

# Consumer Trust Report

## Investigating Social License to Operate in the Food Retail Sector

March 2018

Faculty of Management

PRELIMINARY RESULTS



**DALHOUSIE  
UNIVERSITY**

# High Level Findings:

*November 2017–March 2018*

- **Consumer Trust (CT)** and level of **Social Licence to Operate (SLO)** granted by Canadian consumers have **dropped** in the national food retail industry on measures of Trust, Sustainability and Corporate Social Responsibility (CSR)
- CT and SLO have **dropped** from a mean score of 2.06 (mid-level of moderate) to 2.19 (low end of moderate) on a Consumer Trust Index ranging from 1.0 to 2.99 (-6.31%)
- The closer the score is to 1.0, the higher the CT and SLO

# High Level Findings:

## *November 2017–March 2018*

- In the March 2018 survey *Costco* was **rated highest in CT** by Canadians across measures of Trust, Sustainability and Corporate Social Responsibility
- Notable shifts in **Consumer Trust**:
  - **Sobeys'** CT score has changed from a November 2017 **index score** of 2.15 to a March 2018 **index score** of 2.12 (**+1.40%**)
  - **Loblaws'** CT score has changed from a November 2017 **index score** of 2.09 to a March 2018 **index score** of 2.29 (**-10.00%**)

# Consumer Trust Index

- Survey scores range from 1.0 (strongly agree) to 5.0 (strongly disagree), with a score of 3 being neutral
- The CT Index to measure SLO ranges from 1.0 to 2.99—the range of where CT can be measured
- 3.0 to 5.0 shows that CT has not been established in the minds of Canadian consumers

<i>Mean Score</i>	<i>Level of CT</i>
1.00–1.40	Very Strong (VS)
1.41–1.80	Strong (S)
1.81–2.20	Moderate (M)
2.21–2.60	Poor (P)
2.61–2.99	Very Poor (VP)

# Survey History

- **Data** were collected between November 2017 and March 2018 **measuring whether food retail organizations have the confidence of consumers.**  
Are their activities morally and socially acceptable?
- Key components:
  - **Trustworthy** (they live up to their promises and provide good value);
  - **Socially responsible** (they contribute positively to the local community);
  - **Environmentally responsible** (they use sustainable practices);
  - **Ethical** (they treat employees and customers fairly).

# November 2017 to March 2018: Gender Differences

**TABLE 1: MARCH SURVEY—GENDER DIFFERENCES IN RANKINGS**

(ordered from highest rank to lowest)

OVERALL			WOMEN			MEN		
1	Costco	2.02	1	Sobeys	1.99	1	Costco	2.01
2	Sobeys	2.12	2	Costco	2.02	2	Metro	2.12
3	Giant Tiger	2.12	3	Giant Tiger	2.05	3	Giant Tiger	2.18
4	Metro	2.15	4	Metro	2.16	4	Sobeys	2.27
5	Loblaws	2.29	5	Loblaws	2.18	5	Loblaws	2.41
6	Walmart	2.41	6	Walmart	2.39	6	Walmart	2.42

*Loblaws ranked 5th by men and women, as well as overall, from previously being the highest ranking national food retailer by Canadians in November 2017.*

**TABLE 1A: NOVEMBER SURVEY—GENDER DIFFERENCES IN RANKINGS**

(ordered from highest rank to lowest)

OVERALL			WOMEN			MEN		
1	Loblaws	2.09	1	Loblaws	2.00	1	Loblaws	2.17
2	Sobeys	2.15	2	Sobeys	2.03	2	Sobeys	2.27

*Loblaws ranked highest by men, women, and overall in November 2017.*

# November 2017 to March 2018: Age Differences

**TABLE 2: MARCH SURVEY—AGE DIFFERENCES IN RANKINGS**

(ordered from highest rank to lowest)

UNDER21		21-35		36-45		46+	
1	Loblaws 1.55	1	Costco 2.04	1	Costco 1.94	1	Costco 2.05
2	Costco 1.67	2	Sobeys 2.08	2	Metro 1.96	2	Giant Tiger 2.06
3	Sobeys 1.80	3	Metro 2.26	3	Sobeys 2.09	3	Sobeys 2.15
4	Giant Tiger 1.89	4	Loblaws 2.27	4	Giant Tiger 2.15	4	Metro 2.16
5	Metro 2.22	5	Walmart 2.42	5	Loblaws 2.29	5	Loblaws 2.30
6	Walmart 2.27	6	Giant Tiger 2.43	6	Walmart 2.39	6	Walmart 2.43

*The younger the respondent the more likely they are to rank Loblaws higher.*

**TABLE 2A: NOVEMBER SURVEY—AGE DIFFERENCES IN RANKINGS**

(ordered from highest rank to lowest)

UNDER21		21-35		36-45		46+	
1	Sobeys 2.40	1	Sobeys 2.19	1	Loblaws 1.95	1	Loblaws 2.02
2	Loblaws 2.42	2	Loblaws 2.23	2	Sobeys 2.13	2	Sobeys 2.05

*Older respondents favoured Loblaws.*

# November 2017 to March 2018: Regional Differences

**TABLE 3: MARCH SURVEY—REGIONAL DIFFERENCES IN RANKINGS**

(ordered from highest rank to lowest)

ATLANTIC			NORTH			CENTRAL			WEST		
1	Metro	1.75	1	Giant Tiger	1.20	1	Costco	1.98	1	Giant Tiger	2.10
2	Costco	1.87	2	Loblaws	1.30	2	Giant Tiger	2.06	2	Costco	2.15
3	Sobeys	1.90				3	Sobeys	2.12	3	Sobeys	2.21
4	Loblaws	2.07				4	Metro	2.15	4	Loblaws	2.30
5	Walmart	2.18				5	Loblaws	2.32	5	Walmart	2.59
6	Giant Tiger	2.42				6	Walmart	2.36			

*Loblaws is not in the top 3 in regions outside the North region.*

**TABLE 3A: NOVEMBER SURVEY—REGIONAL DIFFERENCES IN RANKINGS**

(ordered from highest rank to lowest)

ATLANTIC			NORTH			CENTRAL			WEST		
1	Sobeys	2.13	1	Loblaws	2.22	1	Loblaws	2.04	1	Sobey	2.07
2	Loblaws	2.18	2	Sobeys	2.60	2	Sobeys	2.12	2	Loblaws	2.11

*East and west coast favoured Sobeys.*



# November 2017 to March 2018: Income Differences

**TABLE 4: MARCH SURVEY—INCOME DIFFERENCES IN RANKING**

(ordered from highest rank to lowest)

UNDER \$50,000			\$50-99,999			\$100,000+		
1	Costco	1.98	1	Costco	2.02	1	Metro	2.07
2	Giant Tiger	2.12	2	Giant Tiger	2.06	2	Costco	2.11
3	Sobeys	2.16	3	Sobeys	2.07	3	Sobeys	2.23
4	Metro	2.19	4	Metro	2.11	4	Loblaws	2.25
5	Loblaws	2.31	5	Loblaws	2.31	5	Giant Tiger	2.32
6	Walmart	2.43	6	Walmart	2.39	6	Walmart	2.48

*Sobeys remains in the top 3 across income levels.*

*Loblaws is ranked below the top three in all 3 income ranges.*

**TABLE 4A: NOVEMBER SURVEY—INCOME DIFFERENCES IN RANKING**

(ordered from highest rank to lowest)

UNDER \$50,000			\$50-99,999			\$100,000+		
1	Loblaws	2.10	1	Loblaws	2.06	1	Sobeys	2.14
2	Sobeys	2.11	2	Sobeys	2.14	2	Loblaws	2.19

*Respondents with an income over \$100k a year favoured Sobeys over Loblaws.*

# Study Limitations

- Each data set contains information about usage of each national food retailer by respondents
- These usage rankings show how consumers favour one food retailer over another
- The usage information will be collected in future administrations of this survey to help strengthen the Consumer Trust Index (CTI)
- We need to collect more data over time before we can use consumer usage of food retailers as a variable in the CTI

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