

# Measuring Trust:

## A Prerequisite to Unlocking Growth

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# Introduction

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“As Trust continues to grow in importance, garnering more and more ink and attention, it is becoming ever more conspicuous in its absence as a standard metric...”

Trust is having a breakout moment. Our Trust Barometer respondents are telling us that trust is more important to them today than it has been in the past when it comes to the brands they buy (68%)<sup>1</sup>. In addition, they are saying that they not only need to trust the brand, but also the company behind the brand. In fact, 40% of consumers report having given up brands they love because they did not trust the companies that owned the brand<sup>2</sup>. This increasingly decisive role that trust plays in purchasing decisions is one reason why we consider it to be a new form of brand equity.

Edelman is not alone in documenting and analyzing the current eminence of trust. Books are being written, conferences are being held, and consulting firms are forming practices around the topic.

Yet, trust still has not found a place on most standard brand-health dashboards. Instead, when it comes to non-financial, non-sales-oriented key performance

indicators, the two most often measured constructs are sentiment and reputation. We believe this to be a detrimental oversight. Because despite being conceptually inter-related and mathematically correlated, sentiment, reputation, and trust are not interchangeable. Nor do they optimally indicate or predict the same things when it comes to 1) how a brand is perceived, 2) how well-insulated a brand is from potential marketplace disruptions, or 3) its growth potential.

As trust continues to grow in importance, garnering more and more ink and attention, it is becoming ever more conspicuous in its absence as a standard metric. In this paper, we will identify and describe the unique contribution that trust makes to assessing company and brand health and present an argument for why tracking trust should be a C-suite imperative.

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1. Edelman. (2021). *Edelman Trust Barometer Special Report: Trust, The New Brand Equity*.

<https://www.edelman.com/trust/2021-brand-trust/brand-equity>

2. Edelman. (2021). *Edelman Trust Barometer Special Report: Trust, The New Brand Equity*.

<https://www.edelman.com/trust/2021-brand-trust/brand-equity>

# Sentiment, Reputation and Trust: Defined and Described

## Sentiment

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Sentiment is a moment-in-time feeling about a company. Traditionally, sentiments are labelled as positive, negative, or neutral. In the context of brand-health monitoring, sentiment is best used as an indicator of consumers' response to specific events such as the introduction of a new product or product feature, the kick-off of a new marketing campaign, or a positive or negative news item.

These are all important insights for a company to have; but in general, sentiment is transient which makes it a relatively weak indicator of a brand's overall health and future growth potential.

## Reputation

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Reputation is a social construct. It represents how a critical mass of people feel about, or characterize, a company. Reputation does not necessarily reflect one's personal orientation toward a company and is not dependent on actual experience interacting with the company or its products. Within the academic literature, reputation is described as "consumers' accumulated opinions, perceptions, and attitudes towards the company"<sup>3</sup> (Jung & Seock, 2016).

As a consumer orientation, a good reputation is key to gaining entry into purchasing consideration sets and garnering initial positive consumer response. Its strongest brand-health monitoring application is an indicator of how well positioned a brand is for new customer acquisition, and whether it is more likely to be the beneficiary of a halo effect or fall victim to

consumers ascribing negative attributes towards it. These too are important insights for a company to have. The challenge is that reputation recedes in importance, in the face of personal interactions with a brand. This is because social data is less salient, immediate, and psychologically potent than personal experience as the foundation of a consumer's attitudes towards a brand. A good reputation facilitates the start of consumer-brand relationships; but unless trust is established, these relationships do not grow, deepen, and become mutually beneficial.

## Trust

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Trust is a set of beliefs regarding a company, held by an individual. It is an enduring personal orientation towards a company that is manifest in a willingness to take a meaningful risk on that company, whether it be giving it your hard-earned money, entrusting it with the success of an important event, or even counting on it to keep you safe<sup>4</sup> (Lewis & Weigert, 1985). It also underlies the willingness to give a brand the benefit of the doubt.

Trust grows, or erodes, only within the context of a personal relationship between an individual and a brand. This personal relationship does not have to entail current usage of the brand, and it can be lived vicariously through seeing, first-hand, the experiences a friend or family member is having with a company. It is the first-hand aspect of the experience that is important here. If the evidence upon which you are basing your sense of a company moves from first-hand to the realm of hear-say, you cross the boundary dividing trust from reputation.

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3. Jung, N. Y. & Seock, Y. K. (2016). *The impact of corporate reputation on brand attitude and purchase intention*. (Fash Text 3), pp. 20

4. Lewis, J. D. & Weigert, A. (1985). *Trust as a Social Reality* (Social Forces, Vol. 63, No. 4), pp. 967-985

From a brand-health monitoring perspective, trust is important because it confers upon a brand a license to operate, a license to lead – both in terms of innovation<sup>5</sup> (Bachmann & Zaheer, 2013) and regulation – and a license to fail. This last license is a unique form of disruption insurance and brand equity that only accrues to a brand via trust.

These licenses are reflected in data showing that trusted brands, in contrast to distrusted brands: <sup>6</sup>

- Are seven times more likely to command a premium price
- Garner a 14% greater purchasing propensity
- Benefit from six times the consumer loyalty
- Are eight times more resilient

- Are seven times more likely to get consumers to share their personal data with them
- Have stock that outperforms its sector by up to 11% in times of crisis

The differences among these three concepts are perhaps easier to see in the context of interpersonal relationships.

Reputation is what you have heard about someone before you have met them. It sets your expectations for what that person will be like, the chances that you will like them, and your willingness to agree to a first encounter. Once you have met and interacted with that person, how they treat you or make you feel becomes more important to your agreeing to a second meeting than what others think about that person.

Trust is the foundation of all deep and meaningful personal relationships. It is what makes you feel safe being vulnerable to another, allows relationships to endure through difficult times, and gives you the confidence to bet your future on someone. Without trust there is no intimacy and very little long-term potential for a relationship to grow and deepen.

Sentiment is how you feel about someone at a given moment in time. Someone you trust deeply can make you furious by, say, leaving their dirty clothes on the floor for the thousandth time. However, someone you may distrust can still elicit a positive response from you via a pleasant surprise or a thoughtful gesture.



5. Bachmann, R. & Zaheer, A. (2013). *Handbook of advances in trust research*. (Cheltenham and Northampton: Edward Elgar Publishers).

6. Edelman. (2020). *2020 Edelman Trust Barometer Special Report: Brand Trust*. <https://www.edelman.com/research/brand-trust-2020>

# Sentiment, Reputation and Trust: Similarities, Differences, and Impact

Sentiment is an echo, as well as a potential catalyzer of change in both reputation and trust. Consistently negative sentiment expressed over time is an indicator of both a reputation in decline and a general lack of trust. Conversely, exposure to a critical mass of negative sentiment can exert downward pressure on a company’s reputation as well as serve as a headwind to earning and deepening trust. But, on any given day, and in keeping with its transience, sentiment about a company can be negative, even harshly so, and yet both its reputation and trust levels can endure or emerge relatively unscathed.

Returning again to our interpersonal relationship analogy, a strong marriage built on trust will engender a great deal more positive sentiment moments than negative ones, over the long-term. In contrast, a bad relationship is likely to do just the opposite. So while any one sentiment is not a good predictor of the overall strength of a relationship, looking at a critical mass of sentiments over time is a good indicator of relationship health.

Because sentiment is a manifestation of both reputation and trust, even if an imperfect one, it can be used to measure both constructs, but only in certain circumstances. Namely, the sentiment must be targeted at the specific dimensions that define

reputation or trust.

Unpacking this once again in the context of personal relationships, we can see that in addition to the valance of sentiment over time, another important dimension to consider in gauging the health of a relationship is the focus of those sentiments. Whether or not you trust your spouse is probably less incumbent upon them picking up after themselves and more incumbent on their fidelity, reliability in a crisis, and their honesty. As an indicator of trust, one incident of suspected infidelity is more dispositive than 20 gripes about socks. Socks-based sentiments are just less pertinent to measuring marital trust than fidelity-oriented sentiments. And so it is with brands. Not all sentiments are as indicative of trust or reputation as others.

For companies, reputation is indicated by positive sentiment expressed over time by a critical mass of consumers regarding how a brand is perceived and what owning the brand indicates about you. Trust, in contrast, is indicated by positive sentiment expressed over time regarding a brand’s ability, dependability, integrity, purpose and personal relevance, that is based on personal experience with that brand. (Learn more about the five dimensions of trust on our [Edelman Trust Management page](#).)

	SENTIMENT	REPUTATION	TRUST
FOUNDATION	Single Experience	Group Consensus	Multiple Experiences <sup>7</sup>
CONSTRUCT TYPE	Emotion	Perception	Belief
TEMPORALITY	Transient	Current Status	Future Expectation
PRIMARY BENEFIT	Awareness	Consideration	Preference/Loyalty <sup>7</sup>

Figure 1: Comparison of sentiment, reputation, and trust

7. Jung, N. Y. , Seock, Y. K. (2016). *The impact of corporate reputation on brand attitude and purchase intention*. (Fash Text 3), pp. 20

# Why Businesses Need to Measure Trust

## 1) Trust trumps reputation

The Edelman Trust Barometer has shown that both trust and reputation are correlated with actual and intent to purchase, but that trust is in many ways the more powerful factor. Case in point, 61% of people globally say that a good reputation may get them to try a product; but unless they come to trust the company behind the product, they will soon stop buying it regardless of its reputation<sup>8</sup>. Trust is more potent because reputation fades in importance if personal experience is discordant with a brand's reputation. Even a great reputation cannot sustain a consumer-brand relationship when there is a lack of trust.

The reason for this is that trust is an individual belief<sup>9</sup> (Herzig, Lorini, Hübner & Vercouter, 2010), and therefore, the strongest and most entrenched anchor in one's decision-making processes<sup>10</sup> (Jung & Seock, 2016). And while group perceptions (i.e., the building blocks of reputation) do influence people's decision-making, they are also easier to shift than individual beliefs. The most powerful action a company can take in building a long-term base of advocates and purchasers is to leverage their belief systems.

## 2) Trust impacts purchasing

The decision to make a purchase is made, in part, by weighing the perception of risk in buying a particular product. Trust, by its nature, impacts that perception. Both trust and reputation measured together, predict purchasing intent and loyalty, but trust alone is a more powerful predictor than reputation alone. This is because trust, more so than reputation, directly reduces consumers' perceptions of risk<sup>11</sup> (Gefen, Benbasat & Pavlou, 2008) and thereby their reluctance to purchase<sup>12</sup> (Ha & Stoel, 2009)<sup>13</sup> (Warkentin, Gefen, Pavlou, & Rose, 2002).

The relationship between trust and intentions has been validated in research, regarding buying intention and repurchase intention (e.g., Bart, Shankar, Sultan, & Urban, 2005<sup>14</sup>; Hong, 2015<sup>15</sup>).

8. Edelman. (2021). *Edelman Trust Barometer*. <https://www.edelman.com/trust/2021-trust-barometer>

9. Herzig, A., Lorini, E., Hübner, J. F. & Vercouter, L. (2010).

10. Jung, N. Y., & Seock, Y. K. (2016).

11. Gefen, D., Benbasat, I. & Pavlou, P. A. (2008). "A research agenda for trust in online environments," *Journal of Management Information Systems*, 24(4), pp. 275-286

12. Ha, S. & Stoel, L. (2009). "Consumer e-shopping acceptance: Antecedents in a technology acceptance model," *Journal of Business Research*, 62, wWpp. 565-571

13. Warkentin, M., Gefen, D., Pavlou, P. A. & Rose, G. M. (2002). "Encouraging citizen adoption of e-government by building trust," *Electronic Markets*, 12 (3), pp. 157-162

14. Bart, Y., Shankar, V., Sultan, F., & Urban, G. L. (2005). "Are the drivers and role of online trust the same for all web sites and consumers? A Large-Scale Exploratory Empirical Study," *Journal of Marketing*, 69 (4), pp. 133-152

15. Hong, I. B. (2015). "Understanding the consumer's online merchant selection process: The roles of product involvement, perceived risk, and trust expectation," *International Journal of Information Management*, 35(3), pp. 322-336

### 3) Trust is a leading indicator

It is difficult for a company to maintain a good reputation over the long-term if it is not effective at building trust. This is because as the segment of distrusting, disappointed consumers grows in number and volume, they will eventually alter a brand's reputation by shifting public opinion with their negativity. It takes a trusting fan base consistently stoking the fires to keep a positive reputation energized and alive. As trust dwindles, eventually a brand's reputation will descend into ignominy, but often as a lagging indicator of its actual overall health (see figure 2).

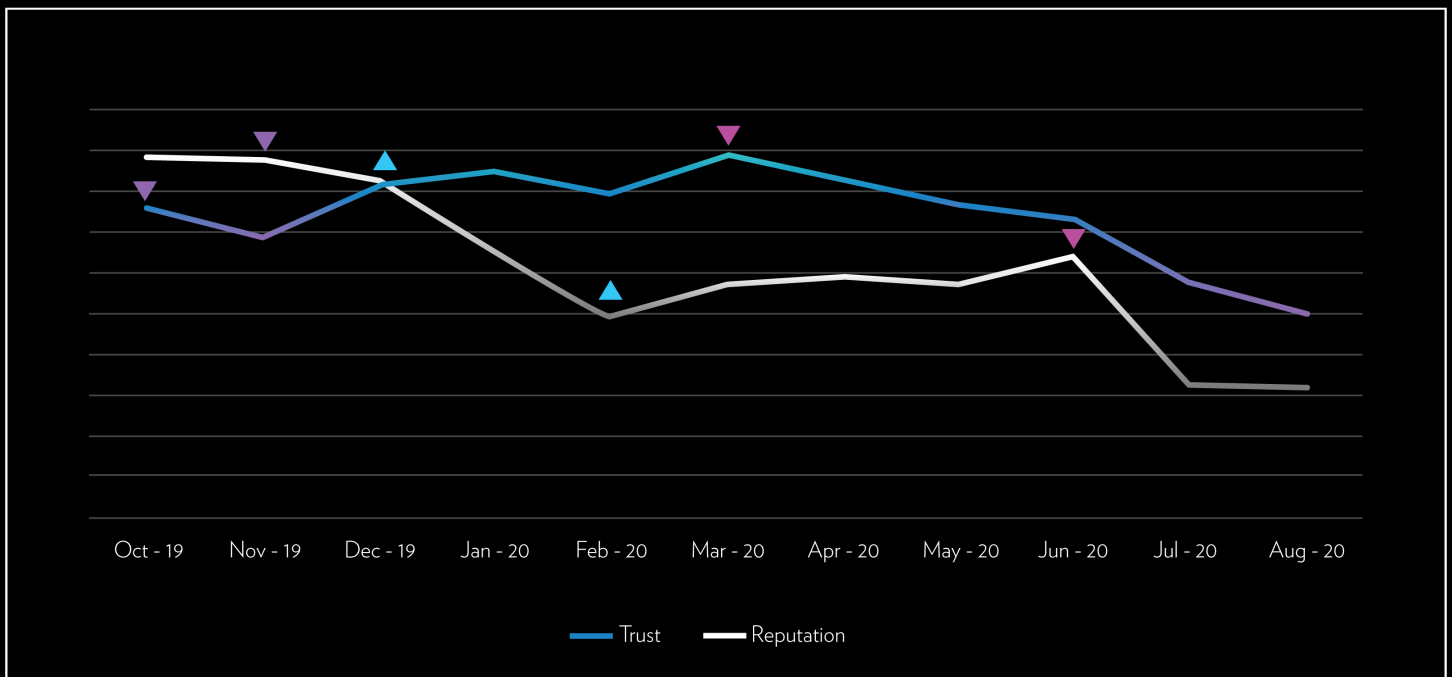


Figure 2: Month on month trust vs. reputation score for a retail brand  
Source: Edelman Trust Management data and YouGov



# Analyzing Trust vs. Sentiment Using Natural Language Processing Algorithms

Sentiment is typically monitored using Natural Language Processing (NLP) algorithms applied to social and online media content. By training these algorithms differently, they can also be used to analyze trust. Applying trust-trained and sentiment-trained algorithms to the same dataset allows us to further examine the interrelationship, as well as the points of difference, between trust and sentiment.

To carry out this analysis, we harvested a bespoke dataset of tweets comprised of 50k posts containing mentions of seven selected brands from two different sectors: Health & Beauty and Food & Beverage. We then had these posts labelled by a trained team of communication experts. Specifically, the coders were asked to independently label each tweet based on indications of trust within the text. A consensus methodology determined the final categorizations of each tweet.

We then trained our own NLP algorithms against this coded data to predict both trust and sentiment. Each tweet was categorized as either negative, neutral, or positive in sentiment and as distrustful (negative), trust neutral, or trusting (positive). By looking at the sentiment predictions against the trust predictions, we were able to measure the degree to which trust and sentiment are related. We were also able to determine how language-based predictions are made for both concepts, showing which words are important in establishing the trust versus sentiment categorizations of social media posts.

## Analysis #1: Examining the relationship between trust and sentiment

When we ran our labelled data through the two predictive NLP algorithms, both models performed at a similarly high level of accuracy (Sentiment Algorithm: 92% / Trust Algorithm: 94%). In comparing

trust versus sentiment predictions, we found that the two constructs are different but not completely independent or orthogonal. Specifically, a Chi-square test resulted in the rejection of the independence hypothesis ( $\chi^2=1616.11$ ,  $p<.05$ ).

Figure 3 summarizes the trust and sentiment classifications for our 50k tweet test dataset. Approximately 63% of the posts manifested agreement between trust and sentiment (see the left-to-right diagonal). The table also displays evidence of the imperfect relationship between trust and sentiment, with many tweets indicating trust but not sentiment and vice versa.

		SENTIMENT		
		NEGATIVE (35.61)	NEUTRAL (31.36)	POSITIVE (33.02)
TRUST	DISTRUST (37.0)	26.38	7.6	3.02
	NEUTRAL TRUST (29.7)	5.80	15.34	8.56
	TRUST (33.3)	3.43	8.42	21.44

Figure 3: % Tweets classified for varying polarities of trust & sentiment

Overall, 37% of the posts yielded a disparity between trust and sentiment:

- 11% of distrust tweets did not have negative sentiment
- 12% of trust tweets did not have positive sentiment
- 14% of neutral trust tweets did not have neutral sentiment

Figure 4 displays several examples of neutral sentiment posts that carried rich, trust-relevant information.

	TRUST	SENTIMENT
@BRAND: You don't get to jump on this lovely little bandwagon without addressing what you put @MunroeBergdorf through. Remember when you canned her campaign because she spoke about about systemic racism? You halted her career and NOW you wanna talk?	DISTRUST	NEUTRAL
@BRAND: So you,'re pushing the narrative of family leave by using a MAN to do it? I had to use my personal days for appts, some use them for bed rest, and then once they,'re used up I had to go back to work with NO DAYS LEFT. When my kid was sick, I had to pay to stay home	DISTRUST	NEUTRAL
Bravo @BRAND, for joining this noble cause. Paid family leave for all parents is an urgent national priority.	TRUST	NEUTRAL

Figure 4: Examples of neutral sentiment tweets that contained significant, trust-relevant information

The results of this analysis indicate that despite sentiment and trust being related, a pure sentiment analysis will miss detecting or mis-characterize the valance of trust-relevant information almost 40% of the time. That is a lot of potential explanatory and predictive power to squander.

## Analysis #2: How the linguistic basis for a sentiment prediction differs from a trust prediction

Sentiment is commonly monitored by training predictive algorithms on labelled data and then

applying these learned models to content scraped from social and other monitored media sources. In general, such algorithms are trained to analyze and use language to mimic the way humans labelled the original data. Therefore, we can use the way an algorithm learns to build an understanding of how the concepts they are trained against are conceptualized in people's minds.

We did this type of analysis here by training two algorithms, one to detect trust and one to detect sentiment, and then looking at the extract - the words the algorithms used to make trust versus sentiment predictions. Since these algorithms are architecturally different, we could not compare the internals of the models directly, so we examined the weighted word frequencies for the predictions the algorithms made. This allowed us to see, at a high level, the impact of specific words (and which words are more prevalent) in sentiment predictions versus trust predictions.

In figure 5, the words that were most strongly associated with the algorithms' positive and negative trust and sentiment assignments are displayed. There is a clear difference in the words important to categorizing sentiment versus trust.

	TRUST	SENTIMENT
TRUST/POSITIVE SENTIMENT	'sustainable', 'partnering', 'donate', 'supporting', 'self-esteem', 'healthcare', 'specialist', 'resolved', 'healthy', 'feedback'	'awesome', 'beautiful', 'loving', 'amazing', 'my favorite', 'appreciate', 'cool', 'gift', 'wow', 'beauty', 'thanks', 'love', 'great'
DISTRUST/NEGATIVE SENTIMENT	'conservative', 'corporation', 'packaging', 'shipping', 'waste', 'fired', 'farming', 'products', 'planet'	'hate', 'boycott', 'racism', 'hell', 'against', 'shame', 'shit', 'fired', 'lie', 'wrong', 'lost', 'weak'

Figure 5: Words most important in making positive and negative sentiment and trust predictions.

Specifically, and in keeping with how it was described above, sentiment categorizations were heavily driven by emotion or emotionally-reactive words such as *awesome*, *appreciate*, *amazing*, *love*, *favorite*, *hate*, *cool*, and *wow*. Sentiment was also associated with single events or points in time, as indicated by the reliance on words such as *campaign*, *gift*, *fired*, and *lie*.

In contrast, and again congruent with how it was described above, trust categorizations were driven by words that bespeak overarching, longer-term health - and food - oriented product concerns such as *sustainable*, *healthy*, *shipping*, *waste*, *farming*, and *packaging*. In particular, the purpose aspect of trust is reflected in the importance of words like *donate*, *partnering*, and *supporting* whereas the personal relevance dimension of trust is captured in words like *self-esteem* and *risk*.

These are only a few examples of single words that support and validate the points made in the earlier discussion of trust versus sentiment. Of course, predicting trust and sentiment from natural language is a complex task that goes far beyond a focus on individual words. Context is key in understanding how these single words ladder up to specific categorizations. This explains why concepts like *abusive/abuse*, *violent/violence*, and *customer service/service* appeared in both lists. For example, feeling abused by customer service on a single occasion can lead to a negative sentiment whereas seeing a company as abusive in terms of how they treat people in general is a reason for distrust. Abuse is a clear negative, but the context in which abuse was discussed in the tweet determined whether it was simply a negative sentiment or an indicator of distrust.



# Conclusion

Too often an ongoing measurement of trust is missing when companies are developing a strategic view of how they are perceived in the world.

One reason for this is that many business decision-makers do not fully understand how sentiment, reputation and trust differ; and as a result, they do not appreciate the unique contribution trust makes in assessing as well as enhancing the growth potential of their company.

In particular, trust's relation to a more permanent state of mind, and its power to mitigate the risk (financial

and otherwise) associated with purchasing decisions, gives it unique tactical importance, particularly when it comes to the lower reaches of the purchase funnel. Trust's connection to the future makes it more actionable than both reputation and sentiment. Finally, again in contrast to reputation and sentiment, trust's domain of relevance and importance extends well beyond communications and marketing. Understanding the full power of trust can help a company transform its business model as well as create new categories and markets.

To be clear, we are not recommending that trust replace either sentiment or reputation as a fundamental brand/company health dashboard metric. All three together comprise a set of measures that companies should employ to better understand both the impact they are currently having in the world and their future growth potential. But, if you only measure sentiment and reputation and not trust, you are leaving a lot of explanatory and predictive power on the table. In essence, you will be looking at only two dimensions within what is a three-dimensional space, creating a state of indeterminacy regarding exactly where you stand.



# Contact us

To learn more about Edelman DXI, our trust offering, or to contact one of our experts, contact Karima Zmerli, Global Head of Performance & Predictive Intelligence, here: [karima.zmerli@edelmandxi.com](mailto:karima.zmerli@edelmandxi.com).

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Edelman DXI is partnering with the National University of Singapore Centre for Trusted Internet and Community (NUS-CTIC) to develop future research, focusing on the underlying algorithmic development.

