



The quest for authenticity

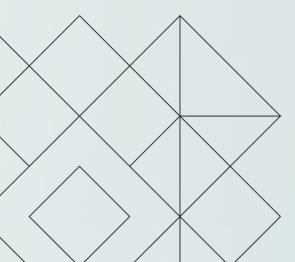
Verified reviews and sustainability

2023



Contents

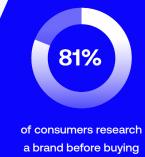
The evolution of brand authenticity	03
Why is there an increased desire for authenticity?	04
The power of feedback - verified and fake	05
Authenticity guaranteed by verification	06
Proof sustainability matters to the modern-day consumer	07
Why brands need to be sustainable	09
How to get buy-in from the board	10
The solution	11
How to tell your sustainability story	12
Explore - and our Sustainability Awareness Solution	14
Key takeaways	15





In an era of increasing consumer scepticism and information overload, the need for brands to demonstrate authenticity is vital. Consumers now demand transparency and accountability from the companies they use. This report explores why they seek authenticity, the significance of verified reviews and customer feedback in building trust, and consumer attitudes toward sustainability claims.

The evolution of brand authenticity



Modern-day digitally savvy and media-literate consumers have come a long way compared to their counterparts of a decade or so ago. In fact, 81% of them now go online to find out about a product and have their questions answered before heading out and making a purchase¹. They look at everything from the ingredients in a product, the packaging used, the social proof, the choice of influencers... the list goes on. They're also far more aware than ever of when they're being misled or lied to.

So what do we mean by brand authenticity?

An authentic brand is transparent, honest, and consistent in its messaging and behaviours. It's about being real and is key to building consumer trust and loyalty. Consumers' awareness of brand posturing, positioning, and inauthentic messaging is at an all-time high. And with many brands under the microscope for greenwashing claims, it's never been more important to prove your brands authenticity.

Why is there an increased desire for authenticity?

According to the 2021 Edelman Trust Barometer², consumer trust in businesses has been declining globally. Only 53% of respondents said they do now. So, it's no wonder the quest for authenticity is at an all-time high. There's been a notable shift in consumers' expectations. They're no longer satisfied with traditional marketing tactics and superficial brand messaging. They seek genuine connections and meaningful experiences with the brands they support. As a result, the desire and need for brand authenticity have increased significantly.

Companies rely on customer feedback to improve their products and services and show they're authentic. So, it's vital people can believe the comments they read, and businesses can rely on that feedback to gain accurate insights on which to base their growth strategies. Fake reviews play a huge role in jeopardising consumer trust and brand authenticity. That's why the spread of them is such a problem. In 2021, the World Economic Forum put their cost to the economy at \$2.3 billion in the UK alone – and an eyewatering \$152 billion globally³.



With the development of machinelearning AI, such as ChatGPT and Midjourney, this trust is being stretched further as the boundaries on what is possible and what is true are constantly being pushed.



"Consumers seek genuine connections and meaningful experiences with the brands they support"

^{2 &}lt;u>Edelman</u>

³ Weforum

The power of feedback - verified and fake



93% of customers read online reviews before buying a product



Reviews can lead to an 18%+ uplift in purchase conversion and to higher basket spend



Buyers are 15% more likely to purchase when reading a verified review over an anonymous review



4-5-star reviews are more likely to be received from verified buyers

40%

of SME businesses have been negatively affected by fake reviews⁵



Over a quarter (27%) of consumers have been misled by fake reviews⁴

Only 8%

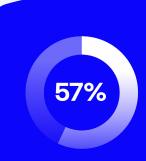
of people believe they could definitely spot a fake review⁵



78% of consumers and 81% of businesses are calling for an end to fake reviews

⁴ Feefo Consumer Research 2022

Authenticity guaranteed by verification



57% of people say their perception of a brand is influenced by its sustainability practices.

At Feefo, we believe in being transparent and honest. And we want to help businesses deliver these values to their consumers to build trust.

With 57% of people saying their perception of a brand is influenced by its sustainability practices⁵, transparency is important. It allows consumers to verify the authenticity of a brand's ESG (Environmental, Social, and Governance) assertations. By providing honest details, data, and evidence of their efforts, brands can substantiate their claims and prove themselves free from greenwashing or empty rhetoric. Consumers like brands that are willing to be transparent and back up their ESG commitments with tangible verification of their actions.

That's why we launched our Sustainability Awareness Solution. We want to help our clients build up as much trust and transparency as possible with their customers. Our Sustainability Solution gives consumers the evidence and confidence to believe in a brand's sustainability claims and achievements.



Once you've won consumer trust, 62% will stay loyal

Once you've won their trust, 62% of customers will stay loyal. Building trust with your audience leads to customer confidence, higher growth, and even increased employee engagement as well. Remember, though, trust can be hard to win but easily lost.



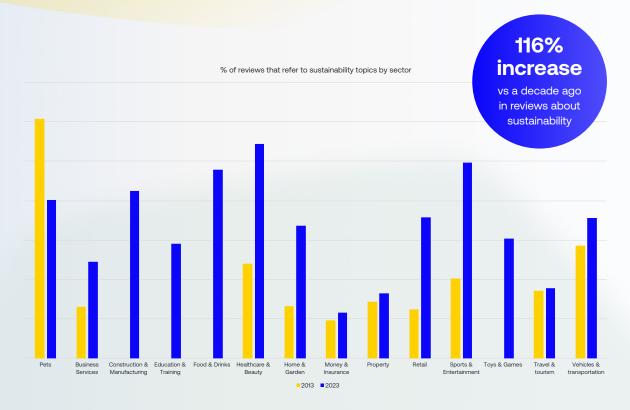


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Proof sustainability matters to the modern-day consumer

We've analysed over 40 million of our clients' verified reviews from over the last 10 years. What did we find? Reviews about sustainability topics have increased by 116% over the previous decade.





We also saw a correlation between brands that are making positive steps forward with their sustainability claims and higher-rated reviews.

Interestingly we discovered that of the reviews referring to ESG topics, 77% scored either a 4- or 5-star review too.

Good eco-minded products at good prices

Products are very well packaged in non plastic recyclable packaging

5 star service, my only gripe is the excessive packaging used, so much plastic and a cardboard box that could accommodate an item 6-7x the size of what I ordered



Our data shows that consumers are more occupied with the environmental side of ESG claims. Many of our reviews focused on a brand's environmental impact, being eco-friendly, and using biodegradable packaging.

It's unsurprising to see comments about the environment are quite high up in the consumers' minds as this tends to be the mainstream news in the media outlets.

People's health, safety, and well-being are high up on their agendas too.

When brands obtain certifications or accreditations from reputable third-party organisations, like our **Sustainability Awareness Solution**, it shows that their ethical claims have been independently verified and meet established standards. These accreditations serve as important trust signals for consumers seeking authentic, ethical practices from the brands they support.

Social

fair trade
discrimination
sexist racist consumer law
consumer rights
health and safety
human right consumer protection misogynist
fairtrade disease beauth bazrds ty ageism
prejudice employee relation
wrongful dismissal

Governance

unethical ethical governance corrupt transparent corruption company policy transparency unlawful corporate culture esgethics

That's not all. We found a lot of consumers want transparency from brands as well.

Consumers who prioritise ethical consumption are concerned about the fair treatment and well-being of workers. They believe all employees should be treated well, with dignity and respect. This is possibly one of the reasons why shopping from ethical companies that show their ESG commitments and actions, such as Fairtrade brands, appears to be a higher driver than we've seen in the past.

Why brands need to be sustainable



A recent report from McKinsey and Nielson looked at whether or not consumers are willing to spend more on sustainability products. It found that brands making ESG-related claims averaged 28% cumulative growth from 2017 to 2022. Brands that couldn't or didn't make such claims only averaged a 20% growth over the same period⁶. It also highlighted the misconception that it's only the Gen Z-ers who are eco-conscious consumers. Although this group scores a bit higher than others, it's actually quite broad-based.

The growing importance of these sustainability-conscious consumers is impossible for businesses to ignore. 40% of shoppers now choose brands demonstrating good sustainability practices⁷. More and more individuals are becoming aware of social and environmental issues and want to make a positive impact - even if that's just through their shopping choices. Businesses that cater to this demand can tap into a significant and expanding market segment.

It is a misconception that only Gen Z are eco-conscious consumers

⁶ McKinsey & Company

How to get buy-in from the board



The figures speak for themselves.



The consumers' viewpoint

- 81% of consumers feel that companies should help improve the environment8
- 57% say their perception of a brand is influenced by its sustainability practices9
- 116% increase in reviews mentioning sustainability versus a decade ago



The desire to see greater transparency

- 80% of shoppers do not trust unverified sustainability claims made by brands¹²
- 80% of UK adults want to see more transparency from businesses on their environmental impact, initiatives, and targets13



Decision making

- 72% of consumers consider sustainability in purchasing decisions¹⁰
- 40% of buyers choose brands that demonstrate good sustainability practices11



Demonstrating ROI

 +30% increase in conversion rate when articles are flagged as sustainable8

YouGov

The solution

Feefo has brought its brand awareness, consumer trust, and tech platform together with ethy's sustainability expertise. Collectively we provide responsible companies with the tools and credibility to communicate their sustainability journey and achievements effectively and honestly.

With Feefo and ethy, you can prove your ESG successes to customers using our ecolabel system. We've developed these labels as an accreditation framework based on the United Nations Sustainability Goals.

Key benefits:

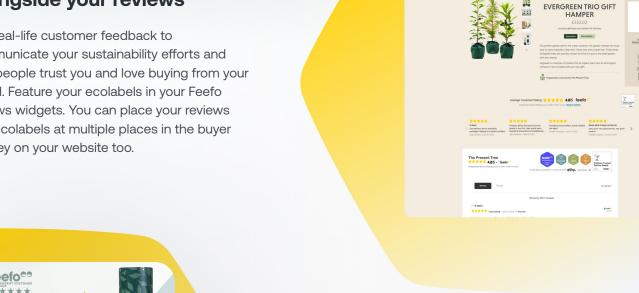
- Help consumers with their sustainable purchasing decisions
- Showcase your positive impact at the moments that matter to drive conversions with our ecolabels
- Profit from sustainability as an increasingly influential sales and loyalty driver



How to tell your sustainability story

Alongside your reviews

Use real-life customer feedback to communicate your sustainability efforts and why people trust you and love buying from your brand. Feature your ecolabels in your Feefo reviews widgets. You can place your reviews and ecolabels at multiple places in the buyer journey on your website too.







Across social media

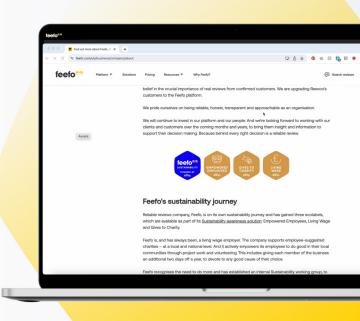
Creating engaging, organic social posts is challenging. Plus, you have to fight against the ever-changing social algorithms to get your content seen. But your ESG story can make your posts stand out.

Get your social media working harder for you with our consumer-friendly ecolabels that quickly show what your business is doing to ensure a more sustainable future. By including your ecolabels alongside your review content, you can positively strengthen and display your commitment to today's ESG-conscious consumers.

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On corporate documentation

Make sure you're displaying your ecolabels across all your corporate documents – physical and electronic. It will help tell readers why sustainability is important to your business. And it will let them know how your brand has earned your verifications and what they mean.







Stand out on POS and packaging

Standing out on the shelves in stores is tough. So, make it easy for consumers to learn about your brand's sustainability achievements at the point of sale. Create engaging POS and packaging that includes your ecolabels. This will catch the eye of shoppers and make them want to learn more about your brand and sustainability commitments.



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EXPLORE!



Explore - and our Sustainability Awareness Solution

The travel company Explore has already used Feefo to listen to verified customer feedback and be open and honest with future customers about their services.

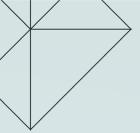
As a company, it operates with a purpose. It keeps sustainability in mind and works hard to increase the positive impacts its business creates and minimise the negative.

And it wanted to prove it really stood by this to its customers.

'We want to be honest and transparent about where we are on our sustainability journey, communicating what we do well and what we need to work harder on. We want to strive towards creating more positive impact through our business, and we think it's important that we use independent people to verify our actions.' Explore website

So, Explore bought our **Sustainability Awareness Solution** to show it had nothing to hide. The company has been awarded nine ecolabels so far.





Key takeaways

1. Sustainability matters to consumers' decision making

We know 40% of UK shoppers are now 'conscious shoppers'. Don't believe the hype that it's only Gen Z shoppers, either. Consumers across all generations are becoming increasingly more ESG-aware and concerned.

2. Communicate with confidence

Consumers aren't actively seeking out your ESG credentials. Make them easy to discover. Our ecolabels are designed to verify you're working towards a more sustainable future. Build them into your marketing communications so your sustainability commitments show and resonate with consumers. Put ecolabels on your packaging, across all your digital touchpoints, and your social media... wherever customers may see them.

3. Don't view sustainability messages as 'nice to have'. Invest in what is important to your customers

In an environment of economic uncertainty and the threat of a recession, companies become risk-averse, tighten the purse strings, and say, 'As much as we'd like to invest in sustainability, we just can't do it right now'. Looking back at past recessionary times, the companies that stuck to and invested in the things they knew were important to their business, such as the customer experience and brand reputation, came out much better and enjoyed a greater performance in both the short and long term. The data shows that behaving responsibly and proving your sustainability commitments is a great long-term bet for success.

Don't get left behind

Discover how we could help you with your sustainability story.

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