TRAJECTORY

Trust in a Changing World

Trajection 2019/6

June 2019

SIGNAL

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Introduction

Trust is a fragile thing. It takes time and care to build and effort to maintain. Societies with high levels of trust in institutions, individuals and authorities are generally more optimistic about the future and less nostalgic about the past. Within advanced economies, consumers that are more trusting – generally – tend to be younger, more affluent, more liberal and better educated.

Trust exists consciously and unconsciously in virtually everything we do and every layer of society. We trust the food we eat to have been properly farmed, packaged and supplied. We trust public services to take care of our needs. We trust the information we see in the news – or we used to.

Trust can also be lost quickly and apparently irreparably. Scandals, cover-ups, political spin and outright lies have not been in short supply in recent years while the rise of populist and untraditional political figures have taken advantage of a new media landscape to challenge conventional authorities. Fragmenting social and political orders in the UK and other advanced economies feed trust and distrust: your point of view about Brexit, for example, is not determined by what you read, but what you read is determined by your view of Brexit.

The future of trust will be different to the past. It will be mediated by data, online information and sophisticated cons, like deepfakes, that challenge our rational assessments and further devalue the currency of evidence. As the world is changing, the nature of trust will change.

All this creates a new landscape for trust and any business or organisation that communicates with its audience, its customers or its staff.

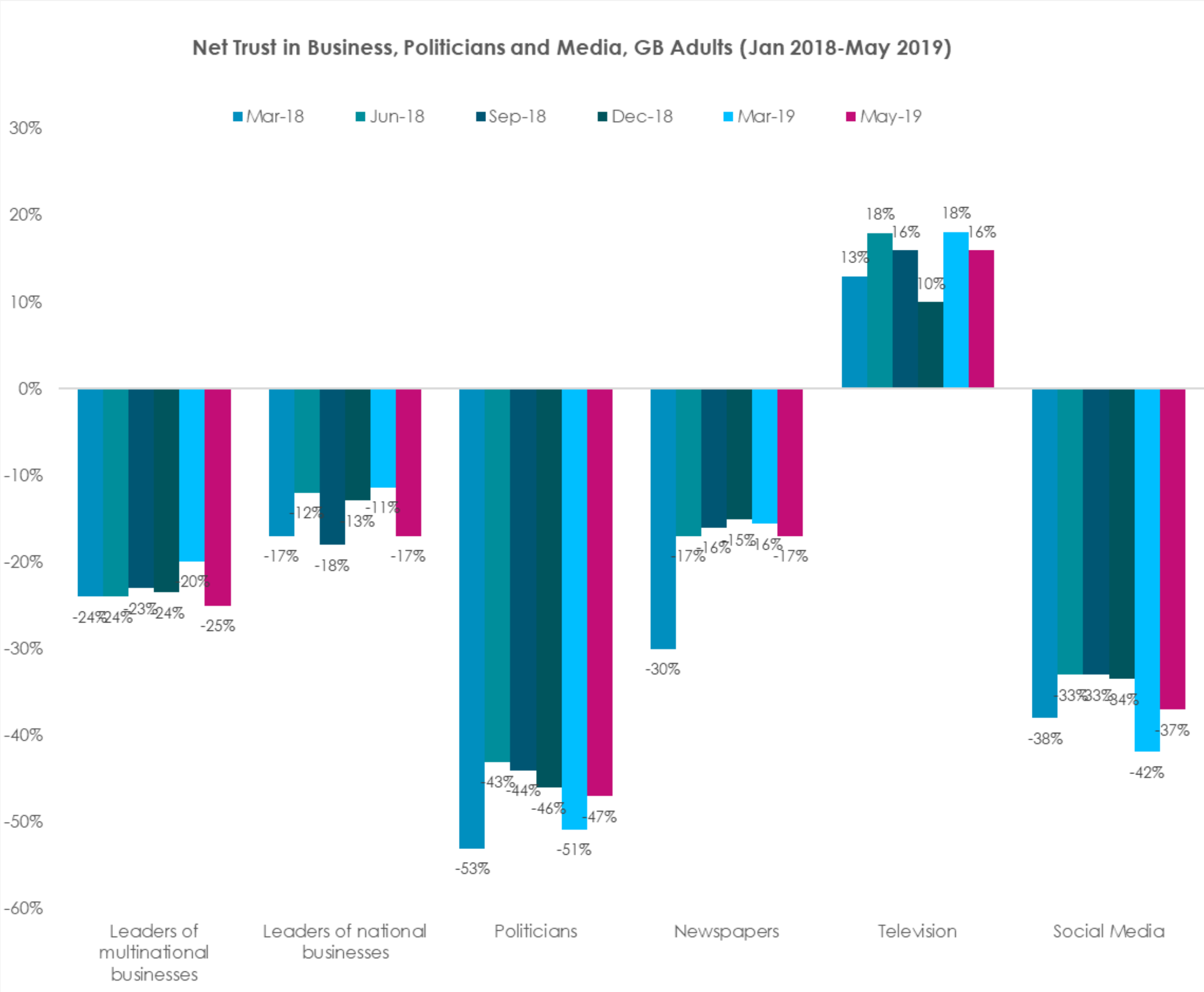
In this report we will:

- Look at the state of trust in the UK and around the world
- Identify the factors that affect levels of trust
- Ask why trust matters
- Explore the future of trust in a digital world
- Pull out the implications for businesses & institutions as a result of these trends

The Current State of Trust

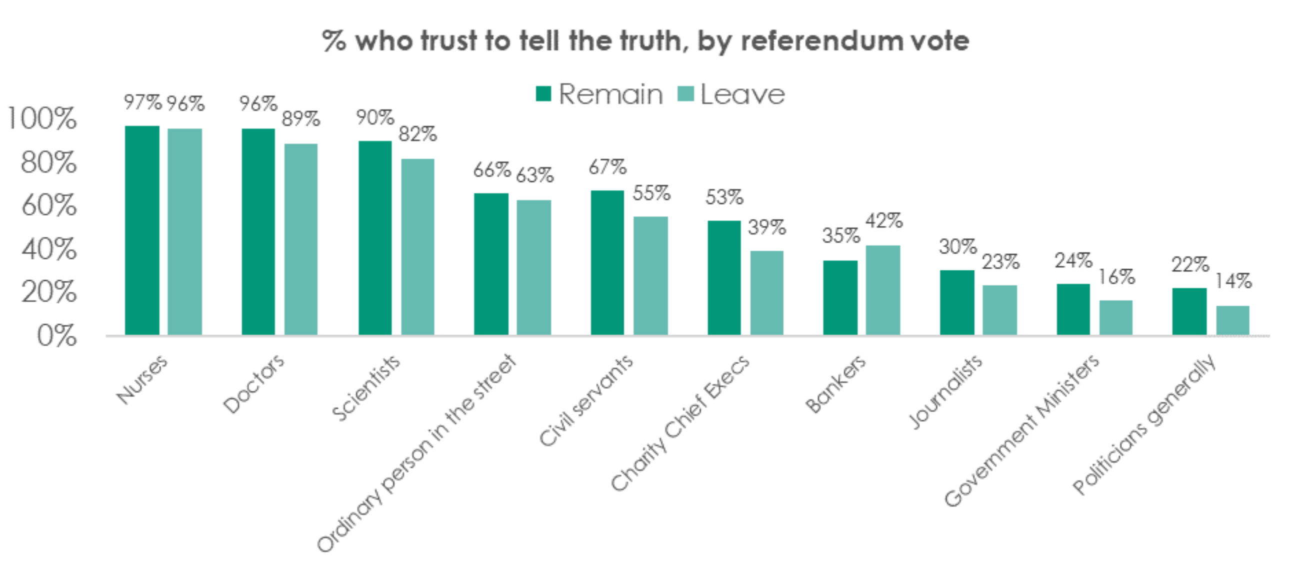
Trust in the UK

Our data shows negative net trust (the proportion of people who trust a particular source or institution minus the proportion who do not trust) for business leaders, politicians and the media.



Source: The Optimism Index, 2018-19

Other sources confirm problematic times for trust. Edelman's Trust Barometer finds a very modest increase in Trust overall in the UK population but wide inequality between the 'informed' public and a mass audience. Ipsos MORI's long running Veracity Index shows some stability in levels of trust in certain professions (more than 85% say they trust Doctors, Professors, Teachers and Scientists to tell the truth) but wide differences of opinion when the results are split by political preference or EU referendum vote.

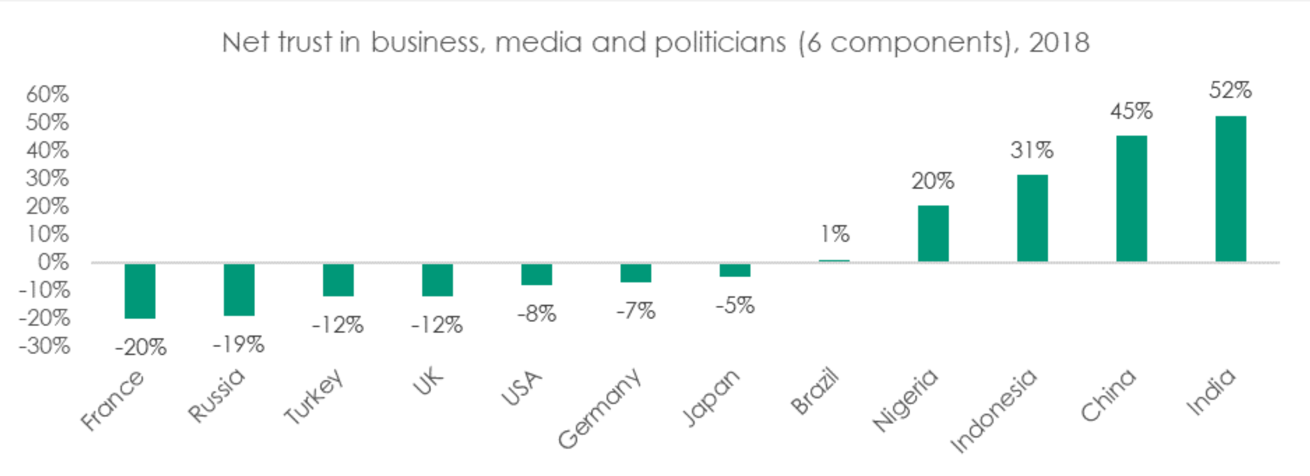


Source: Ipsos MORI Veracity Index, 2019

The Veracity Index reveals a key difference in the way different groups of people trust. Trust is higher in almost all categories amongst Remain voters, including for traditional 'expert' profiles – Doctors and Scientists. Amongst lower ranking professions, such as Nurses, and the ordinary man or woman on the street, there is less difference between the two groups. Those in the government, civil service and media are all less likely to be trusted overall – although again, Leave voters are much less likely to be trusting than Remain voters.

Global Trust

Internationally, levels of trust vary widely. There is a clear trend in the data, with **advanced economies more likely to be untrusting and emerging economies likely to have higher levels of trust** in businesses, media and politicians.



Source: Trajectory Global Foresight, 2018

This data combines several different trust indicators, and finds that the powerhouse emerging economies – India and China – are the most trusting nations internationally, followed by other emerging nations Nigeria and Indonesia. This is a clear trend, but the other end of the scale is more nuanced. Advanced economies – led by France – dominate and the US, UK, Germany and Japan all see negative net trust scores overall. But joining them at this end of the scale are Russia and Turkey.

Furthermore, breaking down the components of the overall trust indicators reveals a great degree of variance in both levels of trust and the directions of the trends within nations. In the US for example, net trust in traditional media (Newspapers and TV) is broadly positive, despite a polarised political climate and open hostility between the White House and certain news media. The Trump presidency has also had little effect on political trust in the US – net trust in politicians remains as strongly negative as it did during Obama's second term. The trend is more encouraging in other areas – trust in business leaders (national and multinational) remains negative but is slowly increasing.

In most markets there is little consistency in either levels of trust or the direction of the trend. Brazil, for example, sees consumers increasing levels of trust in businesses and TV while trust is falling in politicians and newspapers. In Japan, business and media trust is positive and increasing, while trust in politicians and social media is decidedly negative.

Table: Trust levels and trend, by nation and component

	Multinational Business Leaders	National Business Leaders	Politicians	Newspapers	TV	Social Media
US	Slightly negative, but increasing	Slightly negative, but increasing	Strongly negative, stable	Slightly positive, but decreasing	Slightly positive, stable	Negative, decreasing
France	Negative, but increasing	Negative, stable	Strongly negative, decreasing	Slightly negative, decreasing	Slightly negative, stable	Negative, stable
Germany	Negative, but increasing	Slightly negative, but increasing	Negative, but increasing	Positive, increasing	Positive, increasing	Negative, decreasing
China	Strongly positive, increasing	Strongly positive, increasing	Positive, increasing	Strongly positive, increasing	Strongly positive, increasing	Positive, increasing
India	Strongly positive, increasing	Strongly positive, increasing	Neutral, increasing	Strongly positive, increasing	Strongly positive, increasing	Strongly positive, increasing
Brazil	Positive, increasing	Positive, increasing	Strongly negative, decreasing	Slightly positive, but decreasing	Slightly positive, increasing	Slightly negative, stable
Japan	Slightly positive, increasing	Positive, increasing	Negative, but increasing	Positive, increasing	Slightly positive, increasing	Negative, stable

Source: Trajectory Global Foresight, 2018

The only consistency in the data comes from China and India – the most trusting nations overall – who see high and increasing levels of trust in virtually every source or institution.

Why is trust negative?

In the UK – like many other advanced economies – trust is decidedly negative. While there are pockets of positivity – trust in TV in the UK is stable, overall trust in the media in Germany is on the up, the Trump presidency hasn't led to a new floor in political trust in the US – the overall story is grim.

Dealing with the downturn: a difficult climate

The reasons for this are manifold. In the last decade in the UK, for example, a combination of stagnant economic growth and a series of institutional scandals (from MPs expenses, horsemeat, tax 'avoision' and many others) have damaged our collective belief in systems, businesses and authorities. This has been compounded by political fragmentation; since 2010 governments have been formed with either miniscule or non-existent majorities and greater volumes of vote share have gone to alternative parties, meaning that governments must push through difficult or contentious policies with lower levels of support than historically (when >95% of the vote went to either the government or the opposition).

This economic and political backdrop is a relatively short-term trend, starting in the downturn of 2008-09 and the 2010 UK general election that followed. Before the crash, the UK (like many other advanced economies) had enjoyed years of relatively uninterrupted growth. It is easier to build consensus and maintain trust when governments are making decisions about tax cuts and spending rises rather than tax rises and spending cuts. However, the downturn accelerated a long term trend in mature consumer societies: the **decline of deference**.

The decline of deference referred to a healthy questioning of authority from the 1960s and 1970s onwards. The media and consumers became more willing to challenge authority and more confident asserting themselves in both a social and commercial sense.


GIANT map of Britain inside tomorrow
Daily Mail
Fury over 'out of touch' judges who defied 17.4m Brexit voters and could trigger constitutional crisis
ENEMIES OF THE PEOPLE

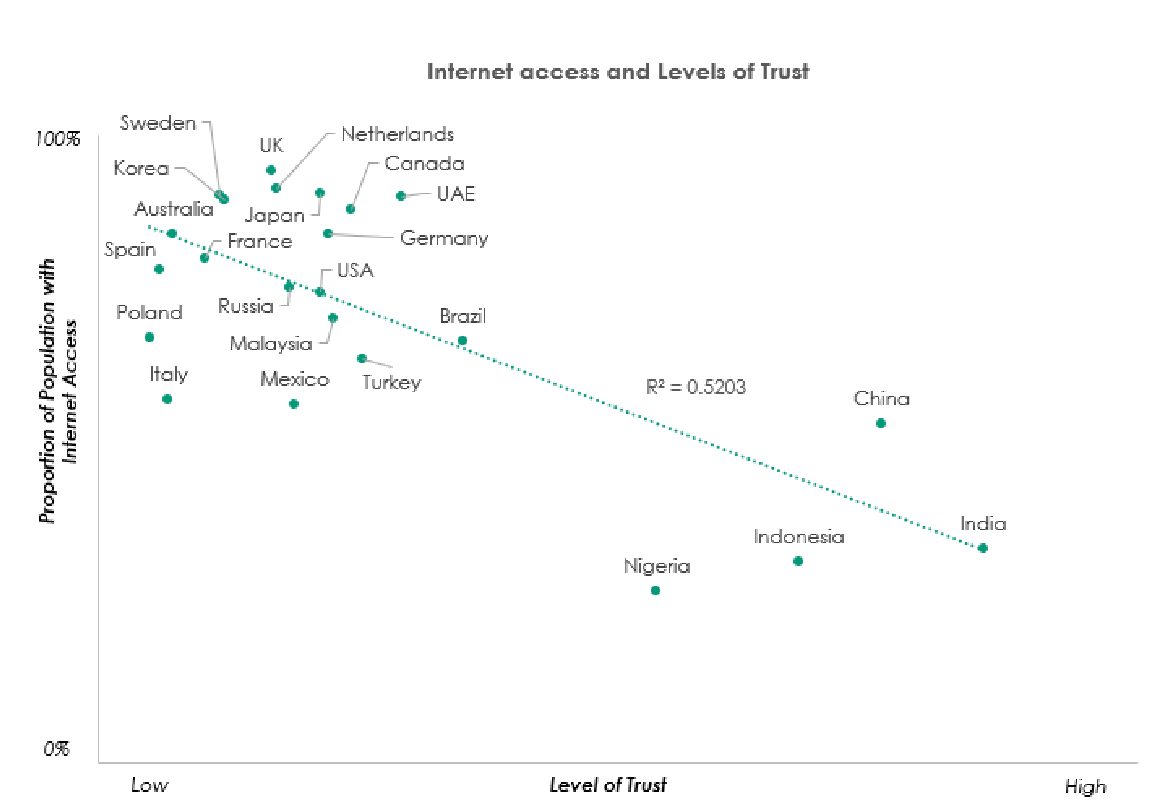
The Sun
CELEBRATE SUN BINGO'S 10TH BIRTHDAY
FREE £5 BONUS
JUDGES' BREXIT BLOW
WHO DO EU THINK YOU ARE?
Loaded foreign elite defy will of Brit voters

DAILY EXPRESS
THREE JUDGES YESTERDAY BLOCKED BREXIT. NOW YOUR COUNTRY REALLY DOES NEED YOU...
WE MUST GET OUT OF THE EU
COMMENT

The climate created by the downturn saw an decrease in deference to authority the beginning of outright hostility to it. The EU referendum moved the dial further, characterised by Michael Gove's now infamous assertion that people have 'had enough of experts'. As the challenges to Brexit began moving through the courts, pro-Brexit newspapers began criticising not just campaigners but the judiciary in new terms. After three High Court judges ruled that parliament must have a say on the Brexit process, the Daily Mail labelled them 'enemies of the people'. In 2019, Ipsos MORI found that judges are trusted by 89% of Remain voters but only 79% of Leave voters.

What drives trust?

This is highly relevant to the current state of trust in the UK but remains a very British context. Other nations were also affected by the downturn – and also had their share of institutional scandals (e.g. Volkswagen in Germany) – but see different trends when it comes to trust overall. Combining trust data collected in over 20 countries between 2015 and 2018 we can understand what wide factors contribute to trust. The answer is that it has comparatively little to do with economic performance or independent assessments of press freedom. The biggest impact on overall levels of trust in politicians, businesses and the media is levels of internet access. Crucially, **the relationship is not positive; the higher the level of internet access, the less likely consumers are to be trusting of authority**.



Source: Trajectory Global Foresight/ITU (2015-2019)

The chart above illustrates this relationship. Nations with lower levels of internet access (according to the ITU), such as China, India and Indonesia typically have much higher levels of trust than nations like the UK, Spain, France, Australia and Japan, which have near-universal levels of trust.

There is some overlap here with conventional economic indicators, not least as those markets with higher levels of internet access are generally also wealthier nations with higher levels of GDP. But the correlation between internet access and trust is much stronger than GDP or GDP per Capita.

Information everywhere: a double-edged sword

The reason for this correlation lies in the **Democratisation of Information** trend, which simply describes the increasing amount of information available to increasing swathes of the population at the press of a button. Traditionally, information – whether that it entertainment, advertising, news or political argument was mediated through a limited number of channels. Universal and near-constant internet access blows those channels away – all information is available to all consumers all the time.

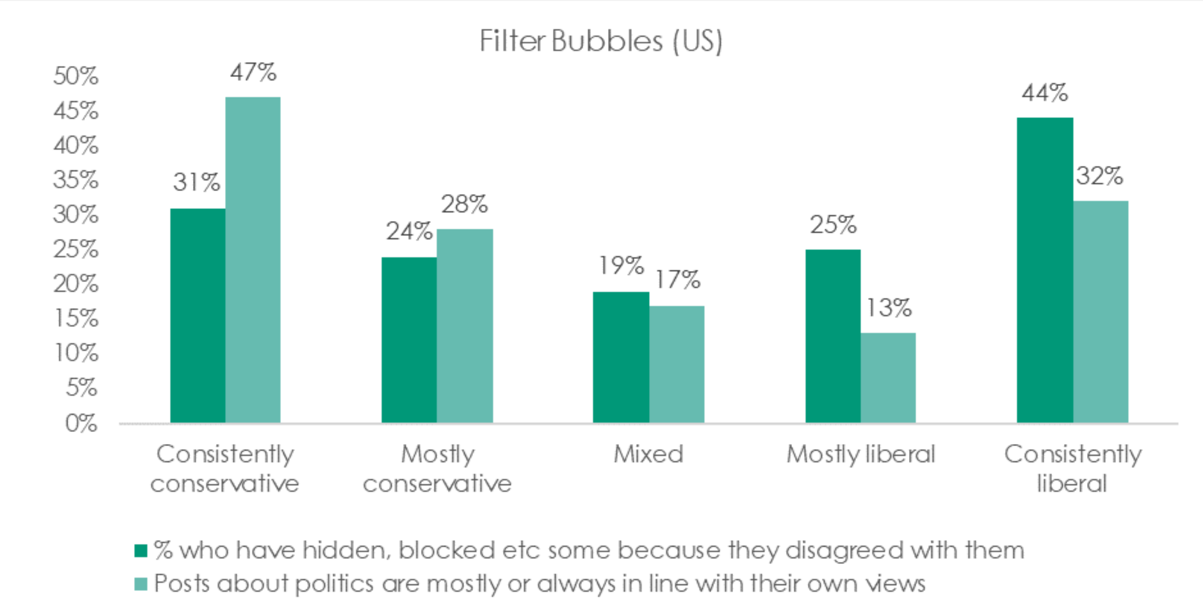
This is not a universally good or bad thing, but is a double-edged sword. It has never been easier to be well informed while it is equally easy to be misinformed. Disparate individuals can coalesce around shared topics of interest to create a new audience for a particular product, service or even TV show and online communities of interest can spring up around uncommon medical conditions, paving the way for new research and analysis. At the same time, misinformation can spread more rapidly than ever, affecting elections.

Putting Fake News to one side, a shift to online media and news consumption levels the playing field, reducing the cost of entry and the need to appeal to a mainstream or hearty constituency of the public. An online, non-mainstream news source – from Breitbart and WestMonster to the Canary and the Intercept – can eke out a living from a relatively small group of geographically diverse but ideologically deeply consistent readers. It has never been easier to find news that reflects your exact point of view. This is a crucial development: more of the information we consume doesn't inform our point of view, it follows it.

This seems to juxtapose with the data showing negative – and falling – trust in news media from all sources, whether online, on TV or in print. However, the explanation is straightforward; trust in the media overall is negative, while trust in **your** source(s) of news remains positive. A Guardian reader, or a Daily Mail reader, may have a dim view of the media overall while retaining a belief in what they read in their news channel of choice. This is not a contradiction, merely partisanship.

This partisanship is exacerbated by our increasing unwillingness to entertain opposing points of view. In recent years the notion of online filter bubbles has gained traction as academics and commentators hypothesised that a fragmenting media landscape means that we are more likely to hear echoes of our own opinion rather than contradictory views. This has come under challenge as some recent studies suggest that we hear information from a greater diversity of sources than ever before.

The key factor here is not our exposure to different viewpoints but our willingness to listen to them. The behavioural data here (albeit from 2014) is damning.



Source: Pew Research Centre, 2014

Why does trust – and mistrust – matter?

Fake news

The democratic shocks to the system since 2016 have seen the notion of 'fake news' rise up the agenda. This is a nebulous term, used so widely – i.e. both to describe anti-Clinton, pro-Trump misinformation that spread on social networks during the presidential campaign, and by the president himself to describe mainstream news he isn't fond of – as to lose all meaning.

It refers only partly to genuinely false information. It is also a generic term of rejection, not dissimilar to Michael Gove's statement regarding the British public's reinvigorated dismissal of expertise.

After Trump's inauguration a bizarre spat unfolded regarding the levels of attendance at the ceremony, with Trump falsely claiming there had been more people at his than Obama's. Kellyanne Conway, a US Counselor to the President, suggested that despite the actual facts, the president had used 'alternative facts' in his statement.

These pronouncements are powerful, devaluing the currency of true information and creating an environment in which figures are able to spread – with the help of media repetition and amplification – misinformation. Evidence, whether from mainstream broadcasters, statistical agencies or undefined experts is discredited in favour of perspective and argument. This is not 'fake news', but something more insidious: **post factual democracy**.

Post Factual Democracy

The currency of information and evidence being devalued is not a theoretical exercise or one that exists only in realm of political discourse. When our trust in expertise – and our belief in facts – wavers, consumers, citizens and society suffers.

A recent report by the University of Cambridge and YouGov, funded by the Leverhulme Trust, found that 60% of British people, 64% of Americans and 76% of the French believe in at least one conspiracy theory. Among the most commonly held beliefs are that vaccinations are harmful (but this is being hidden) and that the idea of man-made global warming is a hoax.

Believing any of these theories necessitates that the individual must equally believe that the science on which our knowledge of vaccinations or climate change is, either deliberately or otherwise, false. On the road of scientific rationalism that western democracies have been walking for centuries, this represents something of step backwards.

These conspiracy theories – and the post factual democracy trend that underpins them – have real world consequences. In the UK, for example, 10% of adults in the survey referenced above agreed that the truth about harmful effects of vaccines is being hidden from the public. To credit this theory is to discredit the Government, academics, the World Health Organisation, the NHS and individual doctors and nurses. However, enough people have discredited these sources to drive numerous measles outbreaks in advanced economies around the world.

The Future: Trust in a digital age

We have already described the impact that the Democratisation of Information is having – and will continue to have – on trust. But the next few years will see new digital challenges to our notion of trust. These challenges are unlikely to drive increases in overall levels of trust.

Deepfakes

We are starting to see more and more evidence of ***deepfakes*** online. Deepfakes are videos or images using artificial intelligence to superimpose one image onto another in a video. In practice, this means that people can create highly believable videos in which it looks like somebody is saying or doing something when they are not.

The video linked here is an example of a deepfake: what appears to be Barack Obama delivering a public service announcement about the danger of deepfakes is in fact filmmaker Jordan Peele pretending to be Barack Obama delivering a public service announcement about deepfakes. Although political satire has been one example of the nascent technology's use so far (they first appeared on Reddit c.2017), they have been most commonly used in pornography – which immediately creates a number of much more serious implications around our digital identities and personal privacy.

Unspotted, or unregulated deepfakes can open up both new forms of misinformation (e.g. deepfake pornography) but can also serve to simply reinforce existing misinformation. Reading an article that contains misinformation is one thing, but natural scepticism is greatly outweighed when that misinformation takes the form of a public figure saying or doing something to camera.

Regulatory reaction

Government's and regulatory authorities have reacted to the increasing role of digital information in trust and democracy by setting the wheels in motion when it comes to oversight and competition. Recent reports by the UK Treasury and the European Commission reflect the focus of some Democratic nominees (especially frontrunner Elizabeth Warren) in the burgeoning 2020 US Presidential race.

The response so far has chiefly focused on competition and **antitrust regulation** (distinct from trust as a social construct and how we have been discussing it in this report). Warren's pitch is perhaps the most interesting in the context of how tech giants are – directly or indirectly – affecting trust. She is proposing to break up the tech giants, writing in Medium earlier this year that doing so is in the long US tradition of antitrust measures that combat big business in the interests of protecting choice and innovation.

"A century ago, in the Gilded Age, waves of mergers led to the creation of some of the biggest companies in American history—from Standard Oil and JPMorgan to the railroads and AT&T. In response to the rise of these "trusts," Republican and Democratic reformers pushed for antitrust laws to break up these conglomerations of power to ensure competition." – Elizabeth Warren, Medium March 2019

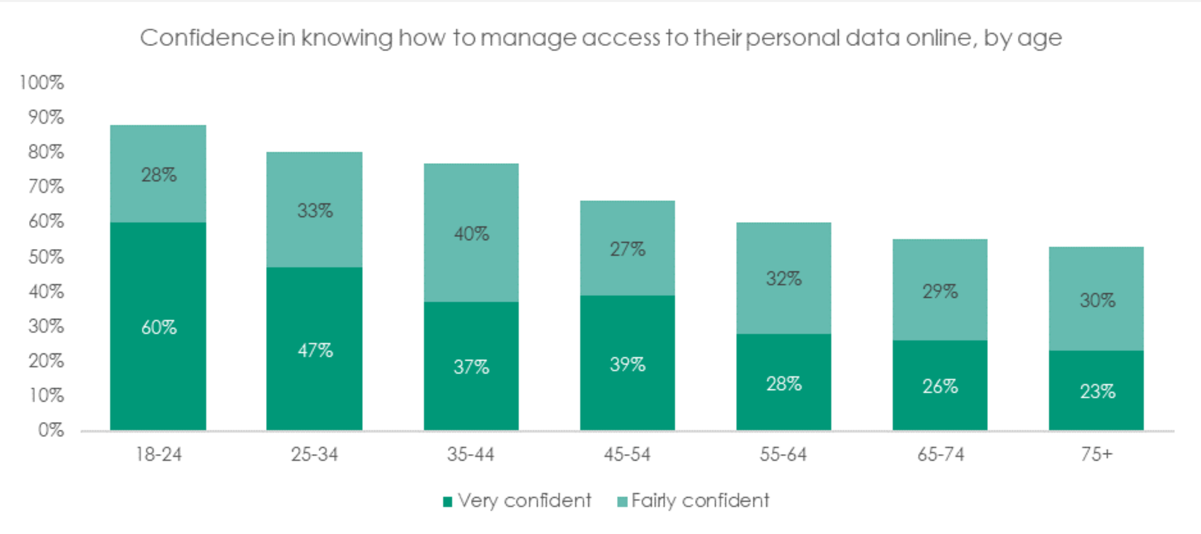
The key point in Warren's argument isn't just that the tech giants are getting too big, it's that they are acting like a referee that also owns one of the teams in the match they're officiating. Amazon and Google both own marketplaces while also trading in those marketplaces.

These measures are only tangentially related to trust, but dominance by a few corporate behemoths that have the power to invoke 'God mode' due to their astonishing access to data undoubtedly feeds into a broader sense of powerlessness amongst consumers and diminishing trust in the powers that be to act in the consumer interest. Even more powerful is the sight of business leaders like Mark Zuckerberg facing a day of hostile questioning at the hands of lawmakers.

Digital Divides

While the Millennial cohort or Gen X got used to see men like Zuckerberg held up as visionaries and wealth creators of their age the younger generation (Gen Z will have their perception tainted by this scrutiny – and perhaps be less willing to freely part with their data.

This generational digital divide is critical, but its meaning is changing. Where once the divide was about access (those that did and didn't have internet access at home, for example), today it is about confidence and sophistication of use. Management of personal data and trust in data processors is a key element of that.



Source: Ofcom, 2017

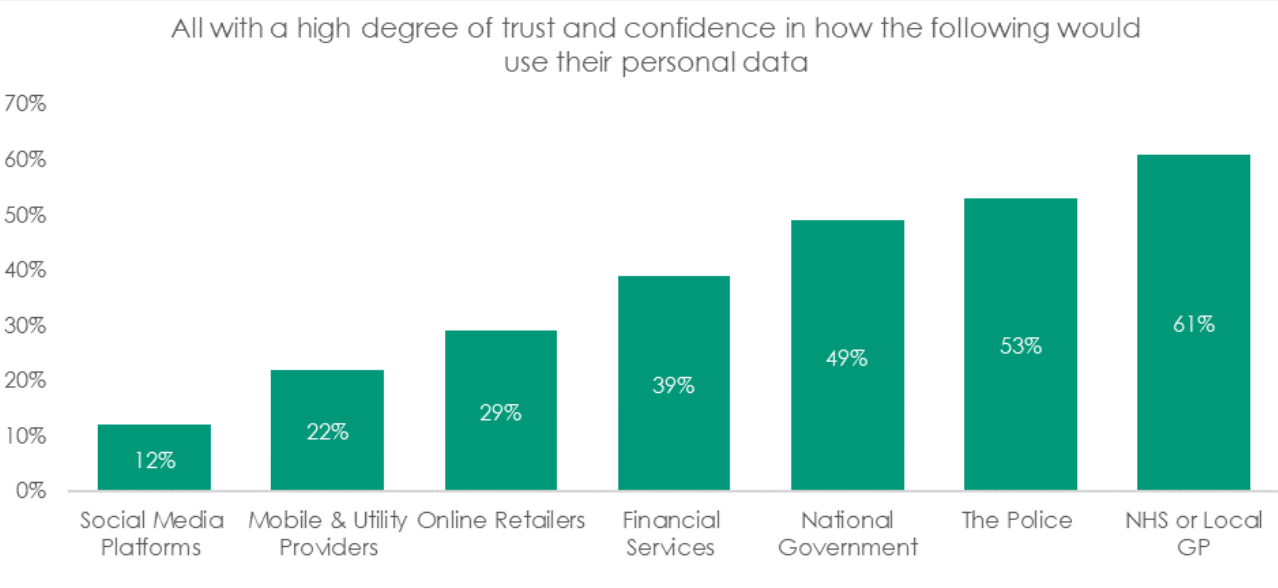
Implications: what does this mean for businesses?

The trends in this report and the current state of trust present myriad challenges for businesses. However, there are some strategic actions businesses can take to navigate these waters and other implications that will find any consumer facing business.

1. Data as a CSR issue

Data will become a central issue for CSR agendas of businesses, even those that would not categorise themselves as data businesses. How firms process and manage consumer data will become an additional CSR plank – not replacing other issues, like sustainability or financial probity but adding to them.

Some organisations already have a head start in this matter, particularly central government and public services. Commercial processors, from financial services to utility providers are all significantly less likely to be trusted.



Source: ICO, 2017

The reason for this divergence is that we trust government agencies and public bodies more – we assume there is more oversight and less chance of exploitation. We generally trust individuals from these sectors (police offices, nurses and doctors) more than individuals from the private sector too.

To increase levels of trust – in both data privacy and more generally – **private firms should lean into regulation and recognise the centrality of data as a CSR and reputational issue**.

2. Authentic Authenticity

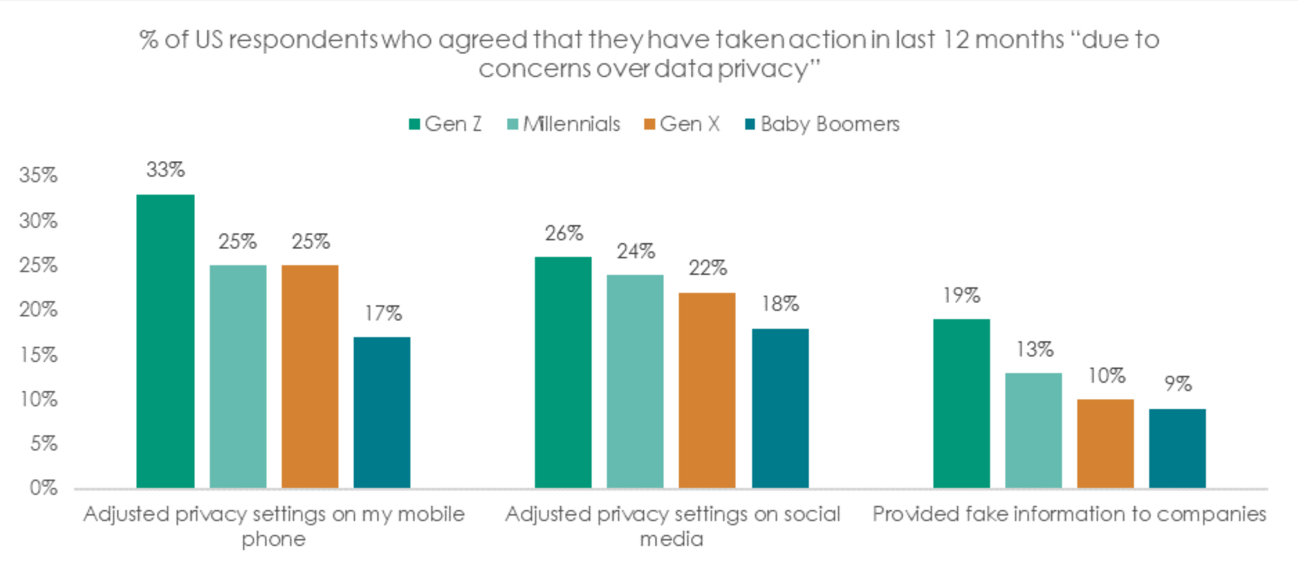
Brands have faced the challenge of authenticity for decades, and many have become good at imitating it, co-opting authenticity (whether about product provenance or corporate values) as a way of constructing synthetic meaning. **However, consumers have become adept at distinguishing between 'fake' authenticity and authentic authenticity**. If brands want consumers to trust them, pointing them to their CSR report or a limited marketing campaign will not suffice.

For an example we can look to supermarkets and their recovery following the horsemeat scandal in 2013. Tesco's new range of beef, launched a couple of years after the scandal, purported to be from wholesome sounding but entirely non-existent Boswell Farms. This, alongside other 'fake' brands (Redmere Farms, Willow Farms etc) is easily exposed.

3. Imperfect Data

Most businesses know that there is no such thing as perfect data. However, a new challenge for consumer facing businesses will not be engendering trust from their users, but trusting the data their customers provide.

This shift will come with the continued emergence of Gen Z as fully fledged consumers (they are currently aged between about 9 and 23). As we have seen, Gen Z are already far more confident online than other generations, both in breadth of tasks they use communications technology for and their confidence in managing their own data and personal information. Research amongst US generations finds that Gen Z are more likely than other generations to have taken steps to protect themselves – 33% have adjusted privacy settings on their mobiles and 26% adjusted privacy settings on social media.



Source: Deloitte/SSI consumer survey, 2016

Even amongst this cohort of digital natives, proactive data protection is a minority sport. **However, a significant minority of Gen Z have taken privacy a step further – 19% say they have provided fake information to companies**. For this cohort, the risk of a data breach is diminished if the data is inaccurate to begin with. Further, almost half of Gen Z's in the US admit to having 'fake' or multiple Instagram accounts (labelled Finstagrams) to better capture different aspects of their identity.

The challenge for brands is clear: can they trust that the data snapshot of their customer is accurate – or even one angle of a complex, paradoxical consumer?

4. Post factual democracy

Finally, it is important for all brands, organisations and consumers to recognise the implications of post factual democracy and to make the distinction between misinformation or fake news and the devaluation of evidence or facts.

Warped versions of the 'we've had enough of experts' sentiment were amplified in the run up to the presidential election later in 2016, with Republican Newt Gingrich rejecting statistics that showed reduced crime statistics by saying:

"[T]he average American does not think crime is down, does not think they are safer…as a politician, I'll go with how people feel and I'll let you [the interviewer] go with the theoreticians."

For society, this is a long term, structural challenge to processes and institutions such as democratic elections, evidence based policy making and the delivery of public services. For businesses, it represents an entirely new communications landscape. If how people feel about, for example, crime and safety, does not tally with evidence that shows crime falling, what should inform messaging?

Populist politicians have successfully exploited public dissatisfaction with the status quo to place themselves in high office. We may see nakedly populist brands attempt to repeat this trick, but their success will be short lived.

Brands that pander to fears or exploit misinformation will find themselves placed under extraordinary – and deserved – scrutiny and will lose further ground with consumers in the process. But evidence is only part of the story – to regain or maintain trust brands must leverage both clear-headed assessment about the consumer context and the at times contradictory perception consumers have.

TRAJECTORY

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