



SPECIAL REPORT

The new Latin American consumer: a question of trust

A regional analysis
of six economic sectors

Madrid, July 2018

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Although way below the performance indexes of Asian economies, the more than 2 % growth expectation forecast over the next two years for the Gross Domestic Product (GDP) % in Latin America¹ reflects a sustained economic recovery in the region, largely underpinned by domestic consumption. In this scenario, the trust relationship between consumers and businesses is a cornerstone for development in the region.

This study explores this ‘trust’ relationship and its challenges based on almost 4,000 surveys in nine markets (Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Peru and the Dominican Republic) and six key sectors: food & drink, automotive, pharmaceutical, financial services, retail and telecommunications.



¹The Economic Commission for Latin America (CEPAL), along with other multinational organizations, calculates an economic growth of 2.2 % for 2018, due especially to domestic demand. At [Cepal](#).



2. THE NEW LATIN AMERICAN CONSUMER

The strength of private consumption in Latin America is one of the many indicators that reflect a number of changes, especially²:

- **Growth of urban population:** it is calculated 85 % of the Latin American population will live in urban areas by 2030, increasing demand for housing, infrastructure and services.
- **Rise of single-person households:** the number is rising to unprecedented levels in Latin America.
- **Older consumers:** those aged over 65 currently represent 7 % of the Latin American market. This figure is expected to reach 15 % by 2020 (83 million).
- **Increasing income of Latin American households:** mostly as a result of the larger number of women in the labor market, their participation is expected to grow by 20 million up to 2030.

Just as in other parts of the world, these socio-demographic movements accompany global trends that have given consumers more power in their relations with business, such as:

- **Increased connectivity.** More than 61 % of the population in the region

is now connected to the internet. Although there is still work to be done in this respect, progress has clearly been made. And this greater access drives the new Latin American consumer.

- **E-commerce.** In the wake of this increased connectivity, e-commerce is expected to grow by 16 % over the coming years. Apart from the figures, this trend shows that consumers are more active and proactive in their relations with businesses and brands
- **Hypertransparency.** Inevitably, the increased connectivity and boom of social networks have converted the relationship between brands and consumers into a glass box, which requires a more direct, transparent approach. The challenge of meeting expectations in an era of fake news is not to be infallible, but rather to be honest when one makes a mistake.

Against this backdrop, consumer-business trust also blends with exercises of citizenship that are very important for both parties, especially for businesses, which must boost this trust relationship as the driving force for growth.

²See Euromonitor International, Consumer Lifestyles in Latin America, March 2018



3. THE KEYS TO TRUST IN THE REGION

The main conclusions drawn from analyzing the perception

of trust in six economic sectors, polling almost 4,000 consumers in nine Latin American markets are:

Although there is generally a good climate of trust in companies, no sector has an outstanding rating on the trust scale.

- No sector in the region enjoys exceedingly strong trust.
- However, on average, Latin American consumers trust their companies more than Spanish consumers, for example.

Consumers are more trusting in the North of the region than in the South.

- Mexico, Panama and the Dominican Republic had higher trust levels.
- Chile, Argentina and Peru had the lowest trust levels.

Food & Drink is the sector with the highest trust rating in Latin America.

- The **pharmaceutical sector** ranked second in terms of trust.

The financial and telecommunication sectors received the lowest trust ratings in the region.

- Data management, transparency and ethical issues weighted heavily in the perception of those polled.

Automotive and retail have above-average trust in the region.

- The key factors of these sectors for Latin American consumers are product guarantees and information.

Credibility, which derives from product/service and integrity in business practice, are key dimensions for consumer trust.

- Transparency is important, but ranks below the other two in priority.



“Although there is generally a good climate of trust in companies, no sector has an outstanding rating on the trust scale”

The first conclusion drawn from the study is that **no business sector enjoys exceedingly strong trust** by Latin American consumers. In the nine countries analyzed, none of the sectors scores above 8 in the global trust indicator, on a scale of 1 to 10 (Figure 1).

In fact, most sectors have ratings of “moderate” to “good” (between 6 and 7 points), which indicates that there is still a **long way to go** to achieve strong consumer trust (Figure 2).

Figure 1. Trust Scale

Score	Rating
9-10	Outstanding
7-8	Good
5-6	Vulnerable
3-4	Poor
1-2	Very Poor

Source: own elaboration.

Figure 2. Trust in the sectors by countries

		Food & Drink	Automotive	Pharmaceutical	Financial Services	Retail	Telecommunications
Argentina		7.4	6.8	7.3	5.7	6.6	6
Brazil		7.4	7.4	7.5	6.8	7.2	6.4
Chile		6.6	6.7	6	5.8	6.3	6.3
Colombia		7.6	7.4	7.2	6.8	7.6	7
Ecuador		7.6	7.2	7.6	7.1	7.3	7.1
Mexico		7.9	7.4	7.8	6.7	7.7	7.3
Panama		7.7	7.6	7.5	7.3	7.6	7.4
Peru		7.3	6.4	6.8	6.4	7	6.8
Dominican Republic		7.8	7.5	7.6	7.1	7.4	7.3

Source: own elaboration.



“The financial and telecommunication sectors generate the least trust, integrity and transparency being especially important for them both”

But not all the companies are assessed in the same way and obviously some sectors are especially vulnerable (Figure 3). This is the case of **financial services** companies, which clearly **generate the greatest distrust among consumers**: this is the lowest rated industry in all the countries included in the study.

The results obtained by this sector are not surprising, since it provides services for which consumers are particularly demanding, especially in terms of ethics.

In fact, integrity or ethics in the different business practices are especially important for determining trust in financial services, much more so than other sectors analyzed in the study.

The **telecommunications sector is among those that generates**

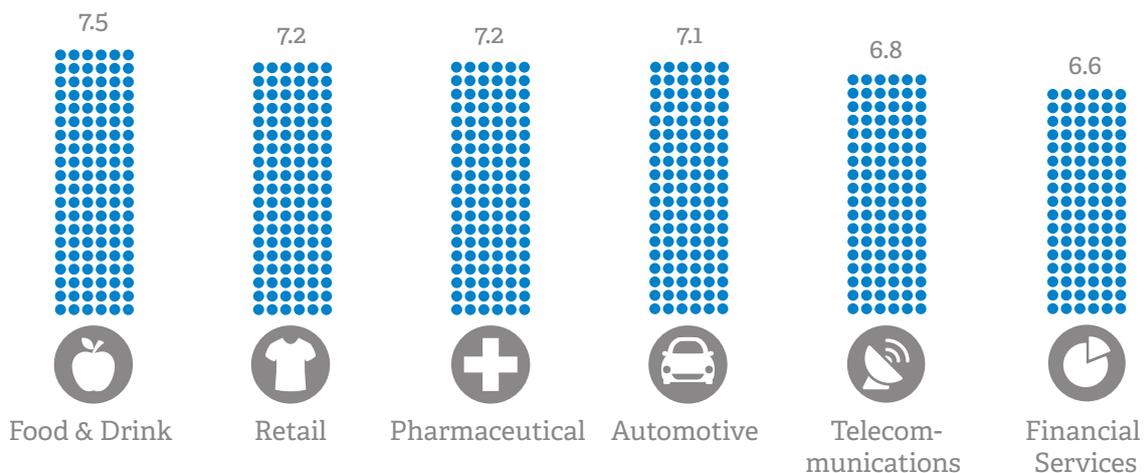
least trust among consumers and is at the bottom of the sector ranking in most of the countries contemplated in the study.

Once again, issues related to transparency for customers and integrity in business practice are most important in this sector. Aspects directly related to product or service, although considerably important, are given less priority than in other sectors.

In contrast, **product is a very important factor for determining trust in the food & drink, pharmaceutical and automotive sectors.**

In these cases, consumers attach greater importance to their shopping experience and the properties of the product or service when deciding whether or not they trust a company.

Figure 3. Average trust by sectors in Latin America



Source: own elaboration.



4. TRUST, CRUCIAL FOR BUSINESS

The average consolidated trust score of companies in Latin America is **7.1**, considered 'Good' on the trust scale used in our analysis.

“Consumers are more trusting in the North of the region than in the South”

On an individual level, only the telecommunications and financial sectors are classified as 'Vulnerable' in terms of trust (with scores under 7).

In comparison, the same study carried out by LLORENTE & CUENCA in Spain produced an average score of 5.8 and none of the sectors analyzed exceeded the ceiling for 'Vulnerable' (6).³

Why is this so? Perhaps when “contact” intensity (connectivity, e-commerce, transactions) is greater, there are more “moments of truth,” when more frustrating and also more satisfactory situations are or may be generated.

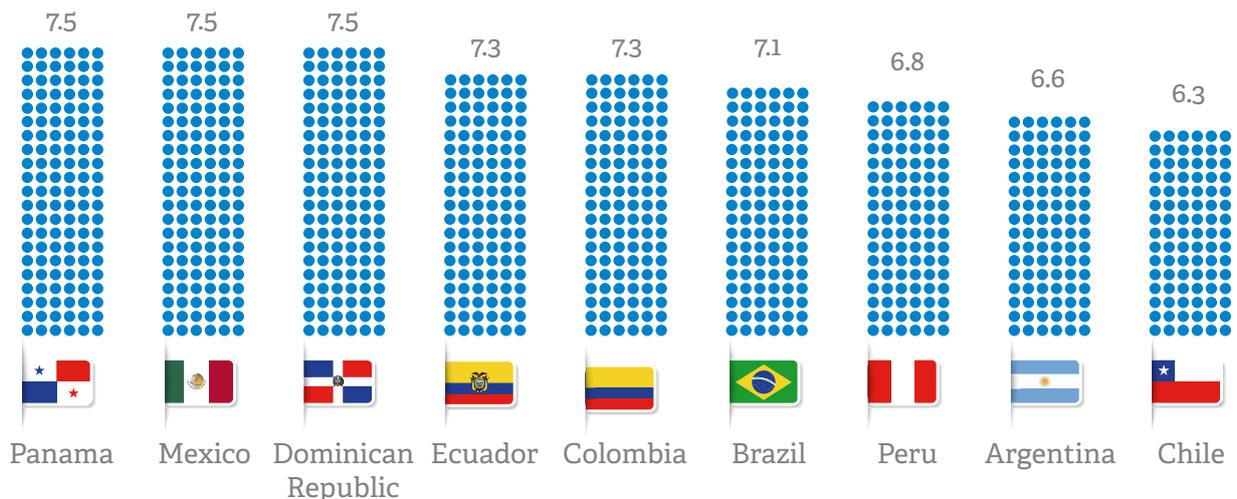
As trends in socio-demographic and economic development intensify consumer-business relations, it becomes increasingly necessary to take greater care in those “moments of truth” so that companies can build up consumers’ perception of trust.

Coincidentally, Chile is the market with the lowest average trust rating (6.3) while it leads the internet connectivity ranking in Latin America⁴.

Obviously, this single indicator does not define a trend, but it does point to certain areas to which companies should pay attention in their relations with consumers.

The study reveals **major differences between countries**, showing that the climate of trust varies depending on where the consumers are from (Figure 4).

Figure 4. Average trust rating by countries



Source: own elaboration.

³ *Confianza del Consumidor. Análisis de seis sectores en España*. Desarrollando Ideas de LLORENTE & CUENCA, April 2018.

⁴ According to a study by Huawei, Chile has the highest connectivity index in Latin America. At *Emol Tecnología*, May 2017.



“Chile is the country in which consumers have the lowest trust in companies, especially in the financial and pharmaceutical sectors”

“In Peru, the automotive industry stands out for the strong distrust it arouses in consumers, unlike other countries”

As mentioned earlier, the **most critical group** is headed by **Chile**, where consumers express the least trust in the companies analyzed, especially in financial services and the pharmaceutical industry, which score 5.8 and 6 points, respectively.

In any case, no sector in Chile rates as ‘good’ (scoring at least 7 points) in the global trust indicator, highlighting Chilean consumers’ skepticism toward companies.

Ranking just above Chile is **Argentina**, another country where there is not much trust in companies. Argentine consumers are especially skeptical of **financial services and telecommunications** companies, which are rated ‘vulnerable’ in the global trust indicator.

Peru ranks third from last, just above Argentina, confirming the indication that the lowest trust ratings are found in the southern region of Latin America.

Peruvian consumers do not have much trust in most of the sectors analyzed, although their skepticism toward the **automotive sector** is striking: not only is this one of the worst rated industries in the country, but moreover Peru is conspicuous for its consumers’ extraordinary distrust of this

sector. In the other countries, the industry ranks in a medium-high position.

In the **most favorable** group, we have **Panama, the Dominican Republic and Mexico**, where there is a stronger climate of trust toward companies in the different sectors, with scores of over 7 points, although never reaching the grade of ‘Outstanding.’

The only exception is the **financial sector** in Mexico, which is below 7 points in the global trust indicator with certain signs of skepticism among consumers.

Brazil, Colombia and Ecuador are in **intermediate positions**, where consumers are especially skeptical of the **financial and telecommunications sectors**. In contrast, one of the most trusted sectors is the **food industry**.

As mentioned at the beginning of this article, **not all economic sectors generate the same degree of trust** among Latin American consumers and, more importantly, **not all companies are rated** by consumers according to the **same criteria**.

It is interesting, therefore, to hone in on each of these sectors to grasp more fully what levers generate trust in each one.



5. FOOD & DRINK: THE SECTOR MOST TRUSTED IN LATIN AMERICA

“Product controls, impact on health and label information are decisive for trusting a food & drink company”

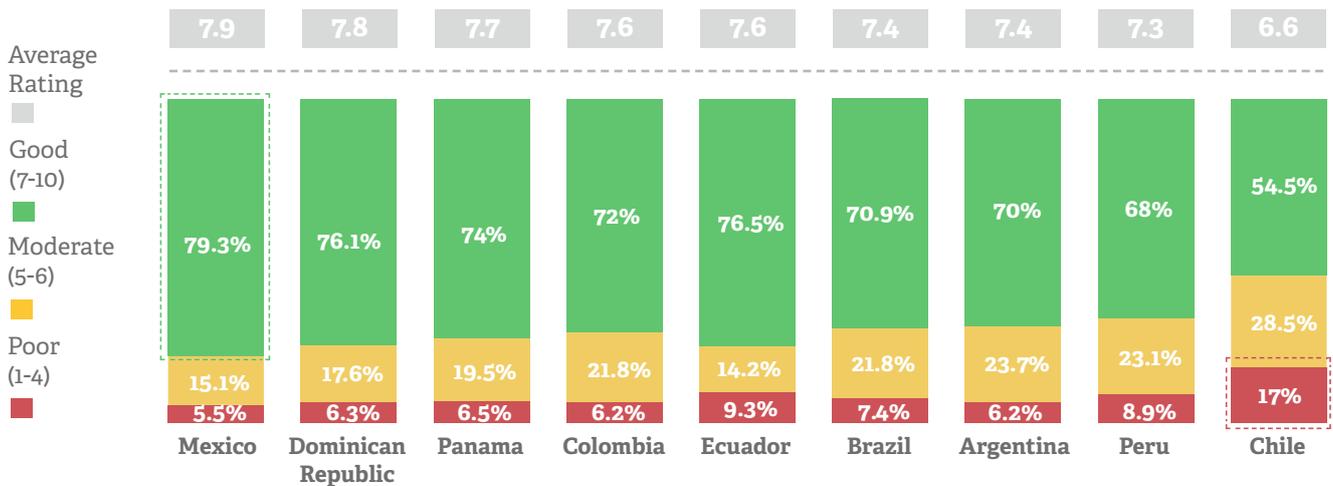
The food & drink sector, traditionally one of those with a better reputation on global levels, is also the sector that inspires most trust in Latin American consumers, in spite of the high exposure of said products in public debate platforms, such as social media networks.

Food companies head the ranking in all the countries analyzed and are held in especially high esteem in Mexico,

Panama and the Dominican Republic, almost 1 point above Chile (Figure 5).

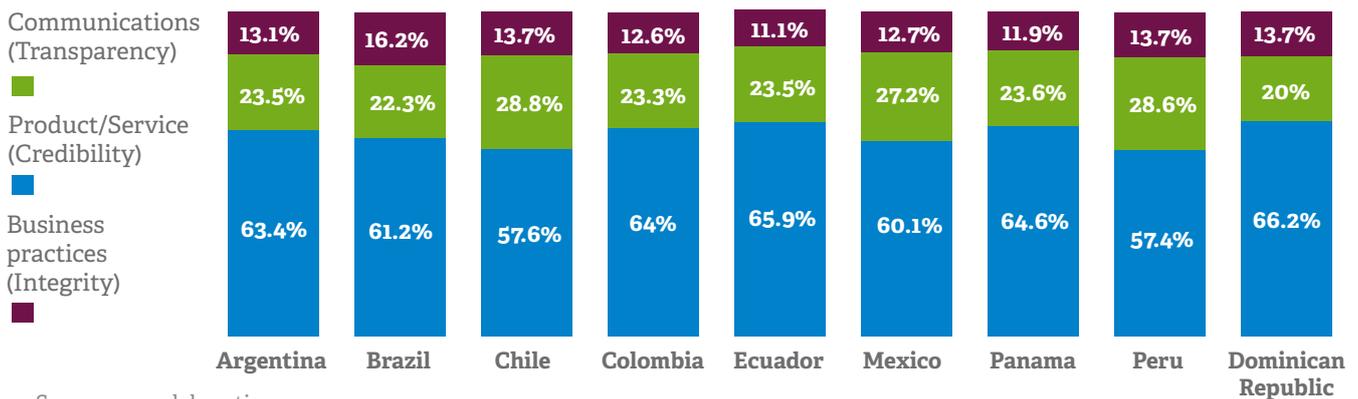
But what factors stimulate trust in food companies? The report reveals consumers attach **considerable importance to aspects related to the product** when rating a food company: six out of every 10 choose some product-related factor as the most important aspect, although in some countries, such as Chile and Peru, this does not bear as much weight as in the other markets (Figure 6).

Figure 5. Trust in the food and drink sector: ranking by country



Source: own elaboration.

Figure 6. Trust in the food & drink sector: distribution of importance of qualities



Source: own elaboration.



In particular, three aspects are especially important for consumers of food products: the product's impact on health, the tests and controls it has undergone and its guarantee. All these aspects are directly related to the perceived product safety (Figure 7).

To a lesser extent, consumers also attach importance to certain

aspects related to transparency, as **one out of every four** chooses an aspect related to this quality as most important.

Detailed information on the product label is especially important, and is included in the Top 3 priorities in most of the countries analyzed.

 **Figure 7. Key aspects of the food & drink sector: Top 3 per country**

	TOP	1	2	3
<p>Communications (Transparency) ■</p> <p>Product/Service (Credibility) ■</p> <p>Business practices (Integrity) ■</p>	Argentina	 20.1% Product tests & controls	11.8% Impact on health	9.4% Detailed information (labeling, instructions, etc.)
	Brazil	 13.5% Product tests & controls	12.3% Impact on health	10.4% Detailed information (labeling, instructions, etc.)
	Chile	 19.7% Impact on health	16.3% Detailed information (labeling, instructions, etc.)	9.7% Ingredients
	Colombia	 14.9% Impact on health	14.9% Detailed information (labeling, instructions, etc.)	14.5% Good guarantee
	Ecuador	 14% Product tests & controls	13.8% Impact on health	13.3% Good guarantee
	Mexico	 15.9% Detailed information (labeling, instructions, etc.)	14.4% Impact on health	11.8% Product tests & controls
	Panama	 16.2% Impact on health	14% Product tests & controls	11.5% Detailed information (labeling, instructions, etc.)
	Peru	 17.1% Detailed information (labeling, instructions, etc.)	16.1% Good guarantee	12% Product tests & controls
	Dominican Republic	 17.4% Product tests & controls	12.3% Good guarantee	12.1% Impact on health

Source: own elaboration.



6. PHARMACEUTICAL SECTOR, THE SECOND HIGHEST RANKING IN TRUST

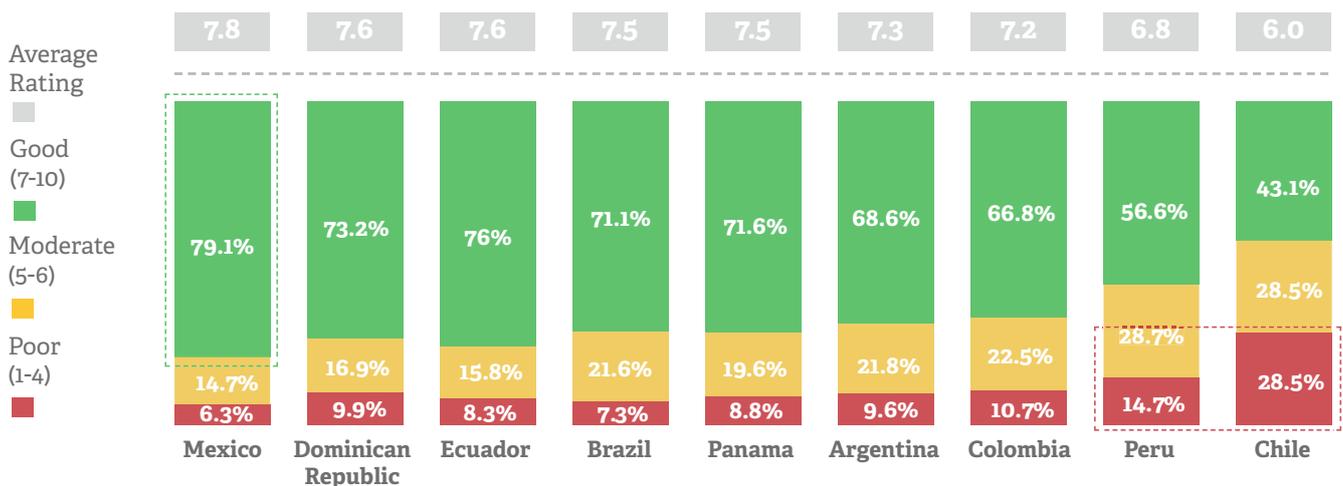
“Trust in the pharmaceutical industry depends on product effectiveness, the controls to which it is submitted and its impact on health”

After food & drink, the pharmaceutical industry is one of the sectors generating most trust in countries such as Argentina, Brazil, Ecuador, Mexico and the Dominican Republic. In contrast, it is one of the lowest rated sectors in Chile—also the country with the lowest trust rating overall (Figure 8).

Aspects directly related to the product are very important for generating trust in the pharmaceutical sector, giving it credibility (Figure 9).

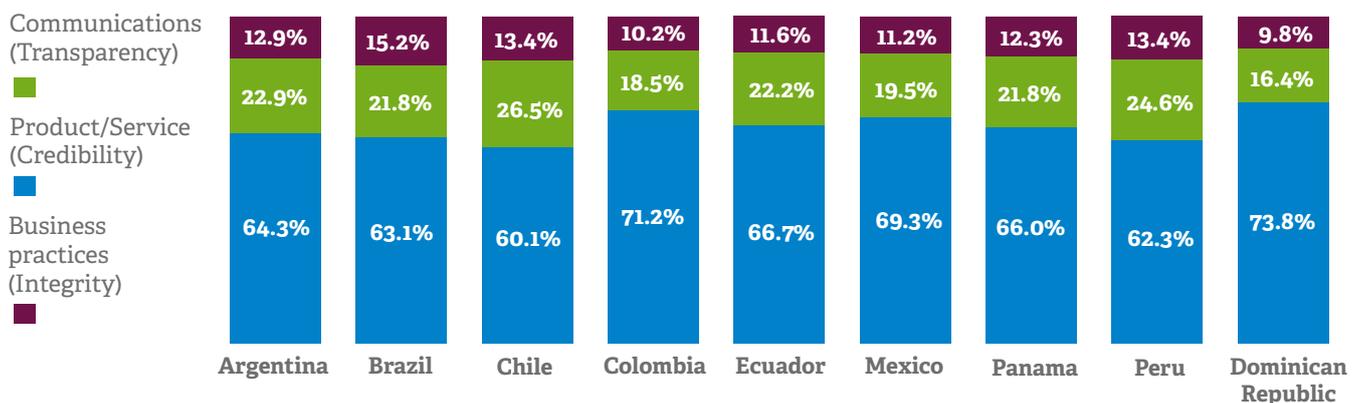
In this regard, consumers have very clear priorities, with **three aspects that stand out above the rest** in all the countries: the **effectiveness of the product**, its **impact on health** and the **tests and controls** to which it has been submitted.

+ Figure 8. Trust in the pharmaceutical sector: ranking by country



Source: own elaboration.

+ Figure 9. Trust in the pharmaceutical sector: distribution of importance of qualities



Source: own elaboration.



There are three essential factors generating trust in the sector, although other aspects such as guarantee and product ingredients are also fairly important (Figure 10).

In a sector such as the pharmaceutical industry, closely linked with people's wellbeing,

detailed information on the product and the fine print is especially important in the area of transparency. It is by far the most important aspect in the communications area in all the countries analyzed. However, **in Argentina it is followed very closely in importance by information on clinical trials.**

+ Figure 10. Key aspects of the pharmaceutical sector: Top 3 per country

	TOP	1	2	3
<p>Communications (Transparency) ■</p> <p>Product/Service (Credibility) ■</p> <p>Business practices (Integrity) ■</p>	Argentina	 21.1% Product effectiveness	12.7% Impact on health	11.5% Product tests & controls
	Brazil	 13.5% Product tests & controls	11.6% Impact on health	10% Product effectiveness
	Chile	 16.3% Product effectiveness	13.6% Product tests & controls	12.2% Impact on health
	Colombia	 24.9% Product effectiveness	14.2% Impact on health	10% Product tests & controls
	Ecuador	 20.8% Product effectiveness	11.5% Impact on health	11% Product tests & controls
	Mexico	 24.5% Product effectiveness	13.5% Impact on health	9.6% Product tests & controls
	Panama	 17.4% Product effectiveness	12.3% Product tests & controls	11% Impact on health
	Peru	 15.7% Product effectiveness	11.3% Good guarantee	10.8% Detailed information (labeling, instructions, etc.)
	Dominican Republic	 25.4% Product effectiveness	12.1% Product tests & controls	9.2% Good guarantee

Source: own elaboration.



7. FINANCIAL SERVICES, THE SECTOR GENERATING THE LEAST TRUST IN THE REGION

“Security in operations carried out by consumers is a key factor in the financial sector, along with ethical issues such as respecting the law and responsible use of personal data”

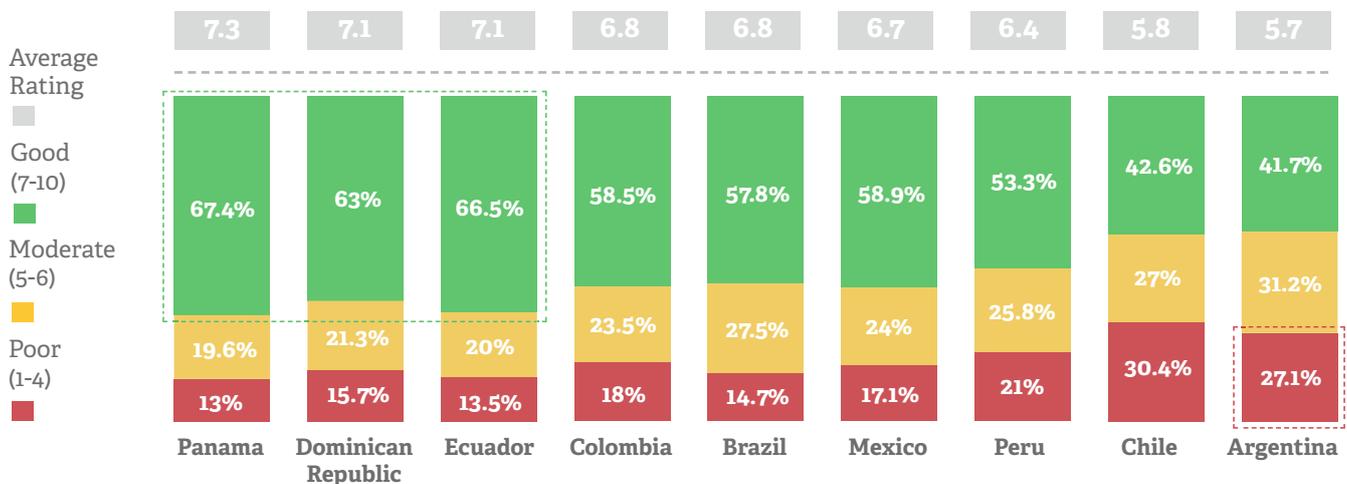
The financial services sector has traditionally been one of those with the worst reputation on a global level, which is clearly reflected in the trust it generates among consumers. In this regard, it is **the industry that arouses the greatest skepticism** among Latin American consumers, at the bottom of the sector rankings in all the countries analyzed. The sector’s situation is especially vulnerable in countries such as Argentina or Chile, where it does not even score 6 points in the global trust indicator (Figure 11).

Among the factors generating trust in the sector, it is striking that **good practice and ethical conduct are far more important** in this sector than in the other industries analyzed.

The financial sector is by far the industry to which consumers attach the most importance to integrity. Approximately 30 % choose an aspect related to this quality as the key factor.

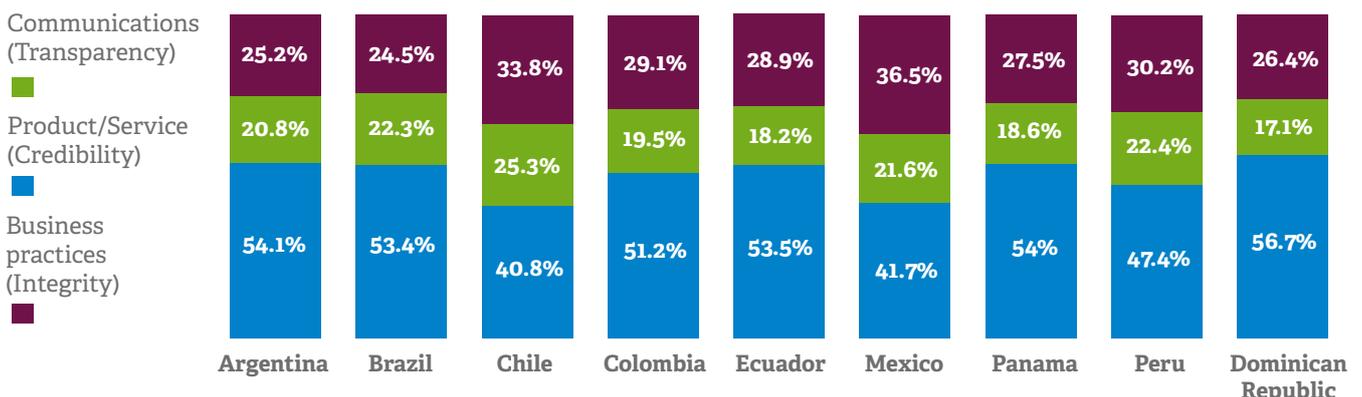
By countries, **Mexico and Chile** give most priority to ethics, while it is given less importance in Argentina and Brazil (Figure 12).

Figure 11. Trust in the financial sector: ranking by country



Source: own elaboration.

Figure 12. Trust in the financial sector: distribution of importance of qualities



Source: own elaboration.



More specifically, there are two especially important aspects for consumers related to integrity. On the one hand, **companies' respect for the law**; and on the other hand, their **responsible use of data and customer privacy** (Figure 13).

However, aspects related to product/service (credibility) are still chosen by most consumers as decisive for generating trust in the financial sector.

In this regard, **security in online and offline transactions** is one of the most important issues for a large number of consumers.

Other aspects are also chosen, albeit to a lesser extent, such as good guarantee, fair charges and commissions and adaptation of the product to suit the specific needs of the customer.

Figure 13. Key aspects of the financial sector: Top 3 per country

	TOP	1	2	3
Argentina		9.4% Security in operations	9.1% Lawful conduct	8.4% Good guarantee
Brazil		13.5% Security in operations	9.5% Responsible use of data and customer privacy	7.3% Truthful advertising/information
Chile		13.1% Lawful conduct	11.4% Detailed information (labeling, instructions, etc.)	9.5% Responsible use of data and customer privacy
Colombia		11.8% Security in operations	10.7% Responsible use of data and customer privacy	10.4% Lawful conduct
Ecuador		13% Security in operations	11.5% Lawful conduct	9.5% Responsible use of data and customer privacy
Mexico		14.4% Lawful conduct	12.3% Responsible use of data and customer privacy	9.6% Detailed information (labeling, instructions, etc.)
Panama		11.5% Lawful conduct	10.3% Security in operations	7.4% Responsible use of data and customer privacy
Peru		10.4% Responsible use of data and customer privacy	9.6% Security in operations	9.4% Lawful conduct
Dominican Republic		10.9% Lawful conduct	10.9% Security in operations	9.4% Detailed information (labeling, instructions, etc.)

Communications (Transparency)



Product/Service (Credibility)



Business practices (Integrity)



Source: own elaboration.



8. TELECOMMUNICATIONS, A SECTOR WITH HUGE CHALLENGES

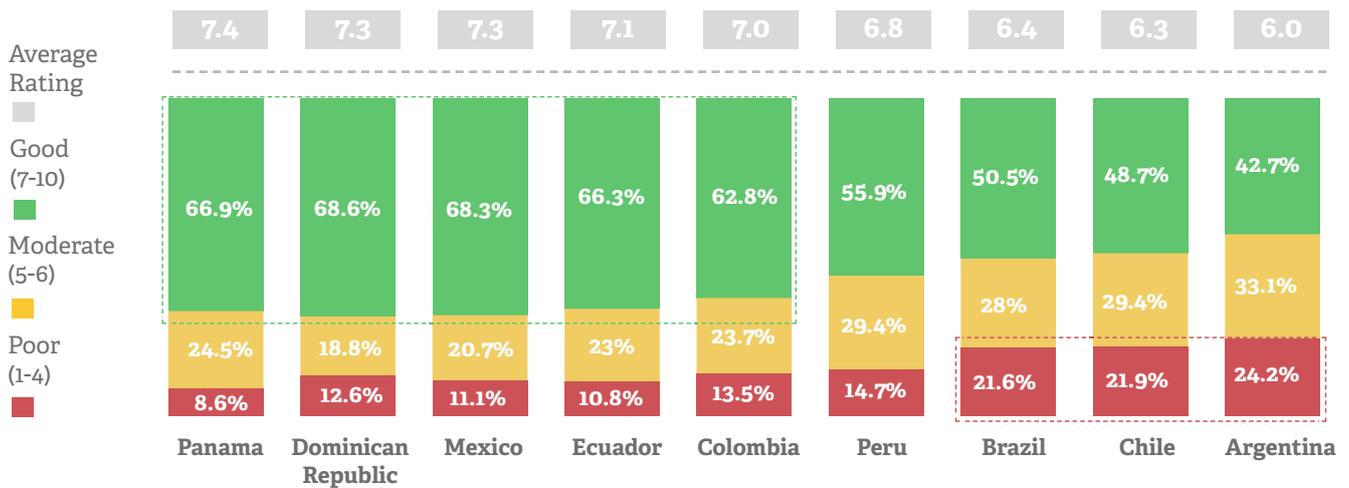
“Transparency and integrity are important for trusting a telecom company, highlighting aspects such as responsible use of personal data, compliance with the law, fine print and truthful advertising”

Telecommunications is, together with financial services, **one of the least trusted sectors** by Latin American consumers, included among the lowest rated sectors in the vast majority of the countries. In markets such as Argentina, Chile, Brazil and Peru, the sector rating is lower than 7 points (Figure 14).

Furthermore, product qualities are less important in telecommunications, where **more importance is attached to transparency and integrity**: half of the consumers polled chose an aspect related to the latter two qualities as the most important factor for trusting a company (Figure 15).

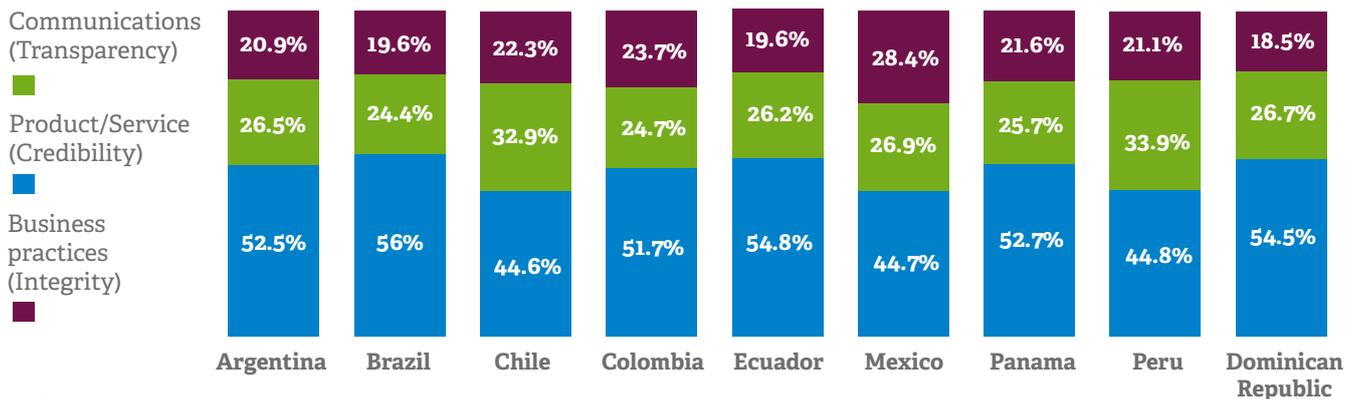
However, **the ranking of priorities is different in each country and there is not such a clear trend** as in other sectors.

Figure 14. Trust in the telecommunications sector: ranking by country



Source: own elaboration.

Figure 15. Trust in the telecommunications sector: distribution of importance of qualities



Source: own elaboration.



A **responsible use of data and customer privacy** are among the priorities for consumers in Argentina, Chile, Colombia and Mexico (Figure 16).

Compliance with the law is also among the top priorities of consumers in Colombia, Ecuador and Panama.

In addition, in the area of transparency, **fine print and truthful advertising** are priority issues in countries such as Chile, Mexico and Peru.

In any case, aspects related to product/service are still those most indicated as decisive for generating trust in telecommunications companies.

Within those aspects, a **good product guarantee** is a priority in all the countries analyzed.

In Argentina and Brazil, the absence of pressure to buy products/services they do not need is also important, while in Brazil, Ecuador, Panama and the Dominican Republic assistance from specialized personnel is among the Top 3.

 **Figure 16. Key aspects of the telecommunications sector: Top 3 per country**

	TOP	1	2	3
<p>Communications (Transparency) ■</p> <p>Product/Service (Credibility) ■</p> <p>Business practices (Integrity) ■</p>	Argentina	 11% Good guarantee	10.6% Responsible use of data and customer privacy	9.1% No sales pressure
	Brazil	 12.6% No sales pressure	9.2% Assistance by specialized personnel	8.8% Good guarantee
	Chile	 12.4% Detailed information (labeling, instructions, etc.)	10% Good guarantee	10% Responsible use of data and customer privacy
	Colombia	 18.2% Good guarantee	10.2% Responsible use of data and customer privacy	9.5% Lawful conduct
	Ecuador	 14.3% Good guarantee	9.8% Assistance by specialized personnel	7.8% Lawful conduct
	Mexico	 13% Responsible use of data and customer privacy	11.8% Good guarantee	10.3% Truthful advertising/information
	Panama	 13% Good guarantee	9.3% Assistance by specialized personnel	8.1% Lawful conduct
	Peru	 13% Good guarantee	11.8% Detailed information (labeling, instructions, etc.)	11.1% Truthful advertising/information
	Dominican Republic	 15.9% Good guarantee	11.1% Adaptation to customers' needs	10.4% Assistance by specialized personnel

Source: own elaboration.



9. AUTOMOTIVE: THE IMPORTANCE OF THE GUARANTEE AND QUALITY CONTROLS

“Offering a good product guarantee is a key factor for building trust in the automotive industry”

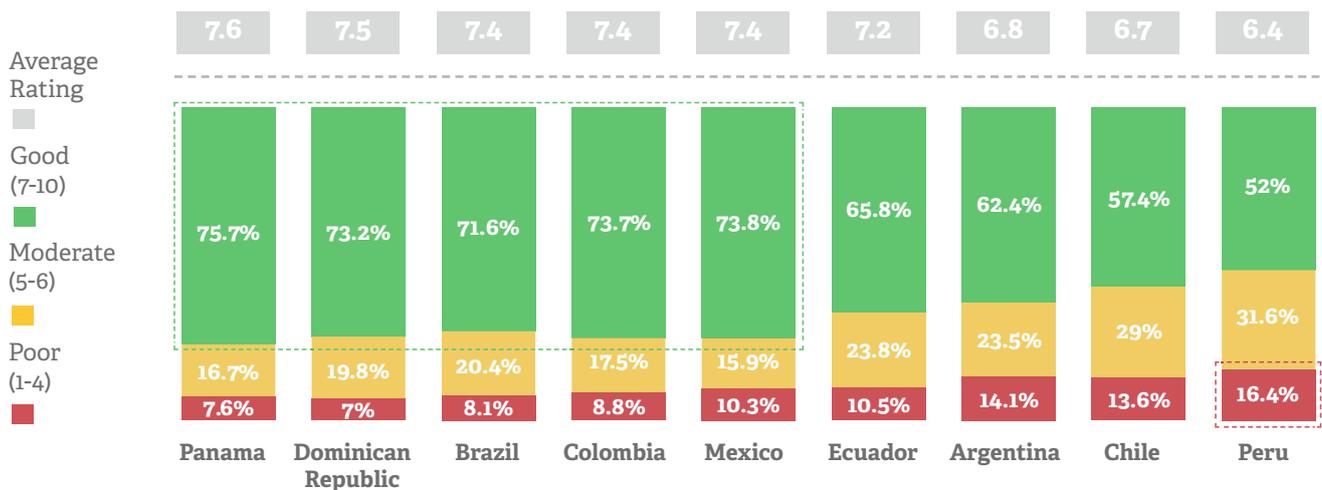
Overall, Latin American consumers have a good level of trust in the automotive industry, although there are some notable differences between countries. The highest trust ratings in this sector are found in Panama and the Dominican Republic, compared to strong distrust in Peru and Chile (Figure 17).

In Peru, the automotive industry is one of the worst rated of all sectors in any country. In

contrast, although the score in Chile is one of the lowest, the automotive sector rates higher than most other sectors in that country.

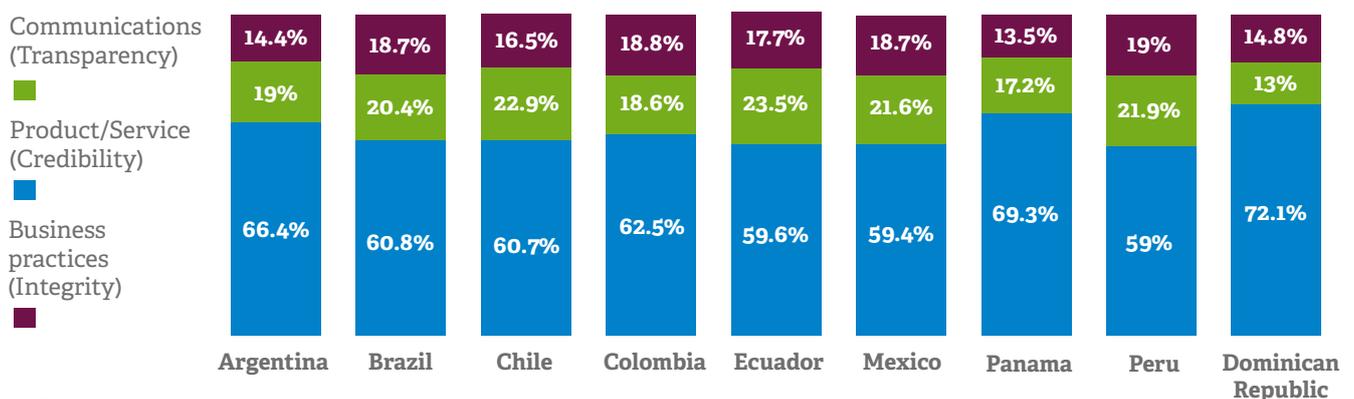
Once again, **the product is most influential** in building trust in the automotive industry: just over 60 % of consumers consider the most important factor for trusting the automotive industry is related to this most tangible area. The importance of product attributes is particularly strong in some countries, such as the Dominican Republic and Panama, where it is weighted far greater, at around 70 % (Figure 18).

Figure 17. Trust in the automotive sector: ranking by country



Source: own elaboration.

Figure 18. Trust in the automotive sector: distribution of importance of qualities



Source: own elaboration.



Two of the product-related aspects are especially important for Latin American consumers: **a good guarantee for the automobile** (this is the most important factor in all 9 countries analyzed), and that the automobile **has passed all the necessary tests and controls** (Figure 19).

Other issues with a strong bearing on trust are the adaptation of the product to the customer's needs or technical specialization in customer care, which is especially important in Argentina.

In the area of transparency, **detailed information on the product** is the most

important issue for consumers, who consider the fine print (instructions, contracts, technical specifications, etc.) an essential aspect for trusting companies in the automotive industry, especially in Chile, Mexico and Peru.

Automotive companies' respect for the law, which is directly related to integrity or ethics, is particularly important for consumers in Brazil, Colombia and the Dominican Republic. Additionally, **environmental issues are starting to become important**, especially in countries such as Chile, Colombia, Ecuador, Mexico and Peru.

 **Figure 19. Key aspects of the automotive sector: Top 3 per country**

	TOP	1	2	3
Argentina		18.9% Good guarantee	12.2% Product tests & controls	8.9% Assistance by specialized personnel
Brazil		19.9% Good guarantee	13.7% Product tests & controls	8.8% Lawful conduct
Chile		23.4% Good guarantee	13.1% Product tests & controls	10% Detailed information (labeling, instructions, etc.)
Colombia		28.4% Good guarantee	13.5% Product tests & controls	8.5% Lawful conduct
Ecuador		26% Good guarantee	10.3% Product tests & controls	9.8% Detailed information (labeling, instructions, etc.)
Mexico		22.8% Good guarantee	13.5% Product tests & controls	10.6% Detailed information (labeling, instructions, etc.)
Panama		35% Good guarantee	9.6% Product tests & controls	7.1% Detailed information (labeling, instructions, etc.)
Peru		26.5% Good guarantee	9.9% Detailed information (labeling, instructions, etc.)	8.7% Product tests & controls
Dominican Republic		33.3% Good guarantee	7.7% Product tests & controls	7.5% Lawful conduct

Communications (Transparency)



Product/Service (Credibility)



Business practices (Integrity)



Source: own elaboration.



10. RETAIL: VARIETY, GUARANTEE AND DETAILED INFORMATION

“To generate trust in the retail sector, it is vital to offer a variety of products, a good guarantee and to adapt to customers, but truthful, detailed information is also important”

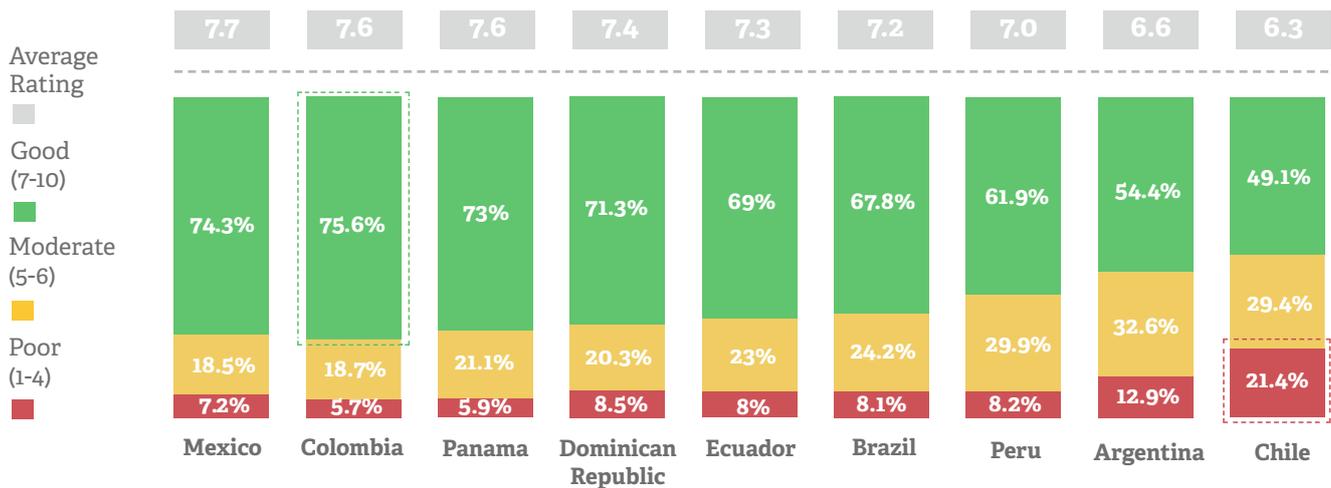
The highest consumer trust ratings in retail were achieved in Mexico and Colombia. This sector is, moreover, one of the best rated industries of all those analyzed in the study. In contrast, consumers in Chile and Argentina are more skeptical toward retail (Figure 20).

As is to be expected, **trust in the retail sector** is essentially

determined by **customer experience**: 6 out of every 10 consumers choose an attribute related to the product or service as the most important factor (Figure 21).

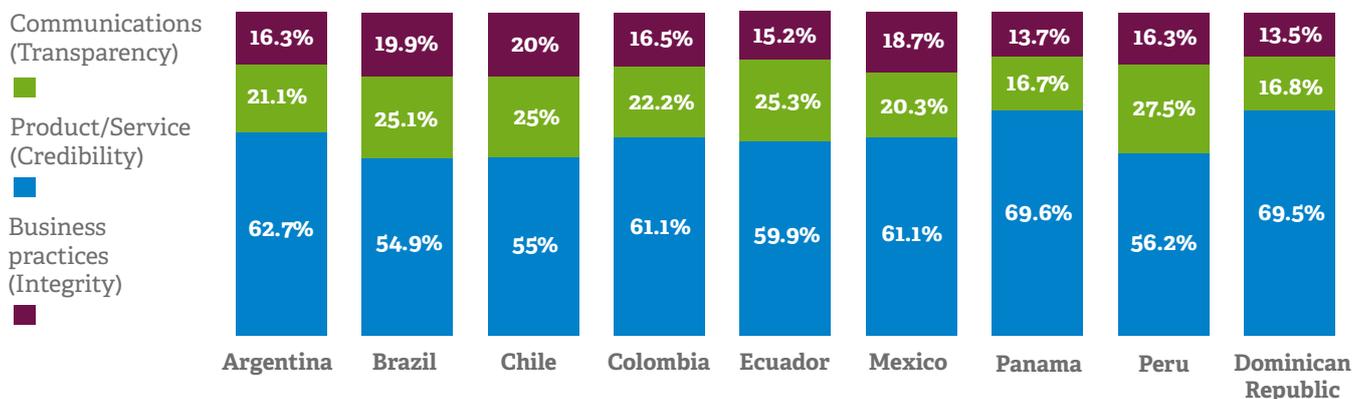
However, certain differences can be observed between countries: the product is weighted higher in Panama and the Dominican Republic than in others such as Brazil, Chile or Peru, where its importance is more moderate.

Figure 20. Trust in the retail sector: ranking by country



Source: own elaboration.

Figure 21. Trust in the retail sector: distribution of importance of qualities



Source: own elaboration.



More specifically, **there are three key aspects generating consumer trust in retail: product variety, a good product guarantee and its ability to adapt to the specific needs** of the customer (Figure 22).

Transparency in communications is particularly important for generating trust in this sector, especially in comparison with the other industries. In this area, there are two especially important aspects for consumers: **detailed information** on the product and **truthful advertising and information**.

However, there are some notable differences between countries: in markets such as Peru, Ecuador, Brazil or Chile, 1 out of every 4 consumers choose an issue related to transparency as the most important factor, while this figure is lower in other countries, such as the Dominican Republic or Panama.

Finally, retail company ethics (integrity) do not appear to be a priority among consumers.

Even so, the aspects to which priority is given within this area are the industry's respect for the law and, albeit to a lesser extent, the responsible use of customer data and good working conditions for employees.

Figure 22. Key aspects of the retail sector: Top 3 per country

	TOP	1	2	3
Argentina		14.9% Variety of products	11.5% Adaptation to customers' needs	11.5% Good guarantee
Brazil		16.1% Good guarantee	13.7% Variety of products	7.8% Truthful advertising/ information
Chile		14.4% Good guarantee	11.7% Variety of products	10.2% Detailed information (labeling, instructions, etc.)
Colombia		19.2% Variety of products	14.9% Good guarantee	9% Detailed information (labeling, instructions, etc.)
Ecuador		17.3% Variety of products	14.5% Good guarantee	8% Detailed information (labeling, instructions, etc.)
Mexico		21.2% Variety of products	10.1% Good guarantee	8.7% Adaptation to customers' needs
Panama		22.5% Variety of products	11% Good guarantee	11% Adaptation to customers' needs
Peru		15.7% Good guarantee	14% Variety of products	10.8% Detailed information (labeling, instructions, etc.)
Dominican Republic		15.7% Good guarantee	14.7% Variety of products	11.1% Adaptation to customers' needs

Communications
(Transparency) ■

Product/Service
(Credibility) ■

Business
practices
(Integrity) ■

Source: own elaboration.



II. ABOUT THE STUDY

The study on consumer trust in businesses in Latin America was conducted on the basis of 3,725 online surveys completed by a representative sample of the population in nine countries: Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Peru and the Dominican Republic. The representativity of the sample is determined by the real distribution of the population across genders, social classes and three age brackets (18-30; 31-49 and over 50).

The field work was done by Offerwise in coordination with Peel the Onion (Inmark group), between April 24 and May 14, 2018.

The study analyzes consumer trust in six sectors of the economy: food & drink, automotive, pharmaceutical, retail, financial services and telecommunications.

The priority factors for consumers in the generation of trust were identified on the basis of a list of attributes common to all the sectors analyzed and others specific to each sector, in turn grouped into three drivers from the LLORENTE & CUENCA reputation model:

- **Credibility:** related to pragmatic expectations, i.e. meeting promises, perceived usefulness and expected results. It encompasses aspects related to the **product/service** and their properties (tests and controls, components, customization, customer care, etc.).
- **Transparency:** linked to communications and relationship expectations, i.e. assessment of opening and communications by the company. It encompasses aspects related to **communications and marketing** (information for consumers, channels for access to the company, advertising, etc.).
- **Integrity:** related to consumers' ethical expectations, i.e. assessment of the company's ethical and honest conduct. It encompasses attributes related to **good business practices** in different areas (care of the environment, treatment of employees, treatment of suppliers, respect for consumers' privacy, etc.).

The attributes analyzed in the study have been classified as follows:



Attributes common to all the sectors

Credibility (Product/Service)	Transparency (Communication & Marketing)	Integrity (Good Practices)
Technical specialization in customer services	Having detailed information on the product/service (labeling, instructions, contracts, etc.)	Good treatment of suppliers
Giving me personal assistance	Truthful advertising/information	Good working conditions for employees
Not putting pressure on me to buy products that I don't need or want	Easy access to information on the company	Responsible attitude toward the environment
Offering a good guarantee for the product/service	Easy to establish direct contact with the company	Responsibly uses personal data and maintain privacy of consumers/customers
The company has premium positioning	Knowing the company from its advertising/communications	It is a company/institution that always acts within the law
Products suited to my needs	The brand/product/service was recommended to me	Its scope of operation is local
Providing customers with friendly service	The information on the product/service is easy to understand	Collaborates with welfare activities

Source: own elaboration.



Attributes specific to each sector

Food & Drink		
Credibility (Product/Service)	Transparency (Communications)	Integrity (Business practices)
<ul style="list-style-type: none"> • Know the product ingredients • The product has undergone several tests and controls • Know the impact on health 		<ul style="list-style-type: none"> • Responsible treatment of animals

Automotive		
Credibility (Product/Service)	Transparency (Communications)	Integrity (Business practices)
<ul style="list-style-type: none"> • Know the product ingredients • The product has undergone several tests and controls • Know the impact on health 		

Pharmaceutical		
Credibility (Product/Service)	Transparency (Communications)	Integrity (Business practices)
<ul style="list-style-type: none"> • Product effectiveness • Know the product ingredients • The product has undergone several 	<ul style="list-style-type: none"> • Know what clinical trials have been conducted 	<ul style="list-style-type: none"> • Responsible treatment of animals

Source: own elaboration.



Attributes specific to each sector

Financial Services

Credibility (Product/Service)	Transparency (Communications)	Integrity (Business practices)
<ul style="list-style-type: none"> • The terms and conditions of the product/service are not variable • Transactions can be done securely online and offline • It is easy to do transactions • Has an extensive network of branches/ATMs 		<ul style="list-style-type: none"> • Charge customers fair commissions

Telecommunications

Credibility (Product/Service)	Transparency (Communications)	Integrity (Business practices)
<ul style="list-style-type: none"> • Know the product parts • The product has undergone several tests and controls • Know the impact on health 		

Retail (Shops per Department)

Credibility (Product/Service)	Transparency (Communications)	Integrity (Business practices)
<ul style="list-style-type: none"> • Broad variety 		

Source: own elaboration.

Each person polled was asked to assess the trust generated by each of these sectors on a scale of 1 to 10.

Then for each sector, each person polled was asked to choose the

three most important aspects in each reputation area (Credibility, Transparency and Integrity) and then, from those selected aspects, to choose the most important factor for them when assessing their trust in that industry.



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