

Consumer trust in food industry declining in 2018

Dalhousie study finds that Canadians rate Loblaws as less trustworthy since November 2017.

Tuesday, March 20, 2018 (Halifax, NS) – A new study from Dalhousie University's Faculty of Management finds that consumers are less likely to trust national food retailers than they were in November 2017, before Loblaws announced it had been involved in a bread price-fixing scheme for 14 years.

The researchers collected survey data in November 2017 and March 2018, measuring whether food retail organizations have the confidence of Canadian consumers. As a result, Dalhousie developed a new Consumer Trust Index in Food Retailing. Respondents were asked about several national food retailers, including Sobeys, Loblaws, Costco, Walmart, Metro and Giant Tiger to determine how trustworthy, ethical, socially responsible and environmentally responsible Canadians perceive them to be. In other words, did they have a 'social license to operate.'

"We wanted to see if there had been any changes in consumer perception, given the recent media coverage of bread price-fixing," says lead researcher Vivian Howard. In December 2017, Loblaws disclosed that it had been involved in fixing bread prices for a 14-year period. "We found that levels of consumer trust for Loblaws have declined since our study in November."

Loblaws is not the only company experiencing a decline in consumer trust. Tyler Lightfoot, a Master of Library and Information Studies student who analyzed the data, explains: "We created the Consumer Trust Index so that we could compare our latest results to what we found in November 2017, and any results we get in the future," he says. "Using that index, we found that consumer trust for Loblaws has fallen by 10%. When you look at the food retail sector in Canada as a whole, consumer trust has fallen by 6.31%." Notably, consumer trust has risen slightly for Sobeys, by 1.6%.

The decline in trust could have serious effects. "Social License to Operate is becoming a significant issue in the food industry," says Sylvain Charlebois, food industry professor and dean of Dalhousie's Faculty of Management. "Companies have to think about how they are going to deliver on their ethical and sustainability promises."

In addition to Dr. Howard from Dalhousie's School of Information Management, Dr. Charlebois and Lightfoot, contributors to the report were Tony Walker from the School for Resource and Environmental Studies, Peggy Cunningham from the Rowe School of Business, Jeff Friesen from the School of Public Administration, Michelle Adams from the School for Resource and Environmental Studies and Allison Kader, a graduate of the Master of Resource and Environmental Management program.

Canada's first Social License to Operate report was published by Dalhousie's Faculty of Management in November 2017. It measured which retailers and government departments Canadians think are the most trustworthy, socially responsible, environmentally friendly and ethical in four sectors: transportation providers, retailers in the food and clothing sectors and government departments. The researchers plan to do a series of follow-up supplements for each sector.

For more information, read the [Social License to Operate: Supplementary Food Retail Sector Report](#).

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