to positive word of mouth.” (Company C)

Furthermore, this is also connected with loyalty. Through all sales it is very important with loyalty, todays sellers must build trust with the consumer, because the consumer knows more by itself. They have ha knowledge which has its nascency from the digitalization, they can easily get information and reviews. Trust is a key to loyalty, and the loyal customer wants to identify itself with the product.

They also discuss the trust recovery aspect and claim that if you take responsibility to try to solve the problems the trust will increase.

The question about confusion was confusing for company C, but they absolutely thought that it could be a factor such as in telecom businesses but still there are many areas were this is not true, they stated. But they still implied:

“But if there are too many equal brands and products, then it becomes difficult to distinguish between the promise and what they actually deliver. That in the end becomes the same regardless of what you choose.”

(Company C)

As an example, company C talked about the telecom business:

“The products are so equal that you always feel cheated, it didn’t matter what you bought it because there were constantly new campaigns. So, when you made a super purchase from one brand, a new and better campaign came somewhere else the week after” (Company C)

Also, the discussion about the low fare airline company was brought up. Company C meant that this company had one promise, to be cheap and could therefore be seem as authentic. If they deliver as their promise of being cheap. Somehow, they will gain trust when delivering this.
**Future**

The discussion also touched blockchain, company C thinks that it could be useful in some areas, furthermore, the questions about what will happen in the future took place. Company C thinks that it will be a differentiation in which brands with low trust scores will be knocked out and the brands with high trust scores will remain. But also, the repercussions of an error in trust will affect much harder in the future.

> “if you do not communicate and act yourself, it will still be done for you”  
* (Company C)

The companies in the future must be better at choosing the right target groups, building trust towards the right customers. But the most important factor is the authenticity of the brand, it must be genuine. Company C tells us that this could be the solution:

> “You do what you say, you say what you do” (Company C)

**Key categories:** Digitalization, Authentication, Expectation, Satisfaction, Targeting, Communication, Promises and Confusion

**4.4 Company D**

**Declination**

It is hard to put it in a general perspective, there are some brand or companies with the facility to create trust but other, while other do not. Also, some branches within different markets have the flexibility to change while other are dominated by bid companies with a monopoly controlling the big changes within the market. A big part of it has to do with the transparency of it all today, a products sale can be affected by not being able to adapt to a change or a given scandal affecting the customers image of a given brand. It may also be connected to factors outside the control of a brand, such us media and the way they talk about a given product what they chose to show the public, if it’s the truth or just meant to get more viewers. In a way, todays competition is completely different to what it was in the most, the is a wider amount of competition and a bigger factor of transparency, both having a global reach, which was hard to get in the past.

**Trust concept**

When looking into trust company D, acknowledges that it varies from market to market depending in with branch a certain brand is part of, it also depends on the customer a given
brand is trying to reach. Authenticity can be a factor that varies whether it is used by a smaller or a bigger brand. A smaller brand has the possibility to have a better effect at a local level with customer which are personally connected to employees or the brand itself, but bigger brands have the benefit of being able to create reach to spread its brand image.

Communication can be something that the company has control over, having a wide variety of competition many companies get the advantage of being able to analyze and compare their competition before strengthening their own brand image. Communication has not changed throughout the years, but it does have taken other forms and shapes to adapt. Company D gave a good citation in which it says,

“A bad brand can be easily and very fast killed by a good communication”  
(Company D)

One important point company D brought up was the ability to be seen. Creating and image with a wide reach to be seen by customers and prospective customers play an enormous roll within trust. Talking about word of mouth as something that does not really affect trust but while having a certain person such as a brand ambassador or influencer, can be a major factor in whether a brands trust will rise or sink.

But giving the advice to their customers in which the describe that to create or maintain trust one must deliver what the brand has promised, being able to back any assurance guarantee to the customer by the brand.

The ambassador of the company is essential, nowadays there is one person representing in another way as before. For example, look at Steve Jobs in Apple whom became an Apple icon.

**Future**

It is hard to be able to predict or even come close to knowing what the future for brand trust may look like. It can only by said that it will vary with times if no major change takes place, company D feels that if they can think of trust has been a factor that varies a lot depending on many factors and a prediction of in which direction it is heading is impossible to make.

**Key categories:** Competition, Authenticity, Communication, Word of mouth, Ambassadors

**4.5 Company E**

**Declination**

Modern people are more vigilant and careful in what kind of products they chose, and they care more about the background of the brand than in the past. There are many soft values that are
taken into consideration, such as the employees working conditions and what type of commodities they have. This focus has logistic flows made the brands focusing on these values instead of building trust, this relates to the digitalization. If you get caught violating these values the brand will quickly get a bad reputation.

Big companies and brands have also made several missteps that led to the market being on a downhill, when the consumers lose trust in the big actors it is easily spread to the smaller ones just like a snowball effect.

The confusion in many alternatives and likeness when it comes to different products and services, creates a situation for customer in which they do not know what brand is best. This is because they are only familiar with the product, not the brand behind.

**Trust concept**

Company E implies the importance of the trust and loyalty connection, that is the major outfall of trust. Also, to be able to build trust brands must work with a long-term perspective.

To gain trust the communication factor is very important; without communication you cannot create anything. There is a huge amount of information and communication today, that is why you must be on the edge in those areas. To be able to gain trust the two-way communication is essential. This is connected to the concept of trust recovery, were company E enlightens it as a positive approach, if companies have an established action plan and communicate it correctly, they will even gain trust through their errors.

But also, satisfaction is important, if the customer is not pleased with the brand there will be no trust.

To gain trust, you must aim towards the right targets. Even if the brands are associated with low trust, you still must aim towards the customers that would be pleased with other things rather than your trust. This will furthermore increase your trust but in general, the gains in trust must be at the right targets. The key can be found in a segmentation to reach the aimed customer target.

An example can be to use ambassadors/influencers aiming towards the correct target, this will build your trust.

To be able to find the correct target groups, the brand must know its own cause. Using this will provide your brand with a personal feeling, which will increase the brands value.
The concept of brand communities has a skepticism point of view in Sweden, which makes it less valuable in Sweden, that is why we do not have the great apple communities as in U.S.A.

They also dismiss the concept of unethical advertisement as outdated, when something is stamped as unethical there is no need to continue with it.

“I would say that there is no use in doing it anymore if you do not want bad attention.” (Company E)

Company E also discussed the example of the low fare airline company, the reason people are using it is because they are cheap. Enough cheap to over win the low trust rates, people are ashamed of using it and maybe they will not even admit that they use that kind of company.

Future

The major thing in the future will be building on personal level, this has already been established in some ways though influencers.

“You build trust against the influencer, but you do not build the trust against the products” (Company E)

Company E wraps up the interview with highlighting the importance of being clear, straight and honest in one’s communication. This will be key in the future.

Key categories: Digitalization, Targeting, Influencers, Ambassadors, Communication, Loyalty and Authenticity

4.6 Company F

Declination

In general company F has not seen this trend, because they work with mostly strong brands and in them the trust has rather increased. But they think the trend is on downward, and the main reason is that they are much more exposed nowadays through digitalization.

“15 years ago, the company owned its own story, they do not today”

(Company F)

The customer’s trust in brands is affected by public opinion; it is not the own experience that are a driving factor but the negative stories from others.
**Trust concept**

The concept of trust is the experience of the brand, the everyday connections. To gain trust the brand must be authentic. To be able to keep the core and DNA and present it in a clear way. With high trust the brand will gain loyal customers. Authentication is a feeling; it is an emotional aspect. It will be built in a long-term perspective. This relates to a purpose; the brand must be a purposeful brand. Everything is built from the purpose that the brand exists for, the reason that the employees are working must be related to what the brands stands for.

“How you will win the hearts of the customer, is more about two-way communication and the treatment” (Company F)

The communication must be personalized, the individual treatment and understanding is more important than a one-way communication.

To be satisfied is important, but not essential. Still good enough could be enough to gain trust, you could make satisfaction in a measurement of how satisfied the customers are.

In the discussion about word of mouth it was clear about the importance, and that it could generate huge ripple-effects whether it is used correctly or not.

Brand communities was implied to be important but not essential, it could be a goal to build a community. This could be done by both big brand but also smaller, the size is not essential but rather the feeling and purpose about it is. There are cases of communities that induces tattooing the logo of the brand on their arms. It is an extreme example of an extreme community, and it is referred to as a nuts-crowd.

Company F thinks there is a problem with unethical advertisement, it is affecting the ethical advertisement and it also creates an overload of advertisement and messages. The development is towards a positive direction, which could be a side effect of the digitalization; you do not dare to have unethical opinions.

Company F implies that when it comes to the concept of confusion, it is a reason for trust declination, many of the brands are being diluted. But it could also affect in a positive way, in which strong brands could gain in trust.

“That you then get more to compare with, to make them appear as a premium alternative. Can be a positive thing for them, certainly they get increased competition in terms of volume, but brand-wise there may be an advantage that others appear trying to be something. They can be the original ones clear and strong.” (Company F)
In terms of trust recovery, the importance of acting quickly and clearly are important. The actions taken must be authentic. But there is nowadays a tsunami of crisis, which entails a shorter memory of the customers. There are always newer and more interesting crisis to change your focus to.

**Future**

The trust will in general continue declining, but this opens for winners.

“There will be a greater differentiation or segmentation of brands. Those who have very strong trust and those who do not have them.” (Company F)

Authenticity is the solution, then dare to ask why your brand exist and build upon that. Through this you must deliver every day, this will create gain for your brand.

To get the credibility in the brand there is importance with human connection, it must be some humanity behind. But still blockchain could be some sort of long-term solution in a way I do not know.

“I think it is a tremendous potential for those who are successful in creating trust. In this world of declining trust, there will be winners and losers”

(Company F)

**Key categories:** Authenticity, Purpose, Confusion, Word of mouth, Personalized, Digitalization and Communities

**4.7 Company G**

**Declination**

Company G recognizes the brand trust declination happening within the market, and not only in brands but also in whole branches. Consumers do not trust big institutions, but rather someone they know or have a close relationship with. An example is that people tend to trust an influencer regarding dietary advices rather than governmental institutions.

Digitalization drives transparency, it being one major factor to build brand trust.

**Trust concepts**

The most important concept to gain trust is authenticity, brands need to be clear about what customers should expect and make the correct target groups expect what they are supposed to.
But also, be transparent with brand, that it acts in accordance to what it stands for and what it promises its customers.

Regarding communication, the one-way communication is important to deliver the right message about the brand and the correct expectations. In the other hand two-way communication is more important when focusing in the contact between brands and their customers, building the brands relations with customers and prospective customers.

To build a good brand one needs to be trustworthy when it comes to the foundation, a brand has to have a purpose. Why a brand exists, what it wants to deliver and ensure that this permeates within the whole organization.

Trust is furthermore an important aspect in loyalty, trust is essential to gain loyal customers.

Furthermore, Word of mouth is an important aspect which, brands have very little control over, compared to before. Experiences are what builds a brand, it is was gives the concept of storytelling such an important role when it comes to word of mouth.

Finally, a brand should focus on trust recovery, which is also seen as a very important factor for brand relations. If a brand does this reliably and thoughtfully, it can gain an increase of trust instead of lowering it.

**Future**

Clarity, openness and emotional values are the most important factor to build trust in a long-term perspective.

When it comes to blockchain, company G believes that it could be a solution in the future., the technique guarantees the trust but there is a huge obstacle regarding consumers understanding of the system.

> “But there is the possibility that if you communicate it in a better way so that you do not need to understand the technology but just need to understand the service of blockchain and the message in relation to the brand or the industry that it is used in” (Company G)

Company G means that people only need the knowledge that blockchain exists in the organization for it to result as a trust builder, Blockchain can therefore be a tool for brands to build trust.

**Key categories:** Authenticity, Digitalization, Purpose, Targeting, Transparency and Expectations
4.8 Grading in long-term and short-term perspective

An estimation of the most important factors on a scale from 1-3 was done by all interviewees in both long-term and short-term perspective. The most important are scored with the lowest point.

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<thead>
<tr>
<th></th>
<th>Short-term perspective</th>
<th>Long-term perspective</th>
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<tbody>
<tr>
<td><strong>Company</strong></td>
<td>A</td>
<td>B</td>
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<tr>
<td><strong>Authenticity</strong></td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>Communication</strong></td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td>1</td>
<td>2</td>
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*Table 5, Grading perspectives*

4.9 Key categories

<table>
<thead>
<tr>
<th>Priority</th>
<th>Key categories</th>
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<tbody>
<tr>
<td><strong>1</strong></td>
<td>Authenticity and Digitalization</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>Communication, Expectation, Targeting, Ambassadors</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>Satisfaction, Competition, Loyalty, Promises, Confusion, Word of mouth, Influencers, Purpose, Personalized, Transparency, Communities</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>Brand building, Conflict, Sustainability,</td>
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</tbody>
</table>

*Table 6, Most frequent categories discussed during interviews; grading them for 1-as the most discussed to 4-the least discussed.*
5 Analysis

The analysis is built upon the empirical findings, seen through the light of the theoretical framework. This section structure is formed using the problematic questions as a guide.

Q1: What (has been and is) the cause for the decline in brand trust?

Q2: How can brands enhance their brand trust to customers in a long-term perspective?

But also, considering the aspect of how brand trust will develop if no actions are taken.

To understand the history of the declination in brand trust and by analyzing the present market situation this paper aims to find connections to the future aspect of the Swedish market.

5.1 Declination of trust

A major category that was developed through the interviews was that of digitalization, generally the companies implied that digitalization is a major factor of trust. Company F states:

“15 years ago, the company owned its own story, they do not today”

Wath they suggested was, that brands could control the flow of information before, but today there is a constant flow of information and it is harder to control. This is a form of authenticity (Portal et al., 2018) were brands need to be real, given that digitalization has stopped brands from being fake. Company B implies that the modern customer looks through a façade quickly. Hajli et al., (2014) focused on the impact and opportunities that social media has on brand trust. They state that (2014, p.675):

“In fact, social media may now be used to build and develop trust, such as consumer trust.”

Which should mean the opposite for the declination of trust, Company A explains that modern companies have not been able to keep up with digitalization and they are not transparent in digital-and social media either. They need to be personalized towards customers and potential customers in the digital forums.

The consumer is interested in the attributes surrounding the brand, such as sustainability, flows and soft values. If a brand is genuine, real and true to an extent that explains both the brand identity and behavior (Portal et al., 2018). Schallehn, Burmann and Riley (2014, p. 193-194) explains authenticity, with the identity as a form of image:
“...the brand image represents the exterior view of a brand. It is understood as “condense and judgmental perceptions about a brand fixed in the psyche of relevant external target groups”, e.g. customers and consumers”.

When the brands have difficulties to portray their image as real and genuine, they face a problem. The customer wants it to be authentic and the modern society can see through the fakeness of when the brand is trying to be something that they are not.

Also, a suspicion that the brand is not genuine could affect trust. As company F implies:

“The customers trust in brands is affected by the public opinion; it is not only the own experience that is the driving factor but also the negative stories from others.”

The customer demands more transparency, and when the brands do not deliver the declination occurs. Company G gives the example of that people tend to trust an influencer regarding dietary advices rather than governmental institutions. The influencer seems to be more genuine and personal in the eyes of consumers.

The problems with declining trust can also be explained through not communicating the correct expectations to the customer. As Azize et al. (2012, p.1361-1362) explains:

“Communication functions such as meaning making and organizing functions play important role in building brand relationships”

Company C describes that the expectations have risen, and that brands are not communicating what the customer should expect. This develops a gap, which furthermore affects brand satisfaction (Ercis el al., 2012). When the customer thinks that he will get a higher value but, in the end, the customer will get lower satisfaction.

The confusion factor is clearly a cause for the declination of trust, many of the interviewees pointed out that the likeness of products and services between brands. As Walsh and Mitchell (2010, p. 839) states in their report:

“...When confused, consumers are often in a state of anxiety, frustration, lack of understanding and indecision.”
This is explained by company C with an example from the telecom businesses:

“The products are so equal that you always feel cheated, it didn’t matter what you bought because they were constantly new campaigns. So, when you made a great purchase from one brand, a new campaign came somewhere else the week after” (company C)

This was a common opinion by the interviewed companies, not exactly as the telecom industry, but similar problematization.

Through the interviewees three areas can be found in explaining why the declination has occurred: digitalization, expectations/satisfaction and confusion. The digitalization has had a strong connection with the authenticity of a brand.

5.2 Development of the market with current path

There is a consensus from most of the interviewed companies, regarding the continued declination of trust. Company F phrases it:

“There will be a greater differentiation or segmentation of brands. Those who have very strong trust and those who do not have them.”

Furthermore, company C express it in harder terms such as that brands with low trust scores will be knocked out and giving the brand with high trust scores a chance to remain.

Through the interview stage, there were no further insights into where the market will develop to, more than in a continuing slope.

5.3 Understanding factors of trust with the trust model

The trust model, figure 3, was built upon the three main areas: Authenticity (Portal et al., 2018 and Schallehn, Burmann, and Riley, 2014), communication (Nootboom, 2002, Azize, Cemal, Hakan, 2012 and Ercis et al., 2012) and satisfaction (Syzmanski, Henard, 2001, Ercis el al. 2012, Azize et al., 2012 and Chaudhuri, Holbrook, 2001). These three make the foundation of trust, all interviewed companies agreed with this as the foundation needed to build trust in a
long-term perspective.

Figure 3, trust model (own model)

Target groups, word of mouth and expectations

To gain trust, brands must focus towards the right target groups, as company A explains:

“You have to understand that the need is the same for all branches, you have to build trust and relations with your customers. But there is a difference in the different target groups how they want their services.”

Furthermore, company C and company E follows:

“If you get your right target group then they will be satisfied, which leads to positive word of mouth.”

And company E:

“To gain trust, you must aim towards the right targets”

These three quotes imply the same thing, the targeting plays a major roll into gaining trust. If the targeting is wrong, the expectations in that target will be different and this could lead to bad word of mouth. As Mal, Davies and Lawson (2018) are discussing in their report, a positive word of mouth will generate a higher revenue. But also, as Hajli, Lin, Featherman and Wang (2014) highlight, the trust in the online areas is highly dependent on word of mouth.
A better targeting could lead to a positive word of mouth but also to a higher satisfaction, these two are also linked. They are linked by the expectation part, if the brands have the right target groups the expectation in those groups will be more correct.

“The brand builds a promise, then they deliver according to the promise”

(Company C)

The expectation is about how to regulate the satisfaction, if you communicate a low expectation the customer will expect low and in that case be satisfied. Companies A, E, F and G are talking about this measurement of satisfaction, as a relation of satisfaction and expectation. If brands will be able to regulate this there will be a gain in trust. This is similar to as Erics et al. (2012) explanation about delivering the expected value.

Still, Company B suggested that word of mouth is not that important. It is too expensive for regular brands to focus on, there is only a huge impact when there is a scandal and word of mouth becomes negative.

<table>
<thead>
<tr>
<th>Differences in opinions about Word of mouth</th>
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<tbody>
<tr>
<td>Positive</td>
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<tr>
<td>Company C and G</td>
</tr>
<tr>
<td>The word of mouth concept is seen as extremely important, more today when digitalization has occurred. Such as rating and reviews online make an impact more heavily today. But also, that the big trustworthiness of friends is essential for today's consumer. Good word of mouth plays a huge factor that results in a brand being able to gain a lot of trust.</td>
</tr>
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</table>

Table 7, Difference in word of mouth

As seen in table 7 there is a difference in the opinions, this could be explained by them working with different types of brands, active in different industries. But still, all this study’s theory supports word of mouth as being extremely important with regards to brand trust. This is also supported by most of the interviews, Mal, Davies and Lawson (2018) is in line with the result of this study.
Trust recovery

The trust recovery aspect was found as an opportunity to save trust and regain trust, Pacheco et al. (2019, p 16):

“the effect of the trust recovery tactics on customers’ attributions of integrity and competence also depends on the time at which these trust recovery tactics are communicated.”

The recovery tactics recommended by company C and F were to act fast and genuine, which goes hand in hand with the theory. Company E and G implies that if the brand has a well-established action plan, when doing the recovery in a trustworthy and reliable way, the error could even turn into a gain of trust.

This determines that the empirical data confirms the theory, and this could be a factor in which a good recovery makes a positive impact to greater trust rather than to decrease it, which could have been initially caused by the error.

Unethical advertisement

There are not any indications that unethical advertisement has any positive effect on trust, company F states that it also could have a negative effect towards the ethical advertisement:

“it is affecting the ethical advertisement as well such as it creates a tiredness of advertisement and messages”

The negative effect is exploited by company E:

“I would say that it is no use in doing it anymore if you do not want bad attention.”

Bachnik and Nowacki (2018) states in their report that it could have a negative impact towards the brand, and the reason to use this method is to differentiate and get awareness. But majority of markets do not use this method and is rather seen as outdated.

Brand community, influencers and ambassadors

The importance of brand communities is divided within the interviewed companies. Habibi, Laroche and Richard (2015) say that brand communities are non-geographical groups of people that have the same admiration for a specific brand, this communities have increment effect on the trust.
Company A highlighted the following: influencers build a community in which people want to be associated with and that brands that are associated with these influencers gain loyal customers through this associations. Company F follows with that brand communities are important but not essential, but still one of the goals could be to build a brand community. This could be done by both big brands and also smaller, the size is not essential but rather the feeling and purpose behind it is. This goes well with Algesheimer, Dholakia and Herrmann (2005) who investigated the purchase intentions and brand loyalty within brand communities, and they found that both were correlated with brand relations. This relation variables are essential in brand communities. Therefore, it is supported that brand communities have a positive effect on loyalty.

Company B in the other hand states that it is only valuable for big companies to have a brand community and company E states that the Swedish skepticism prevents brand communities on growing in Sweden. But at the same time company E and company C highlight the importance influencer and ambassador roles have in building trust. Company D also implied that brands nowadays should associate with an ambassador/influencer, that it is something that should be included in any future models presented about brand trust.

The role of brand communities could not be properly determined with this research, the empirical data did not show that this factor has as much impact as Habibi, Laroche and Richard (2015) imply in their study. But still it could influence brand trust, the companies rather focused on the role of ambassadors and influencers as was strongly supported in their interviewers.

<table>
<thead>
<tr>
<th>Differences in opinions about brand communities</th>
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<tbody>
<tr>
<td>Positive</td>
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<tr>
<td>Company A and F</td>
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<tr>
<td>These companies strongly advices that it is positive with brand communities, and Company F implies that it should be a goal for every brand. It could be seen in extreme forms. Company A thinks that this is important given that the customers want to be associated with the brand through the brand community.</td>
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*Table 8, Difference in brand communities*
The difference in table 8 is not about the importance in general, but instead regarding the Swedish market susceptibility to these types of methods. This is also not investigated thoroughly in this paper.

**Loyalty**

Through the interviews connections with trust and loyalty was clear, many saw the linkage to be natural and self-explanatory. Both company C and E heavily highlighted this, also company A related it with, that the customer wants to be associated with the brand. This is also an outfall of the brand community aspect; it leads to loyal customer.

“...brand loyalty has a positive impact on word-of-mouth. That is to say when brand loyalty is higher, the more willing to form a positive word-of-mouth spread ... brand trust has a positive impact on customer satisfaction ... In view of this, building customer trust in the brand is very important.”

(Liao I et al., 2010, 1322)

This quote from Liao I et al. is an explanation of this naturality, Chaudhuri and Holbrook (2001) also implies the importance of the costs of getting new customers, which is higher than keeping old ones. This supports the importance of focusing on loyal customers. Brands with big market shares tend to have a lot of loyal customers, in other words the customers tend to rebuy from these brands.

Company E infers the importance of the trust and loyalty connection, being the major outfall of trust. Through this the connections seems clear, the trust connection with loyalty is obvious. It is also important to remember that satisfaction also is a factor of loyalty (Ercis et al., 2012), loyalty will not occur if the brand does not deliver what was promised to their customers.

Furthermore, this study has focused on that to build loyalty brands first need to build trust. The theory in this study and with the empirical results show that there is an effect, the connection between loyalty and trust is clear. But it has not explored the impact loyalty programs have over trust brand. Rather that digitalization has made consumers focus on transactions rather than loyalty as company E implied. Company E also points out that many associate loyalty clubs with brand trust. But loyalty programs in modern society is not a factor studied under this research, only that loyal consumers help brands gain a higher market share as Chaudhuri and Holbrook (2001) suggest in their work. Furthermore, company B suggested that brands should make a shift from product advertisement to brand building advertisement, many brands nowadays focuses on communicating prices rather than building the brand. To build loyalty you need to build a form of trust first.
Equity

Equity is about the fairness, rightness or deservingness that the consumer has when perceived by the brand compared to other consumers (Szymanski, Henard, 2001) and is according to Ercis et al. (2012) linked to trust. This aspect was not something that was very much touched by the interviewed companies, more than it is an aspect that is affecting and somehow touched as important. One explanation can be that the interviewed companies felt as it was an obvious connection. Furthermore, the grade of the affect is not determined.

5.4 Long-term perspective

During the interview the interviewed companies got to grade the importance of the three ground pillars.

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<td>3</td>
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<tr>
<td>Satisfaction</td>
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Table 5, Grading perspectives

In the short-term perspective the companies could not conclude which direction is more important; this is an indication that there is no direct path into this perspective. The differences are too small to make any analysis or conclusions.

In the long-term perspective it is distinguished that authenticity is the most important, followed tightly by satisfaction and lastly by communication. Although the interviewees think that all three are important when trying to build trust, satisfaction and authenticity were the most important.

Digitalization, expectations/satisfaction and confusion, these are recognized to be the factors behind the declination of trust. Digitalization has a strong connection with the authenticity because it is has made it harder for brands to hide behind facades.

All interviewees explained that there is a need for all three. But still, communication has not been graded as the most important by anyone. Which implies that authenticity and satisfaction are tremendously important.
Brand trusts cruciality for the market share

There is no doubt from any of the interviewers that brand trust is a major factor for the brand itself, such an important factor that it could influence the brand’s survival. But still there are some doubts, such as Romaniuk and Bogomolova (2005) report in their study, that the direct link is not clear. In the other hand, Still, Chatterjee and Chaudhuri (2005), Xingyuan, Li and Wei (2010), Eggers et al. (2013), and Chaudhuri, Holbrook (2001) implies that the link is clear and crucial. The interviewed, companies A and C, talked about the same example surrounding a low fare airline company. Which is the opposite of Chatterjee and Chaudhuri (2005), Xingyuan, Li and Wei (2010), Eggers et al. (2013), and Chaudhuri, Holbrook (2001) but also questioning Romaniuk and Bogomolova (2005) because they imply that trust is still a necessity. Company C suggest that there is still some trust in this company, because the trust lies within their promise of being low fare. Therefore, they are authentic and get customer satisfaction through their service matching customers’ expectations. This is also implied by company E, the lower prices overcome the low trust factor of this company. Therefore, low trusted companies could survive, by compensating in some way, which in the airline company example is due to its offer of low airfares.

The economic value of trust factor may be missing in the model. A variable that affects the significance of trust, a variable that is signaling which type of product and branch the brands are active in. Still the major share of the market is possible to imply from the formed trust model.

Authenticity and joining the debate

Company B strongly suggested the opportunity to take a part in debates and public topics, with the purpose of getting the brand a personalized and humanized side. But also, to make conflicts in topics that you believe in, this is an interesting approach. To understand why this is relevant, we turn again to Schallehn, Burmann and Riley (2014, p. 193-194).

“the brand image represents the exterior view of a brand. It is understood as “condense and judgmental perceptions about a brand fixed in the psyche of relevant external target groups”, e.g. customers and consumers”

Also, Portal et al. (2018) talks about if a brand is genuine, real and true to an extent explains both the brand identity and behavior which is an extent of Schallehn, Burmann and Riley.

This is the concept that company B is highlighting, find a positive topic and fight for it. This will increase the brands image of being genuine, real and true.
As being part of a topic, is to be genuine and believe in something as described above. This mindset is overall one of the most important factors if taking the interviewed companies’ opinions into consideration.

Company F talks about authenticity when daring to ask why your brand exist and build upon that answer and to gain trust the brand must be authentic, keep the core and DNA of the brand. This is the core in what some of the interviewed companies discussed. Both company F and G strongly highlighted the importance of building a brand with a purpose. This purpose must come from the bottom and go through the whole organization. Every connection with the customer must be done with the guidance of the purpose, this will be connected to why a brand exists in the first place.

Many companies talk about authenticity as a feeling; it is an emotional aspect built of honesty, genuinely and transparency. It will be built in a long-term perspective. Company A:

“A brand is only in one’s mind, it is not for real”

This is the core of authenticity, which also Portal et al. (2018) and Schallehn, Burmann and Riley (2014) points in their studies. The interviewers confirm this importance thorough the interviews but also the grading points shows that it is important in the long-term perspective. This is also a concern in the digitalization, company A considers it as important to be personalized in the digital forums. Which Hajli, Lin, Featherman and Wang (2014) supports, the importance of building trust in the social media.

However, the authenticity factor is pointed out as one of the most important, when it comes to both the grading and the discussion that took place during the interviews. This in many ways was connected to what is needed to solve trust declination, it could also be the future of the market.

There could be an ongoing change already happening such as company B implied. But this is nevertheless concerned as essential for brand trust.

If comparing this to the grading, we observe that two companies differ from the rest and graded authenticity as the least valuable factor in the long-term perspective.
Differences in opinions about authenticity

<table>
<thead>
<tr>
<th>Most important</th>
<th>Least important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A, C, F and G</td>
<td>Company B and D</td>
</tr>
<tr>
<td>Company A implies that the modern consumer wants authenticity, this is seen as</td>
<td>Company C sees authenticity as less important because if the consumer is not</td>
</tr>
<tr>
<td>the new era. Company C also thinks this is more important; they state that</td>
<td>satisfied; they will not have trust.</td>
</tr>
<tr>
<td>digitalization is the reason for this. But also, the long-term thinking of</td>
<td>Communication is more important because without reaching out properly, a brand</td>
</tr>
<tr>
<td>trust, for example the brand</td>
<td>will not gain trust. This is also like what company</td>
</tr>
<tr>
<td>Volvo, who has built up an image of a secure car. They explain that this</td>
<td>B implies, that communication is more important because you build through this.</td>
</tr>
<tr>
<td>process is the essence of building brand trust.</td>
<td>Build the customers’ expectations and gain satisfaction through this. But company</td>
</tr>
<tr>
<td>Furthermore, the companies imply that being genuine, honest and clear is more</td>
<td>B also points out that it all depends on what type of branch the brand is acting</td>
</tr>
<tr>
<td>important than for example satisfaction and that the satisfying factor will</td>
<td>in.</td>
</tr>
<tr>
<td>follow easier when the brand is authentic.</td>
<td></td>
</tr>
</tbody>
</table>

Table 9, Differences in authenticity

There is a significant difference in this concept, we can state that authenticity is important but there is a disparity within the view of it. This can be understood in context with Ercis et al. (2012), Chaudhuri and Holbrook (2001) and Azize et al. (2012) study, which focuses on satisfaction. Even though advocates believe satisfaction to be less important it is still seen as one of the important concepts a brand has to have. In the other hand the most important advocates are more into Schallehn, Burmann, Riley (2014) and Portal et al. (2018) direction, were the part of being genuine and real overtrumps all other factors. Being fake and not trustworthy will in the long term generate low trust and will prevent customer satisfaction.

This can also be a part of the explanation for low fare companies, this difference in the importance of trust. When satisfaction is high, the importance of the authenticity factor decreases. This is as Erics et al. (2012) discusses, the value must be higher than the expectation. When this is extremely high, the importance of the other factors decreases. But these cases can be explained as outliers, the general opinion that authenticity is more important in the long run for the whole market.
At last, company C points out the core in the discussion about what authenticity is in an understandable way:

“You do what you say, you say what you do”

**Communication**

A well-developed communication allows for honesty which, is crucial for trust. Honesty and trust reinforce each other, the same way suspicion and dishonesty do (Nootenboom, 2002). Noteboom (2002) explains the importance of communication in his study, this was verified by our interviewers. Almost every company uses the communication as a factor to build trust, company A says:

“At the same time, communication is a difficulty. For just communicating, thus just spitting out advertising does not work in the long run. Communication is based on two-way interaction, the feeling of be able to influence”

Digitalization has made it possible to communicate in a much faster and intense way, with social media in the front.

“This has created more channels for both one-way and two-way communication, and the two-way communication has increased with platforms such as social media.” (company C)

Azize, Cemal and Hakan (2012) also implies the importance of two-way communication in their report, as an evaluation and satisfaction measurement technique. Company F concludes it:

“How you will win the hearts of the customer, is more about two-way communication and the treatment”

But also, company B expresses that brands should move from price and products and initiate brand building advertisement, this will create trust. It may be a sort of one-way communication but focusing on trust building.

Company G implies that both two-way and one-way communication are important, one-way to deliver the message and correct expectations and two-way to build long-term relations. This build an understanding that both ways of communications fill a purpose, it should not be forgotten in building trust.
Satisfaction

With a higher customer satisfaction for the product creates an increase of trust for the brand (Ercis et al., 2012, Chaudhuri, Holbrook, 2001 and Azize et al., 2012).

“When the relationship between satisfaction and trust was considered, it was found out that there was a positive relationship between these two variables. Accordingly, as the trust consumers feel for the brand increases, their satisfaction also increases.” (Ercis et al., 2012, p. 1402)

There are numerous of studies verifying this variable, the interviewed companies also pointed out this as a strong variable. In the grading it assumed as the second most important, close to authenticity.

The interviewees point out, as above, the importance of the right target groups.

“If you get your right target group then they will be satisfied” (company C)

This is the major interest of our companies; they work with different products and services. This insight gives a wider understanding, rather in specific branches. It tells that to gain trust, you must communicate the correct expectations and, in that way, gain satisfied customers. Company C explains it as to be able to gain higher trust the brand must exceed their expectations. This is linked with the argument above incorporated both target groups and expectations. This is a relation between expectation and satisfaction that must be equal to a minimum of 1. This is meant as that the value of the service or product must be higher than the expectation or at the same level, this is as Erics et al. (2012) also explains in his study.

Blockchain Technology

Blockchain technology is seen by these researchers to be a valid/possible use for a long-term solution when it comes to building brand trust. Throughout the interviews it was viewed that most of the companies struggle with the same factors when it comes to trust, such as problems with digitalization, transparency and authenticity. Which is regarded to be factors behind the declination of trust. Through blockchain one can gain security, transparency and information availability while at the same time diminishing things as forgery/tampering of your information and fake news/ads/information which could be factors that Ertemel (2018) highlights in his study.

Blockchain is to be regarded as a technology that can be used between companies or brands, not between brands and their customers. Having said that, the positive factor that come with
this new type of technology would and should be able to be transferred to the relationship a 
brand has with its customers.

Trust does not need to be between to people it can be delivered by an object or system if when it 
dependent on it. Blockchain technology uses other applications that make this trust possible, 
such us smart contracts. A brand/company being able to control the information flow, no 
matter the size. With the help of blockchain, this could be a possibility.

Having that, using Blockchain technology could render useless the need for a middleman 
providing the security between 2 actors having contact within a service. Blockchain provides 
users with a public or a private key making it easier to verify the individual inputting a certain 
information on the system. This creates transparency and information availability that 
currently many brands struggle with (Seppälä 2016). Being able for the right information to 
achieve its target aim, without the fear of the message changing when passing through different 
actors.

This technology needs a decentralized system (Zhao, Fan, & Yan, 2016), a system that creates 
the possibility for different actors to validate logs, transactions and information within it. 
Creating a whole new level of trust when it come to the authorization of each participant.

Brands are exposed to changes in internal and external factor, some of which they have control 
over and others they do not. Technology is an external factor that brands have no control over, 
and which will always create change in one way or the other as it has done throughout the 
digitalization. The ability to implement new technologies into one's process of operations is one 
of the main factors that could play a roll into the positive or negative turn of trust within a 
brand.

Company G implies this, that blockchain could be a tool in the future, but still the difficulty of 
understanding the technique is an obstacle. Furthermore, they think it could be solved in the 
future:

“But there is the possibility that if you communicate it in a better way so 
that you do not need to understand the technology but just need to 
understand the service of blockchain and the message in relation to the 
brand or the industry that it is used in” (Company G)
6 Conclusion

The concept of brand trust is wide, but through this research the concept has been narrowed into the trust model built for this study. A model though which the problematic questions have been investigated.

The declaration of trust has a clarity within the interviewed companies' opinions. Digitalization, expectations/satisfaction and confusion was also highlighted as main factors. Digitalization has a strong connection with the lack of authenticity of a brand. Although the companies have some differences in their perceptions of the cause, these three factors can be distinguished as the major reasons. Digitalization has made consumer more aware, suspicious and interested in the soft values of brands. The expectations of customers have changed; they change more rapidly and are more precise that in the past. Due to this the satisfaction experienced by customers has lowered. Finally, the aspect of confusion also plays a role in the declaration of trust. With more brands and similar products, frustration and confusing customer when it comes to choosing a brand.

If no actions are taken in the market, the answers are more indistinct. The commonness surrounding interview answers is that the declaration probably will continue, and that the brands with low trust will get knocked out. The researchers have located a difficulty when it comes to being able to predict how the Swedish market will develop in this matter. But the conclusion is still unambiguously that the declaration will continue, but at an unknown pace.

The declaration of trust has all the opportunities to be turned as all the interviewed companies expressed, they give an optimistic picture of how the negative trend can be turned into a positive trend if the right actions are taken. There are a lot of implications into increasing the authenticity factor of a brand. To get the brand personalized, transparent and genuine in both the digital forums and in the real life. Digitalization, which was one of the causes for the declaration, is preventing companies from having a fake image. Due to this factor, both a major opportunity and a necessity of brands to have intentions of generating trust. Digitalization results in that brands do not control their own story as it was before without digitalization. Social media and rating systems for example has given consumers a higher power to be in charge, which forces brands to be authentic, genuine and transparent.

Satisfaction is also an important part in generating trust, there is an important connection found between customers' expectations and satisfaction. Expectations must match the values that the brands are producing, and that brands are facing the correct target groups. Therefore, the expectation and targeting of such are under categories very essential to satisfaction. This is
highlighted throughout the interviews and described as above, it is a cause for the declination of trust.

Communication has also a major part in generating the correct expectations, but also it is the solution for the personalization of a brand. Even if the communication was graded to be least important, it is still an important tool to create trust in the long run. Also, digitalization has provided an area of digital media with regards to a new type of two-way communication. Which is the most important factor in this category, it is through these brands will be able to gain trust. Communication can be a way to mediate the authenticity and satisfaction factors that customers experience.

This research has also produced a long-term solution tool that could be used by brands in the future. Blockchain is a new technology, which could be a game changer. However, due to the lack of technical knowledge in this area the interviewed companies had problems in defining how it could be used but could conquered that it could be used in some branches.

Parts of the declination such as digitalization and authenticity problems, could be solved by the implementation of some of the mentioned solutions in blockchain which could increase trust as a further part of the digitalization era. Having said that it is a new implication for a fairly new technology so it will take a long process period to reach its actual potential, which is why this paper has assigned it as a long-term solution. However, it will take time to be able to be implemented in a way which it could become a usable and affecting solution regarding the declination of brand trust.

This study has found out in which direction and in which areas the market should turn against, the solutions contain general advices of how a brand should evolve but also managerial implications that brands could build upon. Building the path to the possibility where having a fake image disappears and being authentical comes down to the essence of humanity which Aristotle once said:

*We are what we repeatedly do. Excellence, then, is not an act but a habit.*

The direction the market is taking, with digitalization as a major influence. Suggests that it will turn into a more honest market with trust as a major aspect for consumers.
6.1 Managerial implications

Some practical implications from the interviews, to build brand trust:

- Involvement in a public topic.
- Find your purpose, and act for it.
- Be genuine and authentic.
- Find the correct target groups to build the trust.
- Communicate accurate expectations and deliver accordingly.

6.2 Future research

During this report, only the businesses perspective has been taken into consideration, as shown in figure 4. This has shown one perspective, in the other hand to confirm this perspective from a consumer point of view, future investigation is need. It is unknown if the consumers have the same perceptions as the businesses.

![Figure 4, the view of the study (own model)](image)

As mentioned before, blockchain is an exciting aspect for building brand trust. These researchers see the potential of this new technology’s implication when regarding to business and brands. Having said that, this technology is highly unknown with regards to its use in this area. Further studies and researches have the potential to see how this technology develops, resulting in gaining a wider knowledge into the efficiency of Blockchain as a plausible solution for building trust within brands.

The developed trust model in this paper is just one of many different models that could be built surrounding brand trust, still this model needs to be tested in a quantitative approach. To be able to see if the aspects and factors are relevant, especially when it comes to the three ground pillars this paper has focused on. Further studies can also, find if there are other major points
missing for this research. However, the development of this paper’s model could be a future ground pillar in explaining brand trust.

The concept of brand ambassadors and influencers is discussed deeply in many interviews, these factors are found important enough to develop in further researches. What impact do they have on brand trust and are they significant in the Swedish market?

Finally, the variables that explain outliers are not known and the researchers have not found how it implies into the trust model built in this paper. One potential cause with regards to how the economic value may affect brand trust, has been discussed shortly in this paper but further research is needed to be able to find and explore this variable and its impact.
7 References


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7.1 Interviews

Company A – 2019-05-08

Company B – 2019-05-10

Company C – 2019-05-13

Company D – 2019-05-13

Company E – 2019-05-16

Company F – 2019-05-17

Company G – 2019-05-23
Appendix A: Interview guide

Interview guide companies (Swedish)

1. (Intervjuare: förklara lite om vad de vet om företaget som intervjuas) Är det något ni vill lyfta fram om hur ni arbetar och ni tror är viktigast?

2. Vilka är de tre viktigaste metoder/komponenter ni arbetar med?*

3. Era kunder, hur är er relation med dessa? – (partnerskap, enstaka kunder, enstaka uppdrag etc)

(Intervjuare: förklara hur kortfattat om bakgrund om Trust, nedgång etc kopplat mot PDF som skickats ut)

4. Vad tycker du att trenden i trust är gentemot varumärken är – vad beror denna utveckling på?*

5. Vad tycker du ingår i trust, vilka komponenter är viktigast?*

6. Om inte understående nämnts, diskutera kring dessa:*  
   - Autentiskt
   - Kommunikation
   - Nöjdhet (satisfaction)
   - (rättvisa)
   - (Loyalitet)

7. Värdera autentiskt, kommunikation och nöjdhet på en skala 1-3 i ett långsiktigt- och i ett kortsiktigt perspektiv kopplat mot trust.  
   - Utveckla varför du värderar det på detta sättet?*

8. Vad tycker du ingår i varje komponent (autentiskt, kommunikation och nöjdhet) och vad tycker du saknas?
9. Om vi fortsätter med komponenterna Autentiskt, kommunikation och nöjdhet, på vilket sätt arbetar ni med detta gentemot era kunder?*

10. Vad anser du att Word of mouth har för koppling till trust? Och hur viktig är den i trust begreppet?*

11. Vad tror du är anledningen till att konsumenter har sämre trust/förtroende för varumärken nu än för 10 år sedan? (enskilda företag och marknadsperspektiv?)*

12. Hur viktigt är Brand Community för trust (offline och online)?

13. Vad anser du om unethical advertisment (exempel)?

14. Vad anser du om confusion (förvirring, likartade varumärken, svårt att särskilja etc) varför är det detta och hur kan man lösa de??

15. Vad anser du om rättvisa (equity), hur era kunder behandlar sina konsumenter?

16. Hur viktig är trust recovery, när något gått snett? Är företag generellt sätt bättre eller sämre på detta?

17. Om inga förändringar skulle ske, hur tror du marknaden skulle utvecklas?*

18. Finns det några generella råd ni brukar ge till era kunder kopplat mot trust?

19. Är det något ovrigt du vill tillägga om förtroende/trust, som vi inte avhandlat redan?*

20. Vad är lösningen på att öka förtroendet för varumärken i ett långsiktigt perspektiv?*

21. Vet ni vad Blockchain är för något? (förklara om inte) Vad tror ni om att detta skulle kunna vara en lösning, och på vilket sätt? *
Om vi avslutar med att titta på vår egna modell, det är det vi har avhandlat under intervjun, är det en rättvis bild av verkligheten?

(*) = Viktigaste frågor
Appendix B: Information sheet

Past, Present and Future of Brand Trust

A case study done in the Swedish market

The Swedish market spent 78 billion Swedish crowns on advertising alone in 2017, showing that a huge amount of money is being spent without any significant effect on brand trust. There is no doubt trust plays a huge factor for brands.

Brand trust declination from the past decade shows a vivid problem within the marketing sector, where consumers tend to mistrust brands more than to trust them. Factors such as authenticity, communication, satisfaction and customer loyalty build and uphold trust, but there are several levels within this that are diminishing trust as well.

- **What (has been and is) the cause for the decline in brand trust?**

  With present research focused on short-term solutions, there is a gap in the understanding of the macro perspective or so-called long-term perspective. In relation to the low rate of brand trust in the Swedish market, the historical trust depression and trust playing an important factor in purchasing and repurchasing.

  In the end, the very survival of brand trust will be challenged if this problematization is not taken into consideration.

- **How will the future market develop if no action is taken?**

  This research will focus on the macro-trend of brand trust, to be able to identify the present market problems. Targeting the lack of long-term solutions within the market. Aiming to find out in which areas and what practical tools brands need to develop in order to gain more trust.

  By conducting semi-structured interviews, gives the flexibility to both interviewee and interviews to surround the main topics and at the same time to go off script into other areas which, can be relevant in that moment.

- **How can brands improve their trust to customers in a long-term perspective?**