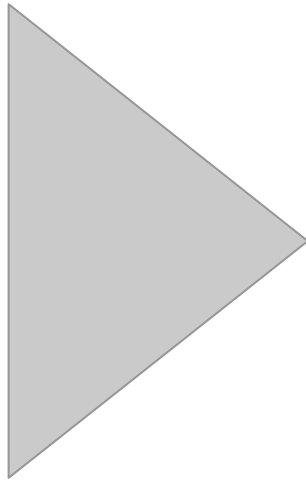




Better Business Bureau



BBB/Gallup Trust in Business Index

Executive Summary: Consumers' Rating of Companies They Regularly Deal With

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BACKGROUND

The following Executive Summary presents the findings of a quantitative survey research program conducted by The Gallup Organization on behalf of the Better Business Bureau (BBB).

BBB's objectives were two-fold: to provide a comprehensive examination of how consumers define trust, how trust impacts their decision to become customers and 2) to identify emerging needs and action that businesses can use to address consumers' concerns. To meet these objectives, The Gallup Organization conducted a national survey among the general public. Additionally, the findings have been used to develop a BBB/Gallup Trust in Business Index.

METHODOLOGY

The Gallup Organization conducted 1204 interviews in the U.S. with the adult general public 18 years of age and over. The study was conducted from August 22-September 8, 2007. Up to five calls were made to each household to reach an eligible respondent. The sample used for this study was a nationally representative sample of U.S. adults residing in households with telephones. The final data set was statistically adjusted (weighted) by the following variables: race/ethnicity, region, gender, age and education according to the most recent CPS (Current Population Survey) data. The final results are representative of all adults age 18 and over residing in households with telephones.

The questionnaire was developed in consultation with representatives from BBB and The Gallup Organization. All interviewing was supervised and conducted by The Gallup Organization's full-time interviewing staff.

For results based on the sample size of 1204 one can say with 95% confidence that error attributable to sampling and other random effects could be plus or minus three percentage points. In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error or bias into the finding of opinion polls.

SURVEY HIGHLIGHTS

One in Every Two Consumers Report Having a Great Deal/Quite a Lot of Trust in Companies They Regularly Do Business With

- One-half (49%) of all consumers surveyed say they have a great deal (12%) or quite a lot (37%) of trust in the companies they regularly do business with in their everyday life. Two in five (40%) say they have some trust and 11% very little or no trust.
 - Consumers age 50 and over are more likely than those under age 35 to say they have a great deal of trust in the businesses they deal with regularly. Among those age 65 and over three in five (58%) say they have a great deal (17%) or quite a lot (41%) of trust in these companies. In contrast among consumers under age 35, more than half (57%) report having only some (42%) or little or no (15%) trust in the companies they do business with.
 - Consumers in the Midwest region of the country are more likely than those in the South to say they have a great deal of trust in the businesses they regularly deal with.
 - Those more likely than average to say they have very little trust are consumers reporting annual household incomes of less than \$30,000.

Consumer Trust Levels Decreased For Approximately One in Five but For Most Trust Has Not Changed

- Three-quarters (74%) report that the amount of trust they have in businesses they regularly deal with remains the same as it was a year ago. Eight percent say their trust has increased. However, more than twice as many consumers say their trust in these businesses has decreased (18%) over the past year as say their trust as increased (8%).

Honesty & Ethics Tops List of Consumers' Prerequisites for Gaining Trust in Companies

- In an open-ended question, respondents were asked what, in their opinion, was the most important thing a business must do in order to gain their trust. Leading the list of top-of-mind responses are honesty, truthfulness, and ethics, mentioned by 27% on an unprompted basis. Good customer service is reported to be a prerequisite for gaining trust for one in five (19%) consumers, followed by accountability and delivering on promises, considered most important by 11%. Quality products and/or service are mentioned by one in fifteen (6%). Interesting variations in responses to this open-ended question are noted:

- Honesty and ethics are cited as most important by consumers age 50 and over, particularly those age 65 and over where 40% cite honesty and ethics vs. 14% good customer service.
- Conversely, to those consumers under age 35, good customer service is mentioned as being most important in gaining trust in a company cited by 27%, vs. 17% who mention honesty and ethics as being most important.
- Among consumers between the ages of 35-49, honesty and ethics (24%) and good customer service (20%) closely share the top unprompted responses.
- Women are more likely than men to mention honesty and ethics (30% vs. 23%) as being most important.
- Consumers across all four regions of the country cite honesty and ethical standards as most important in gaining trust; however, those in the East are less likely than those in the West to say good customer service is most important (15% vs. 24% in the West).
- Those in the West are more likely than average to say honesty and ethical standards are most important (34% vs. 27% overall) in gaining their trust in a business.

Pharmacies and Grocery Stores Most Trusted Types of Businesses among Those Companies Consumers Regularly Deal With in Everyday Life

- Consumers were read a list of businesses that people might deal with on a regular basis in their everyday life. Among businesses consumers regularly do business with, pharmacies and drug stores lead the list of companies they trust the most. Nearly two-thirds (65%) say they have a great deal or quite a lot of trust in these types of businesses. Grocery stores and supermarkets are the second most frequently mentioned, with 59% saying they have a great deal or a lot of trust in these businesses while banks, financial institutions, and stock brokers are third with 48%. Home improvement stores are fourth with 46%.
- Department stores rank fifth with 37% of American consumers saying they have a great deal or a lot of trust in them followed by office supply companies at 34%, electronics and appliance stores at 29%, and both contractors such as plumbers, electricians, and roofers and auto repair maintenance shops at 27%. Next are health care insurers and gas stations at 26%, furniture stores at 22%, and cell phone and wireless providers at 21%. At the bottom of the 15 types of companies consumers do business with everyday are real estate brokers and auto dealers with only 16% of consumers saying they have a great deal or a lot of trust in them.
- Women are more likely than men to say they have a great deal or quite a lot of trust in banks and financial institutions, home improvement stores, department stores and cell phone and wireless service providers.
- Consumers age 65 and over are the most likely age group to say they have a great deal or quite a lot of trust in pharmacies and banking and financial

institutions. Consumers under age 35 are the most likely age group to say they have a great deal or quite a lot of trust in home improvement stores.

Honesty; Dependability; Safety; Good Value Are Top Four Factors Consumers Cite As Important In Determining Trust in Companies They Choose to Regularly Deal With

- Consumers were read a list of fourteen possible factors that might be important in determining what businesses they would trust to provide them with the products or services they would use in choosing a company to regularly do business with. Not surprisingly, most factors measured were considered to be important to consumers, but some were more likely to be named as extremely or very important than others. The top four are: The company's reputation:
 - For **Honesty and Fairness**
 - For Being **Dependable and Reliable**
 - For Providing **Safe Products**
 - For Providing you with **Good Value For Your Money**
- Ninety-three percent of consumers rate a company's reputation for honesty and fairness as being extremely or very important. A company's reputation for being both dependable and reliable is considered to be extremely or very important by 91%. Having a reputation for providing safe products ranks third with 89% saying this is extremely or very important. Providing a good value for the money ranks fourth among the list of factors, mentioned by 88% as extremely or very important.
- A reputation for providing good prices is fifth at 76%, and the way a company treats its employees comes in sixth at 75%. Rounding out the list of those factors for which 50% or more consumers rate extremely or very important in determining their trust in a company are: its reputation for having professional and courteous phone representatives at 66%, the recommendations of friends and relatives at 52%, and knowing someone at the company you can go to with a question or problem at 51%.

According to Consumers, Company Most Trusted Has Gained Their Trust through Competitive/ Low Prices, Nice Friendly Associates and/or Good Customer Service

- All consumers were asked what one business or company that they regularly deal with in their everyday life, large or small, they trust the most. Those who named a company were asked what type of business this company was in. Leading the list among those who named a company are banks, financial companies, grocery stores and supermarkets and retail and sales. No other businesses were named by more than five percent of the consumers as a company they trust the most.

- Those who named a company were asked in an open-ended question what, specifically, this company did to earn their trust. Unprompted, competitive or low prices (29%), nice, friendly, polite associates (29%) and good customer service (26%) are the three attributes that are mentioned most frequently, each by more than one in four consumers who named a company they dealt with regularly that they most trusted

Consumers Say That Company Least Trusted Has Lost Their Trust Because of High Charges, Poor Service

- Consumers were also asked what one business or company they regularly deal with in their everyday life, large or small, they trust the least. Among those who named a business, a retail or wholesale sales business was named by 13%. About one in ten (9%) said the company they trust least was an auto repair business, eight percent said this company was an auto dealer. Another eight percent said this was a communications or telephone company and an additional eight percent report it was a gas station.
- When asked what the company had done for them to not trust the company, consumers most frequently, unaided, mention high charges or fees (30%), poor service (27%), failing to meet promises (16%), dishonesty (14%), poor quality (13%) or bad business practices/policies (12%)

At Least Eight in Ten Consumers Strongly Agree That Company They Trust Most Has Many Key Attributes

- Consumers were read a list of fourteen behaviors on the part of companies today and asked to agree or disagree that each described the company they trust the most.

Eight in ten or more strongly agree that the company they trust the most:

- Provides dependable and reliable products and services (86%)
- Stands behind the quality of its products and services (85%)
- Is responsive to customers' needs (81%)
- Stands behind what it says in its advertising (80%)
- Delivers on its promises (80%).

When asked about the **company least trusted**, there is more variance across the scale but **strong disagreement** is greatest for the following behaviors:

- Has someone who knows you and who you can go to if you have a question or problem (48% strongly **disagree**).
- Delivers on its promises (43% strongly **disagree**)
- Responds to customer complaints in a timely manner with a fair and satisfactory resolution (40% strongly **disagree**).

Consumers under Age 50 and the More Affluent Consumer Most Likely To Trust Companies That Only Do Business Online

- Only one in six American consumers or 17% say they have a great deal or quite a lot of trust in companies that only do business online while 42% say they have some trust; 22% say they have very little trust, and 12% say they have no trust at all. Consumers under age 50 are more likely than their counterparts age 50 and over to say they have a great deal or a lot of trust in companies that only do business online. Higher income consumers are also more likely to trust companies that only do business online than are lower income consumers with 22% of those making \$50,000 or more annually saying they have a great deal or quite a lot of trust in these companies, versus 11% of consumers making \$30,000 but less than \$50,000 a year, and just 8% of those making less than \$30,000 annually.

Two-thirds of Consumers If Given The Choice Would Opt For Doing Business With Small Companies

- Given a choice, 67% of consumers say they would prefer to do business with a small company rather than a large company in their everyday life.