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# THE BOLD THINKING REPORT

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REVEALING THE PRESCRIPTION FOR CONSUMER CYNICISM





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# THE BOLD THINKING REPORT METHODOLOGY

The Bold Thinking Report is an ongoing study of the predominant value systems guiding Canadians. It serves as a canary in a coal mine for NATIONAL Public Relations - helping us advise our clients by better understanding how the values of Canadians, both conscious and unconscious, influence their decision making. The Bold Thinking Report does not just study what the values of Canadians are, but why they are, what they are, and how they shift over time.

This helps NATIONAL provide clients with context around a variety of issues such as:

- Perceptions of organizations and their leaders
- Willingness to engage with organizations openly and cooperatively
- Attitudes towards government
- Consumer spending and investing patterns
- Perceptions of specific industries and companies
- Levels of public trust.

To reach our conclusions, we utilize our Belief Based Behaviour methodology - a unique application

of digital ethnographic research developed at NATIONAL. Belief Based Behaviour research is conducted by a team of PhD-level anthropologists who study consumers' beliefs and values. They are supervised by a team of senior strategists who give context to their findings in a way that is useful for our clients and staff. Our researchers began their study focused on conversations around key national issues such as energy, banking and politics. They then broadened their focus to discussions about major companies, brands, and corporate leaders.

Last year's report studied 20,000 online conversations of Canadian users on the Reddit.com forum. Often at the forefront of emerging values, trends and cultural forces in society, Reddit was used to forecast fairness as a predominant theme for 2015. In our continued effort to dive deep into the beliefs of Canadian's, we increased our analysis for 2016 to 44,000 conversations across a broader set of online platforms including Facebook, Twitter, Reddit, Blogs and newspaper websites.

# KEY STATS



**MORE THAN 44,000**  
CONVERSATIONS MEASURED



**OVER 1,600**  
USER PROFILES ANALYZED

**5 PLATFORMS STUDIED**



FACEBOOK  
PAGES



BLOGS



TWITTER  
DISCUSSIONS



NEWSPAPER  
WEBSITES



REDDIT  
FORUMS

## KEY THEMES AND VALUES IDENTIFIED:



CYNICISM/TRUST



EQUALITY/INEQUALITY



RISK/SECURITY/UNCERTAINTY



RESPONSIBILITY/ACCOUNTABILITY



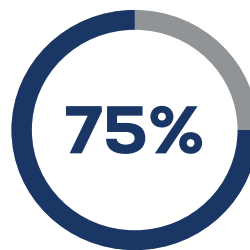
EXPERTISE/KNOWLEDGE SHARING/WISDOM



TRUTH/COMPASSION/EMPATHY

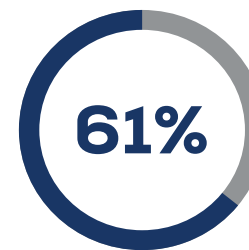
## PREDOMINANT THEMES AND VALUES:

**FAIRNESS**



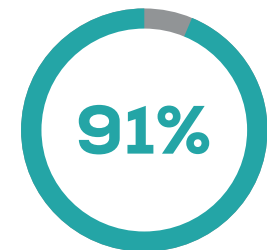
OF CONVERSATIONS

**AUTHENTICITY**



OF CONVERSATIONS

**CYNICISM**



OF CONVERSATIONS

■ VALUE ■ THEME



# EXECUTIVE SUMMARY

In its second Bold Thinking Report, NATIONAL Public Relations finds Canadians' attitudes towards businesses and governments mired in deep cynicism, prompting reluctance to trust leaders or brands. Overcoming this cynicism is a key business challenge, as strong relationships are fundamental in an increasingly transparent world.

Canadians feel they have little influence over the choices of key decision makers that impact their lives. They feel let down by "the system" that isn't delivering its promise of economic growth, security and the freedom to make their own choices. This sentiment cuts across demographic groups.

The study found Canadians attach importance to two predominant values – fairness and authenticity – in assessing the politicians and companies they support. The value of fairness is an expectation that those in positions of power will act in the best interest of impacted individuals and not out of personal or corporate interest. Its companion value, authenticity, relates to alignment between an organization's positioning and stakeholders' perceptions of what that organization stands for and the actions it takes.

Understanding this bi-focal values filter – whereby Canadians evaluate what they perceive through the lens of these two values – is the key to helping leaders and organizations cut through the cynicism to build deeper and more meaningful relationships.





# HOW DID WE GET HERE?

## CANADIANS' MINDSET TODAY

Canadians feel disenchanted with the current state of the world. The cause is complex, but key themes do emerge. They feel let down by "the system" that isn't delivering on its promises of economic growth, security, good health, and the freedom to make their own choices. To most, the world seems increasingly risky and uncertain. This sentiment is shared regardless of age or gender, from students entering into a shaky job market with lower historical pay, to retirees who question the sustainability of their healthcare and retirement plans.

Cynicism comes from perceptions that the actions of those in positions of power can have a disproportionate impact on an individual's quality of life. Negative opinions about the motivations, activities and intelligence of leaders and organizations feeds frustration. A perceived lack of accountability is widespread, and Canadians feel they have little or no influence over the actions of these key decision makers.

### DECISION MAKERS OFTEN NEED TO BALANCE COMPETING INTERESTS THAT ARE NOT ALWAYS CLEAR TO CANADIANS. FOR INSTANCE:



Government policies can directly affect an individual's net income, employment opportunities, or even their commute to work.



Pharmaceutical companies invest large amounts of resources into research and development for new treatments, but access is driven by government priorities and healthcare policy of which patients are not necessarily aware.



Oil companies select pipeline routes trying to minimize the delivery cost of fuel to benefit society as a whole, but the directly affected communities will express concerns about safety.

Often these decisions have many possible solutions but contain one common element - not every stakeholder will benefit equally. Some may even feel their needs

are neglected. It is in this context that Canadians rely on their personal filters when deciding if they trust those in a position of power.

# HOW CANADIANS USE FILTERS TO MAKE DECISIONS

## COPING WITH INFORMATION OVERLOAD THROUGH COGNITIVE SHORTCUTS

Canadians are becoming overwhelmed by the number of decisions they need to make, large and small. How does my family reduce its impact on the environment? Should my next car be gas, electric or hybrid? Are there pesticides in my food? Will buying a house affect my ability to retire? Who should I vote for?

Some of these decisions are important, while others may seem inconsequential. However, their relative weight is not important. It is the sheer volume of decisions that is giving Canadians grief. An always-on, increasingly connected world creates virtually unlimited opportunities to be exposed to new information – or “Acts of Influence” – that might shape a person’s perceptions. Business leaders have little control over these acts, so it is important to recognize that **in a highly-connected world, decision-makers cannot isolate themselves from the people their decisions impact. Further, that inter-connectedness means that information naturally wants to become public. If your internal actions do not align with your external messages, consumers and stakeholders will not hesitate to hold you accountable.**

Canadians are applying the bi-focal filter of fairness and authenticity in order to cope with the mass of messages to quickly decide what information is valuable, who to place faith in, and who or what is untrustworthy. This enables them to quickly integrate new information within their existing perceptions of individuals or organizations. If your message does not meet expectations, consumers will close down opportunities for engagement and dialogue.



Today, Canadians are bombarded with information in many places. We refer to each touch point as an Act of Influence, which can occur any time someone is exposed to new information, such as:



A lived experience



Interactions with professional circles



Encounters with family and friends



Use of social media



Exposure to advertisements



Utilization of always-on communications, such as SMS, phone, email, etc.



Media exposure, including news and entertainment



"It's actually insulting when my government thinks that I'm going to fall for this surprise surplus! Being honest and upfront with Canadians just does not occur to them."

- Reddit User

# FINDING A CURE FOR PUBLIC CYNICISM

*Canadians are looking for a way out of the fog of cynicism, and the organizations and leaders who provide it are going to win over those who accept the current reality as it is.*

Recent research has made it abundantly clear that the current business environment is challenged by a cynical and disenfranchised consumer. While this makes it more difficult to get business done, answering to it will provide an opportunity to stand out.

NATIONAL applied its Belief Based Behaviour methodology, a unique application of digital ethnographic research, to study more than 44,000 online discussions across five key online communities and forums. We uncovered reoccurring themes and mapped them against the beliefs and values of over 1,600 Canadians across topics as diverse as public policy opinions to perceptions of their favorite brands. What we discovered was encouraging - while cynicism and mistrust have grown, people are looking for a better way.

Canadians find their negative predisposition uncomfortable, as they inherently want

to connect with organizations that share their values and beliefs. Organizations or individuals who can "re-engage" Canadians will provide an antidote for their cynicism. Canadians are evaluating organizations and their leaders using two primary values to decide who to place their faith in. If your organization's values can align with Canadians' beliefs, you will be in a better position to build a strong relationship with them.

With these findings in mind, NATIONAL believes organizations that engage with Canadians in an honest, open, and fair manner will attract more consumers and have better relationships with their stakeholders. In doing so, organizations will encounter communities that are more willing to engage, and most importantly, create a bank of increased trust and loyalty for the long term.



# COGNITIVE SHORTCUT: THE BI-FOCAL FILTER

Our research shows two predominant values are being used in combination to create a bi-focal filter. By understanding how Canadians use these two values, organizations can audit internal and external communications and evaluate business strategies to better understand how they may affect the public's views of them.

The first lens - fairness - was identified in our 2015 research. New to 2016, the second lens - authenticity - is used to evaluate if an organization that does act with fairness is doing so for the right reasons.



## LENS ONE: FAIRNESS

Fairness is a universal term without a universal definition. Each individual has a unique perspective on what fairness means for themselves and others.

However, based on the research conducted, we identified a distinctively Canadian definition: "An expectation that those in positions of power or influence will act in the best interest of every individual impacted, and not solely out of personal or corporate self-interest."

This Canadian approach to fairness is a contrast to more competitive cultures, which may embrace and encourage a "survival of the fittest" mentality when considering what is fair.

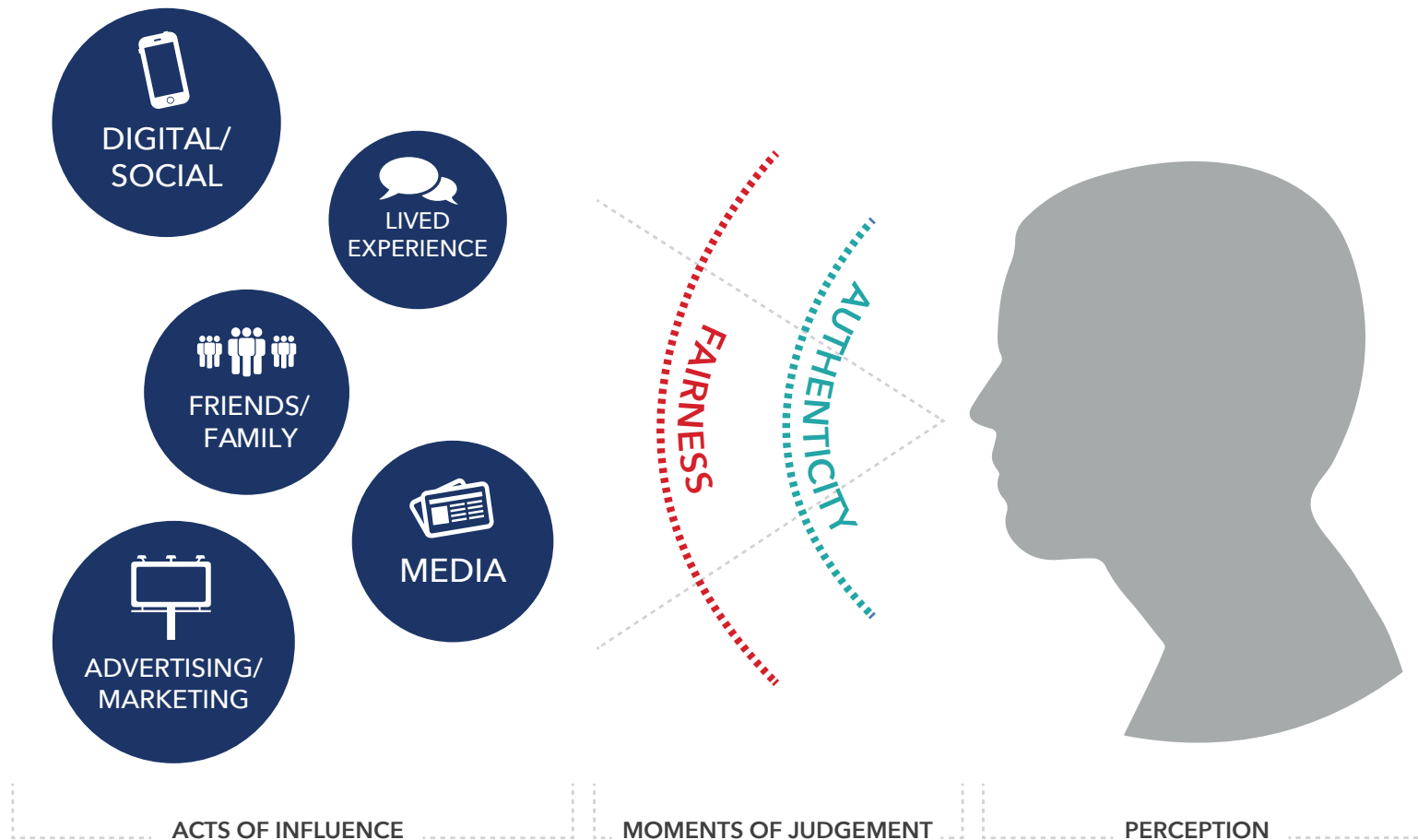


## LENS TWO: AUTHENTICITY

Canadians may apply authenticity in different ways to evaluate leaders and organizations. In general, they are more likely to place their faith in a leader or deal with a company that they view as "fair". If they are also viewed as truly authentic, as doing things for the right reasons, they will benefit with a bank of goodwill that they can tap into in more difficult times, whereas other leaders and organizations in the same situation will lose people's support. **Being authentic and walking the talk is key to breaking through Canadians' cynicism and disenchantment.**

Canadians are more likely to engage with your organization if Acts of Influence easily pass through the bi-focal filter of fairness and authenticity. If new information is filtered as unfair or unauthentic, avenues to building and maintaining a relationship will begin to close. Today, more than ever, it is impossible to control every Act of Influence, so building a bank of goodwill with Canadians is key to a sustainable, meaningful relationship.

# THE BI-FOCAL FILTER







# SOWING THE SEEDS OF CYNICISM

**WHEN INTERNAL AND EXTERNAL CULTURES WITHIN VOLKSWAGEN CLASHED, FAIRNESS AND AUTHENTICITY SUFFERED**

In the latter half of 2015, Volkswagen was rocked by the revelation that it had installed devices on thousands of vehicles that effectively covered up unfavorable emission rates. This clearly did not align with Volkswagen's brand as a highly efficient, eco-conscious carmaker.

In a push to increase the sales of diesel cars, the company backed a marketing campaign that boasted the car's low emissions. In order to back these claims, the pressure on engineers to bypass the system became enormous and a "defeat device" was developed that would falsify results to meet the emission claims Volkswagen had made.

By not ensuring internal understandings of the performance of diesel cars, Volkswagen's collapse created an eventual PR nightmare. As information naturally seeks an audience in a connected world, revelations of the cheating were a ticking time bomb poised to destroy the brand.

Canadians learned of the Volkswagen saga across traditional and social media platforms. The organization was judged harshly for unfairly bypassing emissions to boost sales. Its authenticity as an eco-conscious brand was thrown into disarray. Millions of Acts of Influence were created as consumers vented their feelings of betrayal and anger online. Leger's 2016 Survey of Canada's Most Admired Companies showed Volkswagen's corporate reputation dropped by 61 points as a result of the crisis – the largest reputational decline of any brand this year.

Volkswagen was quick to respond, placing full page apology ads in major newspapers, acknowledging it had betrayed trust and acted unfairly on emissions testing. Acknowledgment of such shortcomings shows unusual candor for an organization of its size. While its reputation and sales have suffered, time will tell whether the company will be able to recover customer faith.



# FAIRNESS AND AUTHENTICITY LEAD CHANGE

**THE 42ND GENERAL ELECTION PROVED AUTHENTICITY ISN'T JUST A BUZZWORD, BUT A WAY TO EARNING TRUST**

Canada's 42nd General Election saw Justin Trudeau secure an unexpected victory, winning the Liberal Party a legislative majority and himself the Prime Minister's Office. After 10 years of a Conservative government led by Prime Minister Stephen Harper, it became evident that there was a strong appetite for change.

Last fall, Prime Minister Justin Trudeau won a significant election victory. His tactic caught politicians off guard, forcing party war rooms to make abrupt changes to their election strategies. The lengthy campaign gave Canadians ample opportunity to apply the bi-focal filter and determine if the parties and their leaders presented their platforms in a fair and authentic manner. These values had to be amply present in order to earn the trust of voters.

On the day of the election announcement, Tom Mulcair and Justin Trudeau were both scheduled to appear in Vancouver's Pride

parade. When Prime Minister Harper made the election period official, Mulcair cancelled his trip to Vancouver in order to make his kickoff announcement in Ottawa. Trudeau took a different approach. Though he was last to make a statement, he honoured his obligations and attended the Pride celebration.

It was this decision made on the first day of his campaign which distinguished his style of politics proven through action. He set a tone of authenticity for which the public would hold him accountable - but that he could also use to build trust with Canadians.

While fairness and authenticity dominated both the Liberals and New Democrats narratives, Canadians clearly believed that Justin Trudeau and the Liberal Party of Canada best embodied these principles, giving them a resounding majority government with 184 seats.



A photograph of a woman in the foreground, wearing a light-colored knit beanie and a dark scarf, laughing heartily. She is looking upwards and to the right. In the background, other people are visible, also wearing winter clothing, suggesting a public outdoor event in a cold environment. The overall tone is positive and joyful.

# STRATEGIES FOR RESPONDING TO CYNICISM

The disenchantment and cynicism of Canadians is not sustainable for business. There is a clear opportunity for Canadian organizations and their leaders to re-engage with Canadians and build more resilient relationships with their communities and stakeholders. To do so will require engaging Canadians in an honest and authentic fashion, and making decisions with a degree of fairness that Canadians have come to expect, but do not currently see. This way, authenticity and fairness are two sides of the same coin, and delivering on both will lead Canadians to choose and support organizations that deliver.

The good news is that many organizations are already well-positioned to deliver against this reality. In fact, many already live these values and simply need to communicate them more clearly to build up a bank of goodwill.

Understanding where your organization is strong and where opportunities exist to improve communications and strategies is a key first step in addressing cynicism.



# FOUR STEPS FOR OVERCOMING CYNICISM

Addressing cynicism is good business, and by studying the root causes of cynicism, we have been able to identify four key elements that must be implemented to cure it.

## 1 LIVE YOUR PURPOSE BOTH INSIDE AND OUT

- Align your internal and external actions, including corporate culture. If your internal culture and your external messages contradict, the risk of a reputation-damaging issue occurring is high.

## 2 BE HUMAN AND AUDIENCE-CENTRIC

- Speak to people in a relatable way, using their natural language.
- Does your organization pass the barbecue test? Ask yourself “Would people invite my company or its leaders to a barbecue?”
- Be honest about faults, threats, fears, hopes, and your vision. This will build an authentic relationship and create natural advocates for you.

## 3 UNDERSTAND HOW YOUR ACTIONS IMPACT OTHERS DIRECTLY OR INDIRECTLY

- Stakeholders are not just your customers, employees, and shareholders – they also include the individuals affected by your organization. Engaging with each group helps build a trusted brand.
- Understanding all individuals’ viewpoints and taking them as valid, even if there is a disagreement or opposition to your organization’s goals, is the first step to understanding where and why conflicts exist and is key to addressing them proactively.

## 4 COMMUNICATE HONESTLY WITH EVERYONE

- In the connected era, information naturally wants to become public, meaning discrepancies between what you say and what you do will be pointed out to you, frequently in a public manner.
- Don’t hide missteps – addressing them in the open helps you earn forgiveness.
- No one expects perfection but transparent, honest dialogues create trust and builds a bank of goodwill that can be drawn upon.





# THE CURE FOR CYNICISM LIES WITH LEADERSHIP

Understanding these findings and their impact for Canadian decision makers is key for auditing organizations for potential risks to reputation and evaluating brand health in Canada.

Building resilient organizations and strong relationships with stakeholders begins with an understanding of perceptions around authenticity and fairness. An honest review of your organization will help to identify gaps, threats and opportunities for creating strategies that can protect your organization from risks.

It is paramount to ask yourself one question, "Do your corporate values and actions

both internally and externally align with stakeholders' perceptions of who you are and what you represent?"

This reflection process is the key to developing strong organizations that have honest, positive relationships with Canadians. Cynicism is not a viable avenue for a healthy future, and it can be mitigated with proactive strategies and honest communications. At NATIONAL, we work with clients to address this need in the marketplace to create stronger, deeper relationships between organizations and Canadians from coast to coast.



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