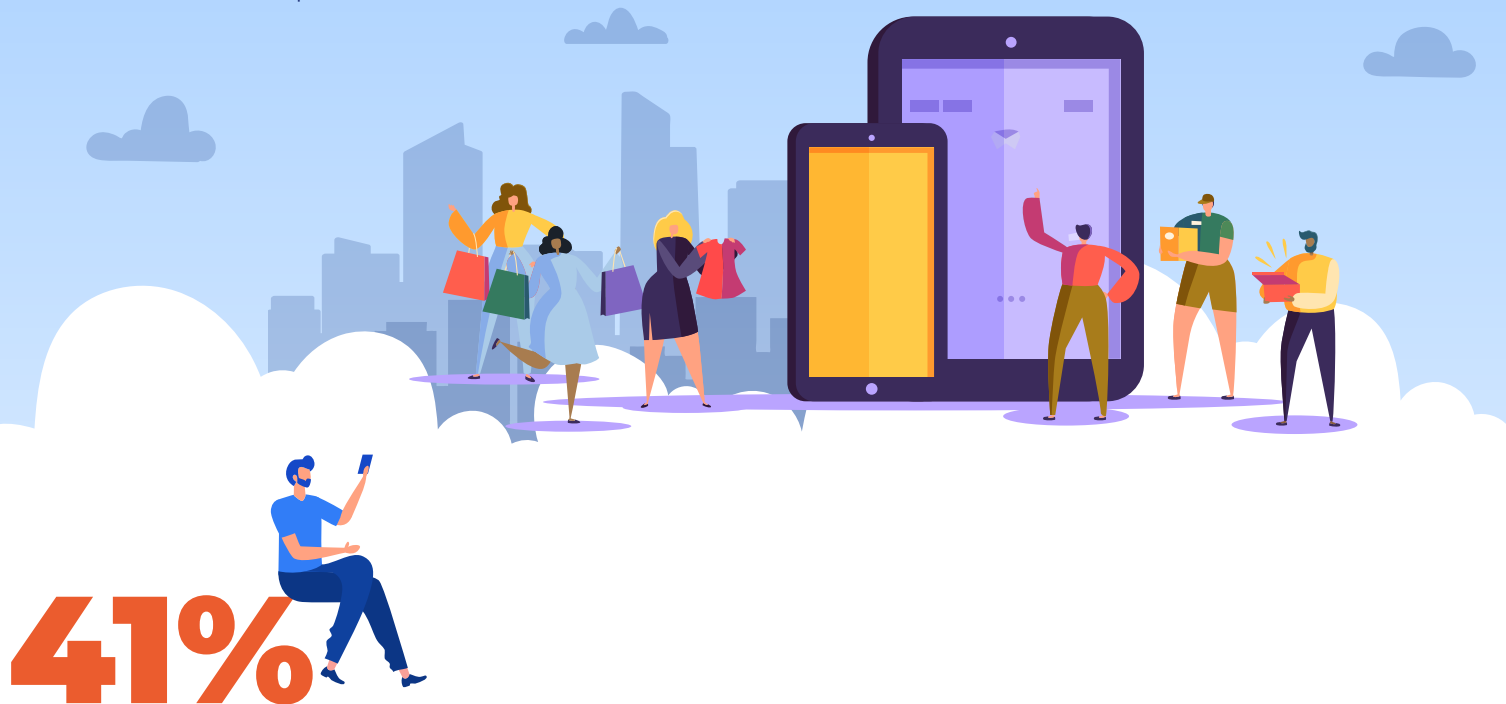# WALK THE TALK

WHAT CONSUMERS EXPECT FROM TODAY'S ONLINE BRANDS

A Brands2Life Report

41%

of consumers have stopped or reduced their usage of online brands in the past year because of poor reputation or malpractice

Online brands have transformed our world and the way we live. From chatting and sharing information, to watching films and TV or hiring apartments, taxis and ordering takeaways, all of us rely on these websites and apps more and more.

The numbers are astounding. 4.4bn people worldwide use the internet[1] and, of those, 2.2bn use Facebook, 2bn use YouTube and 1.6bn use WhatsApp[2]. Websites and apps such as Airbnb, Netflix, Spotify, Tinder and Uber have all become an integral part of our daily lives.

These brands have achieved global dominance at a speed that businesses in other industries could only dream about. And there's no sign of let-up as their incredible growth illustrates.

But, the bigger and more powerful they grow, the more concerned regulators, businesses and consumers get about that power and how they use it.

Politicians and regulators around the world are pushing to reduce the control and stem the influence of these online brands. Whether it be protecting consumer privacy and security; anti-trust issues; controlling 'fake news'; or getting them to pay more tax; these brands are under fire. For example, according to The Guardian, following the lead from the EU's GDPR legislation, in 2019 US legislators alone considered over 150 pieces of legislation on consumer data at a state and federal level[3].

For many of these brands, historically, the 'move fast and break things' mantra has been at the heart of their business strategies since formation. Consumers have, by and large, been acquiescent.

> But, as this WALK THE TALK report explains,
> things have started to change… fast.

Despite their ubiquity, many consumers know relatively little about many of these brands other than the product itself. It's often hard to engage with them if there's a problem.

So, all these brands need to get ready for a far greater level of consumer interaction and accountability. Just as banks, supermarkets and energy companies face consumers boycotting, switching or protesting if they are unhappy, so online brands, as they mature, are facing the same challenge.

In 2019, all around the world, these brands face criticism from consumers. Deliveroo in the UK saw a potential boycott from consumers when it introduced a new service fee[4]; consumers chose to boycott Amazon on Prime Day in protest against poor labour conditions for warehouse workers union-busting, and low minimum wages[5] ; and Google was met with walkouts from staff all around the world as it failed to adequately respond to sexual misconduct issues.[6]

The challenges facing Big Tech are well-documented and, as this report makes clear, the gauntlet is now being laid down to all online brands by consumers. The 'cancel culture' is real and growing fast.

In partnership with Opinium Research, **Brands2Life polled the views of 6,001 consumers across France, Germany, the UK and US** to find out their views on the behaviour of the online brands they use and how that behaviour impacts on how they see and use them.

Here are the key takeaways from WALK THE TALK:

Care about me

Protecting consumer privacy and data **(94%)** and good customer service **(94%)** are the top concerns, above issues relating to corporate brand such as CEO behaviour **(78%)** and workforce diversity **(73%)**

Vote with my wallet

Nearly half of the correspondents **(41%)** have stopped or reduced their usage of online brands in the past twelve months due to poor reputation or malpractice

Be real

Authenticity and honesty are very important to consumers when they are considering which online brands to use. Twice as many people cited this **(46%)** than any other criteria

Get greener

Environmental impact is by no means top of the list but, unsurprisingly, it is on the rise, especially amongst 18-24 year olds; **78%** say they will stop using a brand if they don't think they are doing enough in this area

AI-n't ready for AI

While online brands are introducing AI to improve customer service and reduce costs, only **18%** of consumers think this will be beneficial
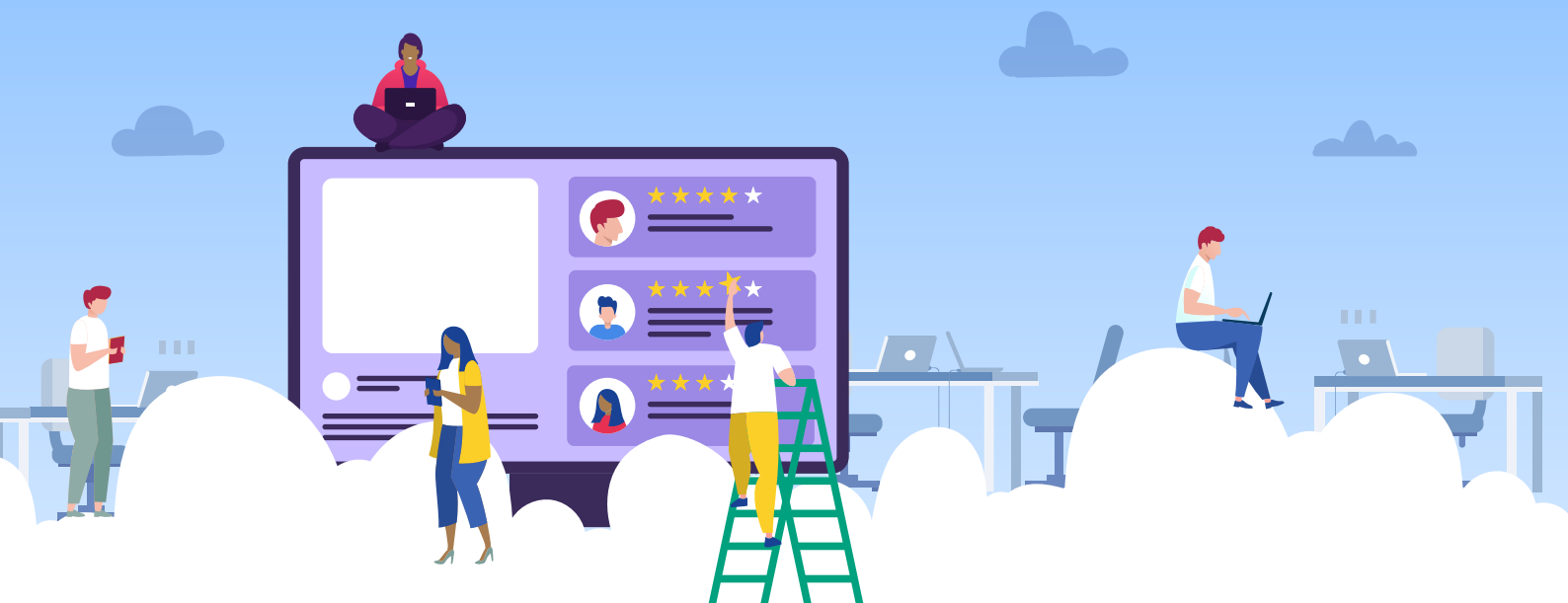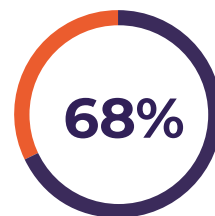
USING ONLINE BRANDS
- WHAT'S IMPORTANT; HAVE YOU STOPPED;
AND WHAT WOULD MAKE YOU STOP?

We asked consumers what they are most worried about when it comes to dealing with online brands and, crucially, whether they had stopped using them or would stop using them because of any of these issues.

Overall, 41% of those polled had stopped or reduced using an online brand because of poor reputation or malpractice over the last 12 months. The young are the most active with 68% of these aged between 18-24 saying they have done so.

On the basis of these findings, online brands should be worried as consumers are far more likely to stop using brands than they ever were. We asked what consumers were concerned about and personal issues came out top of the agenda across all four countries - notably the protection of their privacy and data (94%) and good customer service (94%).

Today we see many online brands working hard to deliver a higher quality of service. Spotify, for example, has Twitter feeds called @SpotifyCares to highlight top customer service issues and @SpotifyStatus to update on many changes,[7] while ASOS has launched an augmented reality tool – 'See My Fit' – to help customers get their size right first time[8].

68%

of consumers aged between 18-24 have stopped or reduced using an online brand because of poor reputation or malpractice

Some broader corporate reputation issues are not far behind in terms of importance. Consumers expect brands to care about stakeholders such as workers and vulnerable groups.
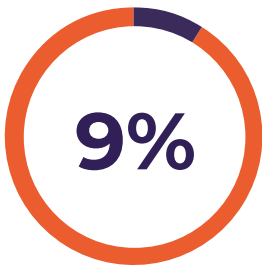
9% of consumers say they have stopped or reduced using an online brand in the past twelve months because they don't treat staff and suppliers fairly

They also want brands to care about the local market, whether that means showing they care about the countries they operate in or paying the right amount of tax. For example, Airbnb is under constant attack all around the world from local governments and businesses to improve its quality, safety and security controls. Many cities are persuading it to collect city or 'tourism' taxes just like hotels[9].

Consumers also attach importance to brands' behaviour around climate change. While these brands aren't typically high fossil fuel producers or users, consumers, especially the young, expect them to demonstrate a commitment to reducing their environmental impact. In late 2019, the Los Angeles city council announced it wanted Uber and Lyft to go all-electric over the next ten years, an initiative Uber has already been driving around the world[10]. And Amazon recently made a commitment to be carbon neutral by 2030, saying: "With improvements in electric vehicles, aviation biofuels, reusable packaging, and renewable energy, for the first time we can now see a path to net zero carbon delivery of shipments to customers[11]."

Top of the consumer agenda

94% Good customer service **94%** Privacy and data

	IMPORTANCE WHEN CHOOSING A BRAND	HAVE STOPPED OR REDUCED IN PAST TWELVE MONTHS BECAUSE THEY FALL SHORT IN….	WOULD STOP IN THE FUTURE BECAUSE THEY FALL SHORT IN…
Good customer service	94%	15%	90%
Protects data and privacy	94%	8%	88%
Treats workers and suppliers fairly	90%	9%	84%
Safeguards in place to protect vulnerable groups	89%	6%	85%
Pays right amount of tax in my country	87%	9%	76%
Champions rights of consumers	86%	6%	85%
Takes action to reduce their impact on environment	84%	8%	71%
Truly cares about all the countries it does business in	83%	7%	81%
Gives something back to society	80%	5%	68%
Has a CEO who behaves appropriately at all times	78%	6%	69%
Has a diverse and inclusive workforce	73%	3%	60%
Has a diverse and inclusive leadership team	70%	4%	58%
Haven't stopped	n/a	59%	n/a

(The vast difference in the percentage numbers between 'have stopped' and 'would stop' demands an explanation. Opinium Research says "Intention often comes out much higher when researching consumer behaviour as this is being considered in a hypothetical situation without any other factors playing into the decision, so in an ideal world intention would be to move away from brands that don't act in a way deemed inappropriate.

However, in reality, numerous other factors play into this decision such as price, convenience, availability of the product which means previous action often falls significantly below future intention. As numbers are based over 12 months, it is also highly likely that consumers have not experienced or may not be aware of the issues mentioned with the brands they use so have not had to act on how they would intend if they were faced with this decision".)

While consumers' views worldwide and across the age groups are broadly the same, there are some intriguing differences worth calling out.

Climate change

Attitudes to corporate behaviour around climate change vary considerably from country to country. **79%** of the French would stop using a company due to this compared to **63%** of Americans

Giving back

Both the French and the Germans **(86%)** believe giving something back is important compared to US **(80%)** and UK **(76%)**

Diverse and inclusive leadership

A diverse and inclusive leadership team is significantly more important to young groups (18-24 years old **79%**) compared to those older (45-54 years old **64%**)

WHAT WOULD MAKE YOU USE A BRAND MORE?

We also asked about the actions brands could take that would make consumers MORE likely to use them. The data suggests that there are plenty of ways online brands can drive consumer loyalty over and above improved product functionality.

Here again the consumer's personal concerns are top of the list, whether it be around the cost of the service or providing proper compensation if something goes wrong.

69% would use an online brand more if it made a commitment to protect a user's privacy and security

However, beyond that, consumers are increasingly expecting a change in behaviour by these brands. They want them to be 'on their side', whether that means apologising when it did something wrong or being on the side of the consumer when engaging with government on topical issues.

Many consumers also want to choose brands that are exceptional corporate citizens. That could mean making a tangible commitment to climate change, rewarding and treating its staff better than the norm, or helping disadvantaged groups.

Brands should also take note of the data concerning leadership. Younger people are much more likely than older ones to use a brand if it has a female CEO – 43% (18-24) compared to under 20% for those 45 and over. Approximately the same data holds true for a CEO from an ethnic minority.

IF THE COMPANY...	I WOULD BE MORE LIKELY TO USE IT....
Reduced its prices	71%
Properly compensated customers if it has provided a poor product and/or service	69%
Made a commitment to protect users' privacy and security	69%
Apologised properly when it did wrong	63%
Made a commitment to reward and treat its staff better than the competition	56%
Does something special to help disadvantaged groups	55%
Made a significant, tangible commitment to reducing its carbon emissions	55%
Took stands against the government on moral / ethical issues	48%

53%

43%
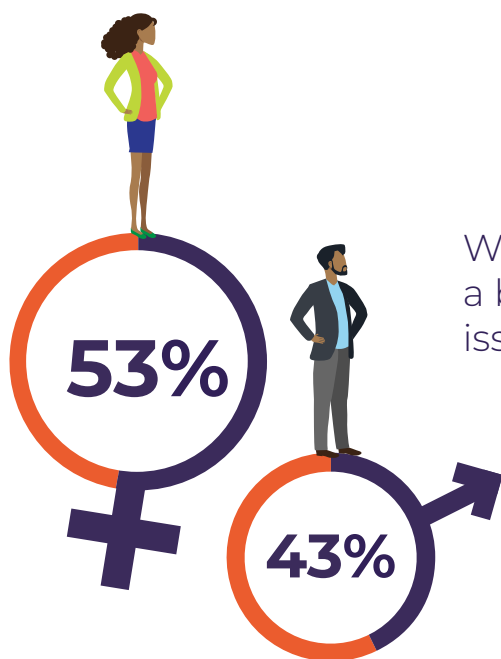
Women **(53%)** are more likely to use a brand that takes a stand on political issues compared to men **(43%)**

BRANDS AND POLITICS

We are seeing brands take a strong position on political issues, so we asked consumers how they felt about this and whether this would encourage them to use that brand.

50% of those aged 18-24 think online brands should take a political position

Overall consumers were split with 37% saying they should definitely/probably take a position on political issues and 45% saying definitely/probably not. The young were more positive about this (50%) than their elders (only 23% of those over 65 approved).

The French are far keener on brands taking such positions than other countries – 51% versus US (34%), UK (30%) and Germany (40%). They are also more likely to use a brand's product or service if they agree with the stance than those from the US, UK and Germany.

If a consumer agrees with the political stance a brand takes, then 34% said they would be more likely to use their product or service. Here again, the younger demographic were the most enthusiastic.

WHAT MAKES A BRAND MORE APPEALING?

Online brands spend billions on marketing themselves. But what works? What makes a consumer want to engage with them?

Given the results of this survey, the answer isn't surprising. Honesty and authenticity (46%) are by far the most important criteria for the consumers polled in this survey; double the number of respondents mentioned this than any other criteria. Consumers want to believe that the brands they use truly care about them and will look after their interests whatever happens. The success of the digital financial services business, Monzo, is a good example here - over 2 million of its customers praise it for its honesty and openness.

Honesty and authenticity are considered much more important the older people get. More than 50% of those over 55 mentioned it compared to 34% of those between 18-24.

The other criteria were ranked as follows:

WHEN YOU THINK ABOUT THE PROMOTION OF ONLINE BRANDS (WEBSITE/APP) WHAT MAKES THEM MORE APPEALING TO YOU?

If their marketing is honest and authentic	46%
If their marketing educates and informs me	19%
If my friends and family use them	19%
If their marketing entertains me	14%
If they surprise me on a regular basis	14%
If the leaders of the company come across as people, I would like to know	11%
If I read or saw a lot about them in the media	10%
If they are active on social media	7%

46%
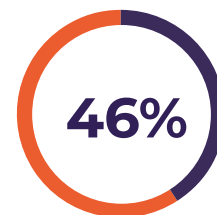
believe honesty and authenticity is the most important criteria

THE ROLE OF AI

Finally, we asked how consumers felt about the introduction of AI and robots as part of an online brand's services.

It appears that consumers are still sceptical about this development: 46% said that they would prefer to deal with a human. The UK was the most sceptical by a small margin – only 13% of UK consumers said it was a good thing compared to over 20% in each of France, Germany and the US samples.

The younger the respondent the more enthusiastic they are about AI and robots. 34% said it was a good thing compared to only 10% from those over 45.
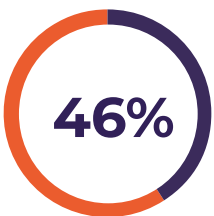
46% of consumers would prefer to deal with a human

BRANDS2LIFE'S KEY TAKEAWAYS FOR ONLINE BRANDS

So, what does all this mean for the world's online brands?

As this report makes clear, the demands consumers wish to make of online brands are changing fast and those that fail to heed them will struggle.

So, here are Brands2Life's top five communications takeaways from our WALK THE TALK report:

1. BE TRANSPARENT

Brands should resist the temptation to remain faceless. They need to have a policy of openness and integrity, show the human faces who work with the business and enable them to interact with consumers. They need to empower those people to help and explain, especially when things go wrong.

In communications terms, they should be prepared to talk about the company's vision, purpose, culture and operations, as well as its products. This will enable consumers to build greater trust, just as they have in the past with more traditional brands.

2. BE CUSTOMER-CENTRIC

Because such brands provide their services for free and are often set on achieving profitability as soon as possible, many of their business models have not traditionally allowed for large scale customer service resources. In our view this will increasingly be seen as a false economy. While many people's needs will be satisfied with FAQs and the like, there needs to be the option to communicate with a human being when the consumer is in trouble, whether that be through a live voice or online chat. If a brand makes such investment, it should make a virtue of it and communicate about it proactively as it will give it competitive advantage.

3. BE BETTER

Brands that treat their staff (especially lower-level employees), customers and suppliers better than the competition will win out. It's no longer just about the product – it's about the people behind it as well. While such initiatives may be costly in the short-term, these results show that brands will benefit in the long run.

This is also true of brands making a commitment to be better than the competition in areas such as data privacy and carbon usage reduction, as long as the efforts are real and can be substantiated.

4.   BE ENGAGING

When it comes to marketing and communications, consumers want to be informed, educated and entertained in equal measures. This means establishing and showing brand personality in communications and carrying that through all elements of the customer journey. And, as we all know, consumers expect and enjoy the odd unexpected piece of experiential marketing from such ambitious brands. But these brands must ensure none of these activities are allowed to take precedence over best-in-class customer experience and service. Great marketing with a poor product is a recipe for disaster.

5.   BE LOCAL

Many online brands have traditionally tried to be 'stateless' for financial and fiscal reasons. This will be increasingly counter-productive as they need to be seen to both genuinely care about the communities they serve and give something back. This can manifest itself in many ways, from investing in retail outlets to supporting local charities.

ABOUT US

Brands2Life is an independent PR and communications agency with a passion for working with the brands that are transforming our world. Our clients range from corporations who are transforming with purpose, industry disrupters and online leaders and the pure tech players who are powering these transformations. We have worked with many leading online brands including Google, LinkedIn, match, Oracle Netsuite and Zoopla.

Our **BETTER STORIES | BIGGER IMPACT** approach enables us to deliver exceptional creativity and outstanding results, whether it's a PR programme or a multi-discipline, multi-channel campaign. We run many of these campaigns all around the world, led out of our offices in London and San Francisco.

We are global leaders in technology and digital with in-depth expertise in AI, fintech, online leaders, healthtech and cleantech and security. Outside the tech sector we have experts in business services, energy, financial services, health & well-being and retail & leisure.

For more information about this report and/or Brands2Life please contact: Emily Reid at info@brands2life.com.

Opinium Research interviewed 6,001 consumers between 2nd -9th December 2019 – 2,001 in the UK, 2,000 in the US, 1,000 in France and 1,000 in Germany.

1. https://www.ft.com/content/887c6c38-cb0e-11e9-a1f4-3669401ba76f
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