MEANINGFUL BRANDS 2021

HAVAS GROUP

Havas' Meaningful Brands report 2021 finds we are entering THE AGE OF CYNICISM

Survey, which has been running since 2009, finds consumers desperately seeking transparency & tangibility - but brands are coming up short

- Survey of 395,000 consumers around the world finds cynicism at an all-time high; less than half of brands are seen as trustworthy (47%) and 75% could disappear and would be easily replaced
- 71% have little faith that brands will deliver on their promises
- Despite this cynicism, consumers are desperately seeking brands that will make a meaningful difference – with 73% saying brands must act now for the good of society and the planet
- Report warns of 'CSR washing' if the expectation gap is not bridged

Paris, May 2021

In its 12th year, Havas' landmark study of brand value, surveying over 395,000 people around the world, uncovers deepening cynicism, alongside a growing expectation gap in consumers' relationships with brands and businesses. It also reveals a significant long-term trend towards consumers desperately seeking authenticity – meaningful and sustainable action for the good of society and the planet – but feeling sorely let down by empty promises. For the first time, the survey maps its proprietary metrics to align with the United Nations' Sustainable Development Goals, to help brands deliver transparency and tangibility for the future.

Since the bi-annual global survey began in 2009, brand meaningfulness has consistently declined. The 2021 study, which measures brand 'meaning' in functional, personal and collective terms, shows that 75% of brands could

disappear overnight and most people wouldn't care, or would easily find a replacement.

But the 2021 survey, carried out in mid-2020 during the height of the pandemic, also shows a growing lack of trust in brands — with **71% of people having little faith that they will deliver on their promises**. What's worse, only **34% of consumers think companies are transparent about their commitments and promises**.

Brand trust, as measured in the Meaningful Brands study, is at an all-time low. Only **47% of brands are seen as trustworthy** with trust metrics around the world in decline – only **39% of brands are trusted in North America,** while only **24% are trusted in East Asia**.

Mark Sinnock, Global Chief Strategy Officer, Havas Creative Group says:

"This year's report shows us that consumers have entered an 'age of cynicism'. They are surrounded by what they perceive as empty or broken promises – at all levels of our society – and we are starting to see the impact of this mistrust on brands. Historically, companies have been looking after people's functional and personal needs, but brands now face a bigger challenge. The more claims they make to be delivering change at a collective, societal level and the more these promises are left unfulfilled, the wider the gap between what we expect and what we actually get, and the deeper the cynicism."

Despite the growing cynicism, our expectations of brands are at an all-time high, creating a significant expectation gap. **73% of global respondents believe brands must act now for the good of society and the planet** and **64% of people** – an increase of 10 points since 2019 – have entered their own age of action, **preferring to buy from companies with a reputation for purpose as well as profit**. More than half (**53%)** of people will go even further, saying they **are willing to pay more for a brand that takes a stand**.

Which issues to authentically take a stand *on* is something the Meaningful Brands 'collective' benefits analysis begins to probe. Priorities shifted during the pandemic – with public health, the economy and politics at the front of consumers' minds, and the environment close behind. Globally, consumers increasingly expect brands to strengthen this collective pillar, but it comes with a significant risk. Making promises that you don't tangibly deliver can lead to a trust deficit and accusations of a new form of 'CSR washing' – effecting reputation to a level that it can be hard to recover from.

Greg James, Global Chief Strategy Officer, Havas Media Group says:
"With less than half of brands seen as trustworthy, this report should act as a wake-up call. It's no longer enough to show up on one metric. Delivering the biggest difference to the lives of customers at all levels – functionally, personally and collectively – needs to be at the top of every brand's agenda. Our job is to help our clients understand where they can have the greatest impact and help them show up authentically with the right content, in the right context."

Meaningful Brands 2021:
THE OPPORTUNITY FOR BRANDS

- **Demand for MEANINGFUL EXPERIENCES**

There are opportunities for brands in the 2021 report. It shows that 66% of consumers want more meaningful experiences from them. It also found that retail, home entertainment and technology companies have most improved their brand value in the eyes of consumers during the pandemic. This is likely due to people seeking fast, affordable deliveries of groceries and other essentials, and experiencing constant engagement with content via tech devices in the home.

- **Help in times of CRISIS**

77% of Consumers expect brands to show support to people in times of crisis. There are immediate opportunities to forge meaningful connections in the short term across personal benefits; namely, to decrease life's stressors. However, this past year brought an increase in expectations in three specific areas: more connection, more care for the planet, and more monetary savings and growth.

- **Diverging CULTURAL FACTORS**

Cultural intricacies matter (East Meets West): 'We' vs. 'me' mentality influences expectations across personal and collective benefits in different regions and cultures around the world. USA and Western Europe are most distrustful of brands, while Latin America and Asia believe more in the value brands add to society.

- **Gen Z expect INCLUSION**

Gen Z aren't afraid to question the 'rules,' seek individuality and expect inclusion. This generation is particularly focused on reducing inequalities (across areas including race, sexuality and opportunity) and have more love for brands that take a lead on social issues and embrace diversity.

- **Demand for HELPFUL CONTENT**

Compared to pre-Covid times, 'helpful' content is on the rise as consumers figure out how to navigate their personal new normal. It is important to note, however, that almost half (48%) of all content provided by brands is judged not to be meaningful to consumers.

Visit the Meaningful Brands 2021 site here https://www.meaningful-brands.com to request a copy of the full report.

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