



INDUSTRY OVERVIEW

A BRAND BELIEVABILITY™ REPORT BY WILL & GRAIL



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INTRODUCTION

Life is experienced through brands - and brands built on a core sense of purpose are outperforming the competition. These are organizations that have aligned their reason for existing and their reason for doing. Because of it, they benefit from an increasing number of consumers willing to switch brands to ones that align with their values, more talented recruits willing to come on board and stay longer and greatly improved financial performance. Eighty percent of consumers say they're more likely to switch brands to one that can show it quantifiably makes a difference in people's lives, 81 percent of job seekers consider a company's social impact program when deciding where to work, and purpose-driven brands outgrew the S&P 500 by more than 40 percent annually over a ten-year period.

But there's a fundamental disconnect between the wants of consumers, employees and communities and how organizations operate - 90 percent of executives say they understand the importance of purpose, but still only 20 percent of brands worldwide are seen to meaningfully and positively impact people's lives. The

problem is clear - organizations may think they have core purpose, but it means nothing if people don't believe it.

This issue inspired to develop Brand Believability™ - our methodology to measure and understand the factors that influence perception of a brand's alignment with purpose. It's the measurement of the belief that an organization makes a profound, positive impact on lives, communities and the world. We applied it to organizations across five industries - automobile, technology, banking, cellular service and non-profit, scoring three companies in each category.

In our Brand Believability Report, an organization's believability is rated on a scale from 0-10, with 10 being a perfect score. In some cases, we compared ratings with the company's Net Promoter Score (NPS), an index measuring how likely a consumer is to recommend a brand (on a scale of -100 to 100).

In addition to assigning Brand Believability scores, our report includes industry and company-specific analysis of the results and representative quotes from some of our respondents.

The following companies are included in the report:

Ford
Toyota
Tesla
Apple
Microsoft
Google
Bank of America
Wells Fargo
Citibank
AT&T
Sprint
Verizon
United Way
The American Red Cross
American Cancer Society

Our findings across all industries suggest many discrepancies exist in how these brands are viewed by consumers and the purpose of the brands themselves. Brands are missing opportunities to promote unknown and often-ignored aspects of their organizations, including philanthropic and community-based programs, sustainability efforts and a deeper purpose outside the basic functionality of their products. The responses to our survey also show that there is no "norm" when it comes to higher-level purpose - this is a topic society is still learning to talk about.



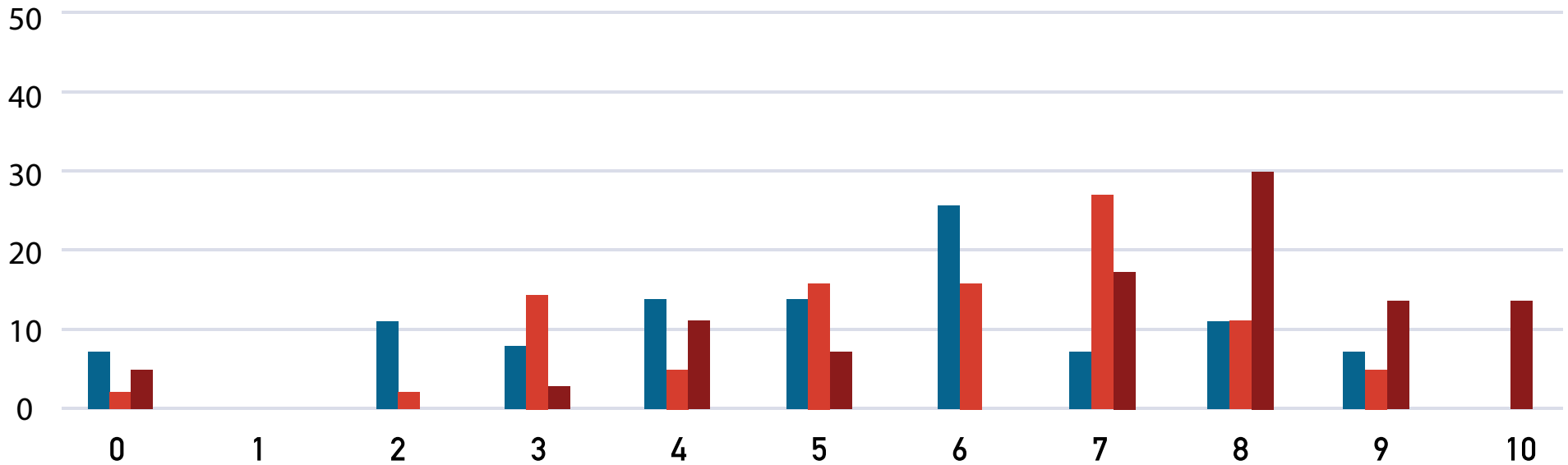


AUTOMOBILE INDUSTRY

FORD
AVG: 5.00
NPS: 28

TOYOTA
AVG: 5.70
NPS: 33

TESLA
AVG: 7.00
NPS: 96.9



The Brand Believability scores for auto companies Ford, Tesla Motor Company and Toyota paint a picture of misconception and missed opportunity. The survey suggests Ford's Brand Believability relies on its cars being American made, not imported like the Japan-based Toyota. That may be a widely accepted theory amongst consumers, but the evidence doesn't totally back it up. While Ford does employ the highest number of Americans in the industry, more than 50,000 workers according to a 2015

report from the United Auto Worker's union, their cars still aren't the most American. Toyota has the most American-made car, with 75 percent of its Camry's makeup coming from American manufacturers according to this year's Cars.com American-Made Index. Ford did not have a car in the top eight.

Toyota scored slightly higher than Ford with most respondents noting the durability and reliability of their cars. Neither company received recognition for efforts to improve lives on a community level.

Tesla scored highest amongst the three, with the prevailing opinion being that the company's purpose - a commitment to developing electric cars and energy efficient products to improve our environment - was much more impactful. Respondents also noted that Tesla's advancements in technology served humanity more than just moving them from Point A to Point B. All signs point to Tesla's emergence as a very strong brand, as its Brand Believability score also correlated strongly with its Net Promoter Score - an almost perfect 96.6.

When it comes to being green, Tesla has market-perception on lockdown. This doesn't mean Ford and Toyota don't have a story to tell, though. In Newsweek's 2015 listing of top green companies, Toyota came in at 35 while Ford placed 171, making them two of the top three automakers. Tesla came in at 431 and outside the top 10 in automobile rankings. The rankings are based on eight environmental indicators, like combined energy and water productivity.

WHAT OUR RESPONDENTS HAD TO SAY

- “Ford plays a big role in American manufacturing and employing Americans, but I’m not sure if that is always their priority.”
- “Tesla seems to be advancing an idea that could change things for us as individuals as well as the environment, Ford is playing catch up, trying to innovate - but it seems more to just drive sales. Toyota is the same as Ford.”
- “My impression is that Ford adapts or follows technology advances, Toyota tends to perfect developments. Tesla has a high end image of high tech, creating products that may be ‘cool’ but still transport people from place to place.”
- “I am unaware of any contributions Ford and Toyota make to their communities. Tesla has a more of an impact on the world because the products they make have a positive effect on the environment.”

KEY TRENDS

POSITIVE

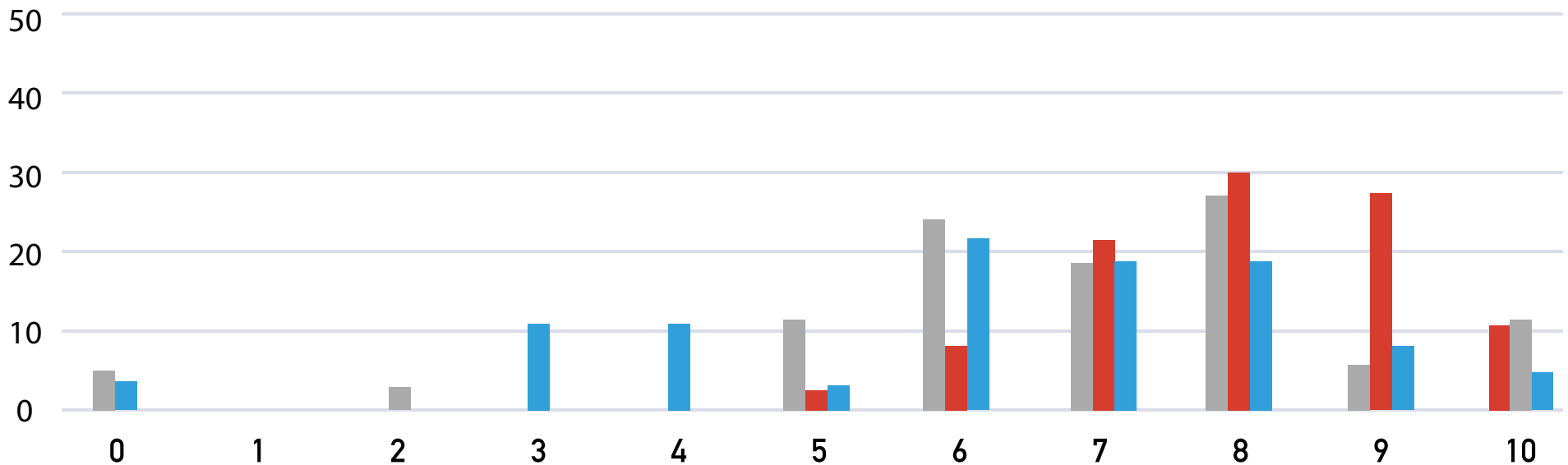
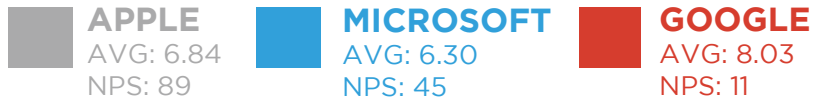
- Consumers like the idea of Ford being “American-made” and focusing on jobs in the country.
- A focus on green initiatives and environmental innovations are seen as the most impactful purpose, evidenced by Tesla’s scores and responses.
- Reliability is seen as a positive impact, with Toyota’s higher ratings stemming from their durable, long-lasting cars.

NEGATIVE

- Car companies aren’t seen as having much impact on a local level, and consumers aren’t aware of their social responsibility programs.
- Negative scores were often attributed to companies like Ford lagging behind in technological advancements.
- Failing to have or communicate environmental efforts resulted in low scores, specifically for Ford.



TECHNOLOGY INDUSTRY



Among the three technology companies we scored, Google had the highest brand believability, coming in at 8.03. Respondents believe Google has profoundly impacted how we find and consume information, effectively changing the world.

Microsoft, which scored 6.30, is seen as a less innovative brand than Apple. However, the

perception of its impact is buoyed by the philanthropic efforts of the company's billionaire founder Bill Gates. The Bill & Melinda Gates Foundation works to lift people in underdeveloped nations out of poverty, and the couple have personally donated \$1.5 billion to the organization.

Apple, which received a slightly higher score with a 6.84, is seen

as having profound impact through technological innovations like the iPhone. Where the company takes its lumps is in its business strategies. Recently ordered by the European Union to pay \$14.5 billion in back taxes to Ireland, Apple has also been criticized for utilizing sweatshops in China, such as Foxconn and Inventec, to produce products like the iPod.

The comparison to Google's NPS had the most interesting misalignment in our study. Their low score, relative to the industry competition is driven by the methodology. Consumers see Google as a company that greatly impacts their everyday lives, but so ubiquitous, with its name becoming a verb, they need not promote it.

WHAT OUR RESPONDENTS HAD TO SAY

- “Apple with the iPhone and emphasis on design has truly reshaped our day-to-day lives. Microsoft makes computing available to the masses and does many things to further computing in R&D. Google has profoundly shaped how we find things on the internet and is rapidly reshaping transportation.”
- “Apple’s brand promotes creativity and works to integrate personal lives and technology with as little friction as possible. Microsoft, while they make good products, seem to focus more on basic functionality rather than making a more profound impact on individual lives. Google’s impact is unmatched, connecting the world to information as quickly and accurately as possible through their online services and products.”
- “My perception of Apple’s impact on lives has decreased after learning about their factories overseas. I rated Microsoft higher because I know Bill Gates is one of America’s most giving philanthropists.”
- “Apple connects people with technology - but uses low cost labor. Microsoft makes software - but doesn’t really innovate. Google’s theme is ‘do no harm’ and they innovate with driverless vehicles, map technology and are much more open in sharing those things that make things possible.”

KEY TRENDS

POSITIVE

- Consumers associate the impact of tech companies with their ability to constantly innovate and create products never thought of, like the iPhone.
- The personal impact of philanthropic and groundbreaking figures like Bill Gates and Elon Musk were often noted in high scores for Microsoft and Tesla.
- Google’s scores benefitted greatly from fostering what’s seen as a positive, innovative work environment.

NEGATIVE

- Consumers are paying more attention to tech companies business practices than others. Outsourcing and tax evasion are seen as a negative impact.
- Perception of stagnation hurts the tech industry. Apple’s recent products aren’t seen as having as much of an impact as they have in the past.
- These companies are seen as having an impact on lives and the world as a whole, but impact on a local level was rarely noted and hurt scores in some cases.

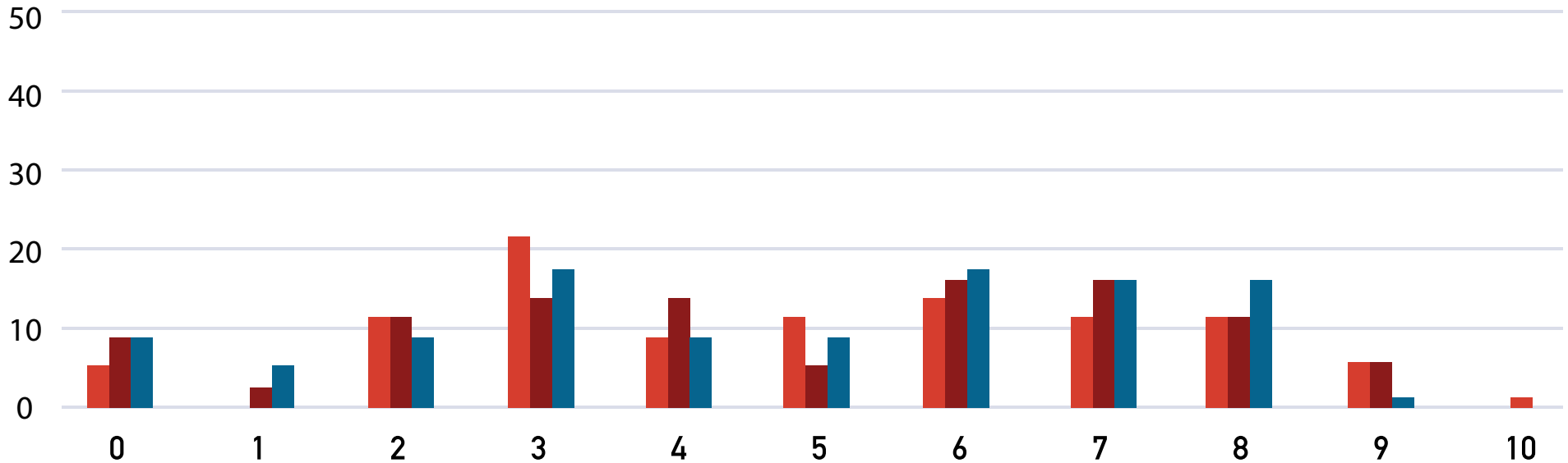


BANKING INDUSTRY

BANK OF AMERICA
AVG: 4.92
NPS: -24

WELLS FARGO
AVG: 4.73
NPS: -12

CITI
AVG: 4.68
NPS: -41



Brand Believability was not a kind metric for the financial sector. Bank of America, Wells Fargo and Citibank scored lower than any other company we surveyed. The overwhelming opinion from respondents is that the banks in general do not make any sort of impact outside of providing checking accounts and credit cards. Consumers noted bureaucratic corruption within the institution, like the recent

Wells Fargo scandal in which they created millions of fake checking accounts using customer's financial information.

These banks could be hurt by the negativity surrounding the industry at large. Recent research from Gallup found big banks suffer greatly in public perception because they are less engaged with customers than small and local banks, and that consumers

tend to like their personal banker, but not the bank itself. Gallup also found that the industry has failed to recuperate its standing since the financial crisis of 2009. These three banks were among the largest beneficiaries of the taxpayer-funded Emergency Economic Stabilization Act of 2008, also known as the bank bail out - an issue that is still weighing on positive image awareness.

While they do have their obvious warts, the companies could improve their scores by better communicating their educational programs and efforts to improve local communities. Bank of America has its Building Better Money Habits program to help explain complex financial subjects in simple terms. Citibank has invested \$47 billion into environmental finance activities - an action which is viewed positively.

WHAT OUR RESPONDENTS HAD TO SAY

- “My experiences with large banks have taught me that they are at best incompetent bureaucratic wastes of space and (more probably) at worst, simply evil institutions fueled by greed and corruption.”
- “I don’t know anything about the banks other than I could get a credit card from them.”
- “I am unaware of how any of these banks impact people’s lives around the world.”
- “They all seem like big banks that are in it for themselves.”
- “The banks just aren’t doing much to have a profound effect on how people struggle in their relationship with money.”
- “They are just banks they do the same as every other bank and don’t separate themselves.”
- “The entire banking industry is focused on separating people from their money. Their fees and interest-rate policies make them a lot of money.”

KEY TRENDS

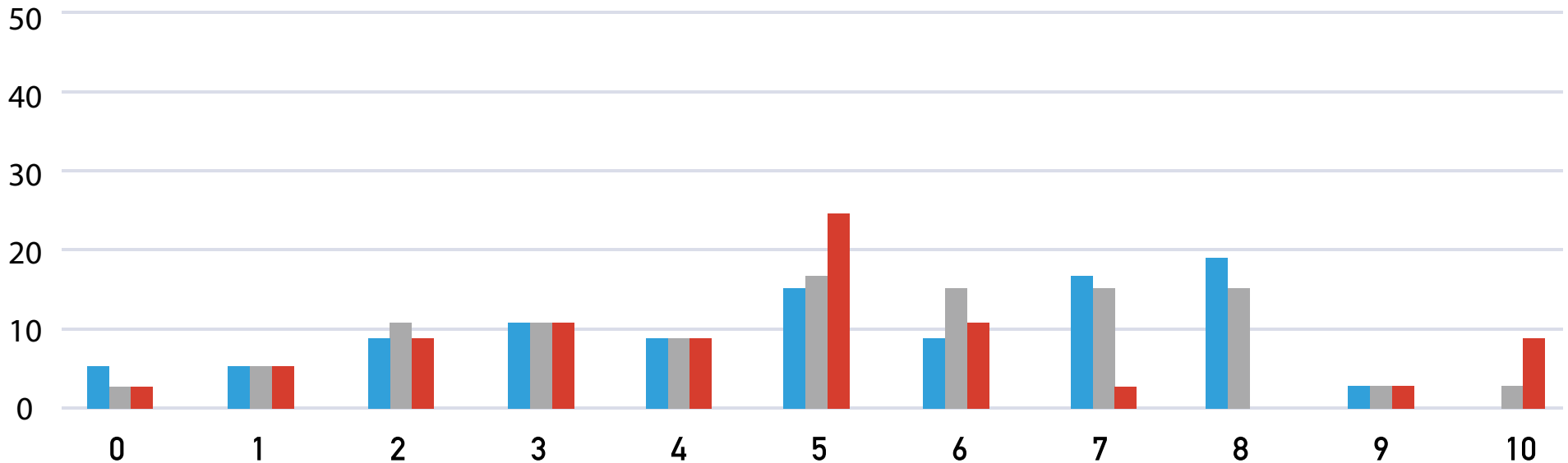
POSITIVE

- Banks are seen as having an inherent impact at all levels by providing access to capital to a variety of borrowers.
- Higher scores were typically given by consumers who benefitted from the banks’ financial education efforts.
- Consumers noted good customer service from banks when scoring their impact higher.

NEGATIVE

- Big banks are not only seen as failing at connecting with lives or communities on a local level, but having a negative impact on them overall.
- Brand Believability scores were much lower when respondents said there were no discernable difference between the three banks.
- Perception of bureaucratic corruption and deceptive practices are a common theme amongst the industry, causing the biggest hit to each bank’s score.

CELLULAR SERVICE INDUSTRY



Hampered by the transactional nature of their industry, cell phone service providers Verizon, AT&T and Sprint received relatively low Brand Believability Scores. Respondents overwhelmingly focused on a lack of any positive, profound impact from any of these companies. They noted a lack of social programs and what they see as a hyper-focus on profitability, rather than advancing society or any greater purpose.

Although Sprint scored lowest of the three, it received the most positive explanations from those we surveyed. Responses pointed to the company's Sprint Accelerator, a facility that offers coworking and event space to growing companies in Kansas City, where it is headquartered. The remaining two providers do have similar programs, but they were not noted by respondents and had no apparent impact on their scoring. Verizon hosts

the Powerful Answers Award Challenge - an annual competition which invites submissions of big, innovative ideas relating to social good and awards \$6 million to help the winner's come to fruition. AT&T also invests in startups - its Aspire Accelerator provides companies that work with students, schools and communities a \$100,000 investment and access to other resources and customized programs to foster growth.

A number of renowned psychologists and social scientists have found that people remember bad experiences more so than good ones, and that's something to keep in mind when it comes to this industry. We note when our cell phone service is out, but we rarely notice the other 95 percent of the time it works properly. We infer some of the lower scoring among cellular service providers can be attributed to this phenomenon.

WHAT OUR RESPONDENTS HAD TO SAY

- “The Sprint Accelerator is a factor in my high ranking for their brand and what separates them from the other two. It is a boost to the local community and entrepreneurs. I am not aware of Verizon or AT&T doing work like this.”
- “They all quibble over features and functions. I have no idea what any of them stand for.”
- “They all are terrible in my opinion and are doing nothing to further society. They are purely focused on maximizing profit.”
- “I have never noticed a social awareness from any of those companies.”

KEY TRENDS

POSITIVE

- A common theme among positive scores was that the companies connected lives, communities and the world through their services.
- Quality service is seen to be the biggest impact cellular service providers can have.
- Rare high scores were often attributed to companies' efforts to support entrepreneurship and innovation, signaling that communicating community-based programs from these companies are important to consumers.

NEGATIVE

- Most respondents said these companies were only concerned with profit and not impact.
- The perception of the industry is that there is no difference between companies, hurting their overall positive impact.
- In most cases, respondents were not aware of any attempts at furthering a cause for any of these companies.

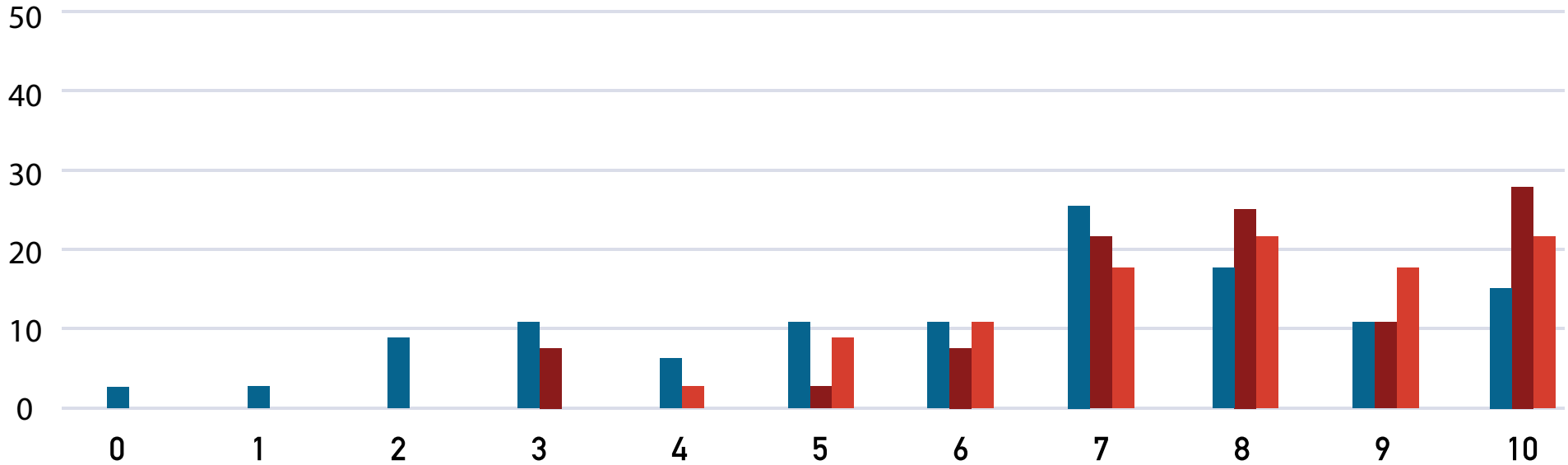


NON-PROFIT INDUSTRY

UNITED WAY
AVG: 6.94

AMERICAN RED CROSS
AVG: 7.97

AMERICAN CANCER SOCIETY
AVG: 7.86



Understandably, the three non-profit organizations included in our survey received some of the highest believability scores. Respondents made it clear that the organizations (United Way, American Cancer Society and American Red Cross) were making a positive and profound impact just by existing. However, they did make distinctions in the level of effectiveness for each. The American Red Cross received the highest score due to its high-

profile disaster relief efforts. The American Cancer society was seen as having a deeply profound impact just for raising funds in the name of curing the disease, but a few questions lingered on the application of the money it brought in.

United Way was the only non-profit to score below 7.00, leading to mostly negative responses pertaining to its purpose. Those surveyed

questioned the causes the charity aligns itself with, displaying an apparent disconnect in its messaging. On its website's FAQ, it states its work in still unclear terms, saying the organization "helps provide the building blocks for a good life through efforts in two areas: Safety Net (providing basic needs) and Education/Jobs Training." United Way gets a 3 out of 4 rating from non-profit watchdog Charity Navigator with a strong score pertaining to their

Financials. The site's report shows that 91 percent of its expenses go directly toward their charitable programs. Brand Believability in the non-profit sector indicates a clearer narrative explaining the greater meaning behind their fundraising could greatly benefit the United Way.

Net promoter scores were not available for these organizations.

WHAT OUR RESPONDENTS HAD TO SAY

- **“I do not know what United Way does, so I cannot honestly rate their impact. In the wake of natural disasters, like the Haiti earthquake, the Red Cross always seems to lead the way in volunteer and fundraising efforts.”**
- **“Based on the perception I have, Red Cross helps lots of victims in emergency situations.”**
- **“We actually see the Red Cross going to disaster areas and helping people. The other two seem to only run fundraisers.”**
- **“The United Way is big and you never know where the money is going. Red Cross provides disaster relief so naturally, that’s an impact.”**



KEY TRENDS

POSITIVE

- **Being a non-profit, regardless of what the organization benefits, is seen as having an inherently profound and positive impact.**
- **Serving a broad cause that affects most people, like curing cancer, greatly helps perception of a brand’s purpose.**
- **Media coverage of these organizations’ helps improve the perception of their impact, with many respondents citing things they had heard on the news when giving high scores.**

NEGATIVE

- **Lack of transparency with funds is the biggest characteristic that will hurt the perception of a non-profit organization.**
- **Clarity is important to consumers. Lower scores were often a result of consumers not being aware of what the organization actually did.**
- **Lack of publicity hurt the organizations in some cases, with respondents scoring organizations lower if they had not heard**



CONCLUSION

At its core, Brand Believability is a simple measure that, if consistently applied, will lead to actions that will fundamentally change the way an organization operates. The insights provided in this report will help connect purpose with experience.

Consumers want brands to have believable, purpose-driven impact. This survey begins the process of understanding the factors driving consumer-perception of Brand Believability. For some, it's sound, transparent business practices. For others, it's innovation and sustainability. On the whole, the organizations

we researched lack believable impact on some level, but this does not spell doom and gloom. Our analysis tells us these organizations have a story to tell. By further identifying and aligning their core sense of organizational purpose, they can build messaging around it, developing deeper connections with consumers and convert more prospects into customers.

If you would like to get your organization's Brand Believability score, please email us at withpurpose@willgrail.com or call 816-842-6996.

WHAT IS BRAND BELIEVABILITY?

As a society, we are waking up to the need and desire to build companies that focus on both profitability and purpose. It's the best way to create socially responsible, sustainable enterprises that make a profound, positive impact on lives, communities and the world. When an organization is driven by a big, audacious meaning, it means a deeper connection with customers, driving higher rates of loyalty and increased lifetime value as well as a unique and powerful point of differentiation, helping to convert prospects into customers. The research backs it up - 89 percent of consumers are likely to switch brands to one that's associated with a good cause if price and quality are similar. People are looking for something beyond functionality - they want to know their money is going toward something bigger. Something *good*.

Brand Believability™ is a proprietary methodology developed by Will & Grail to measure and understand the factors that influence market perception of a brand's alignment with purpose. It does it by gathering quantitative and qualitative input that measures the believability of a brand from the aspect of purpose. In short, will the brand make a positive impact on lives, communities and the world? Measuring this allows us to assess whether a brand has purpose, and if it's acting based on this in the brand relationships it builds with key audiences.