Why Latin American consumers are demanding honesty – and leaving no hiding place for brands!
Long disappointed by opaque and untruthful businesses (domestic and foreign) and corrupt institutions (local and national), consumers in South & Central America are naturally wary when interacting with brands – even those they’ve used for years.

So far, so familiar. What’s next?

In 2015, these consumers will demand that brands proactively offer more. That means the truth on production and distribution. On brand heritage. On sustainability and ethics...

And no, one-way brand storytelling won’t form a part of this picture. Instead, consumers will demand that brands start dialogues and make their messaging truly participatory.

A long history of bad brand behavior means the time for trust is long gone. Now, the only option for brands is a TRANSPARENCY TRIUMPH.
In 2013, 73% of Brazilian consumers said they want brands to be transparent about the origin and the production of goods. In 2014, this grew to 84%.

EDELMAN TRUST BAROMETER, FEBRUARY 2015
Corruption in private and public institutions – think the recent Petrobras bribery scandal – and lack of government transparency over many issues (such as the water crisis in Brazil, the death of an Alberto Nisman in Buenos Aires, or the investigation into the disappearance of 43 students in Mexico) have eroded confidence among Latin Americans.

One example?

*Only 29% of people in Peru recognize a political will from their president to fight corruption.*

*61% say they have no trust in the Peruvian government's health and transparency (GfK, December 2014).*

**Against this dire backdrop, brands need to embrace transparency wholeheartedly to earn back any confidence from consumers.** Lies will be called out.
Lets face it, many companies lie. But increasingly, whether by regulatory bodies or consumers themselves, dishonesty and malpractice will be exposed:

The sales event ‘Black Friday’ was re-named ‘Black Fraud’ by Brazilian consumers as companies were spotted raising prices in advance so they could then bring them down on the day.

According to Merca 20, in Mexico between 2012 and 2015, the Comisión Federal para el Riesgo Sanitarios (Cofepris) and the Cámara Nacional de la Industria de Productos Cosméticos (Canipe) removed over 9,000 irregular or misleading ads.

In September 2014, consumers in Mexico filed a claim with Cofepris against Coca-Cola-owned Sidral Mundet after the high-in-sugar beverage was marketed as a ‘healthy’ choice.
“Relationships between brands and consumers are like marriages. If your husband or wife betrays you, the relationship will never be the same - even if you forgive them. Brands must understand that a relationship with a consumer is no longer just transactional, but a personal relationship too.”

GUILHERME MINUZZI - MARKETING SPECIALIST AUTONOMIST / BENTO GONÇALVES, BRAZIL
In the age of (mobile-first) social networks, scandals are shareable at lightning speed.

And as a media source, networks such as Twitter or Instagram feel reliable because they are composed of peers. **Now, consumers in South & Central America are using these networks to expose untruthful brands.**

Consumers trust information created by their friends and relatives (84%) on social networks more than information created by the companies they use (81%) or by a company CEO (59%) (Edelman Trust Barometer, February 2015).

It isn’t just lies about pricing, health benefits or manufacturing that will infuriate consumers. They will sniff out dishonest brand stories too.
In November 2014, Brazil-based ice cream brand **Diletto** was busted by the regulatory body Conselho Nacional Autorregulamentação Publicitária (CONAR) for fabricating the story of Vittorio Scabin. Diletto claimed Scabin was the Italian grandfather of its founder, and the inspiration for the ice cream. In fact, he was entirely fictitious.

The same month, juice brand **Do Bem** was forced to clarify that, while they did buy fruit from small farmers like ‘Francisco’, who they named in their marketing, they purchased from large-scale farmers too.

Meanwhile, after being criticized on social media and **BuzzFeed**, processed food brand **Seara** was pressured to clarify that the Italian ‘lasagne expert’ chef featured in their commercial didn’t actually serve the dish at his restaurant.
“A relationship with a brand is about trust. If a brand lied, it would make it hard for me to believe again in a brand in the same category. For example, if Hola Smoothie lied to me, it would make me distrust any bottled smoothie in the market.”

JUAN PABLO ZAPATA - CONSUMER & BRAND INSIGHTS / MEXICO CITY, MEXICO
71% Brazilians say they refuse to buy products from the companies they distrust.

EDELMAN TRUST BAROMETER, FEBRUARY 2015
“Diletto’s controversy initiated a great buzz on social networks and got the attention of important business magazines. I’d rather buy from companies that have the courage to apologize for doing wrong, an open channel for critics, and strong beliefs that I also share and that stay true to them, no matter what.”

FILIPE ALBERTO - PLANNING DIRECTOR AT OPEN & PARTNER / SÃO PAULO, BRAZIL
LIVE | 2015 TREND SEMINARS

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THU 17 SEPT 2015
There are 3 paths for TRANSPARENCY in 2015:

1. **PROCESS, PRODUCT, PRICING & PEOPLE »**
   Brands are being transparent and honest across all aspects of their business.

2. **OPEN FOR (BETTER) BUSINESS »**
   Brands and governments are inviting the participation of the crowd.

3. **LIFTING THE VEIL »**
   Consumers are embracing services that lift the veil on opaque and corrupt organizations.
Brands are being transparent and honest across all aspects of their business.
FEATURED INNOVATIONS: PROCESS, PRODUCT, PRICING & PEOPLE

Coca-Cola

Free factory visits show consumers how drinks are made
Hellmann’s Campaign provides access to tomato fields and farmers

Abrimos as portas da nossa fazenda sustentável para você nos ajudar a plantar os tomates que farão parte do delicioso Ketchup Hellmann’s.

Plante com a gente ao vivo
Sheet

Chilean stationary brand is open about being robbed by its investor
Apartamento61

Furniture pop-up shows shoppers the profit earned on each product.
Netshoes

E-commerce anniversary commercial features actual employee
Sony

Digital platform has 'gurus' demonstrate devices for visitors in real-time
OPEN FOR (BETTER) BUSINESS

Brands and governments are inviting the participation of the crowd
FEATURED INNOVATIONS:
OPEN FOR (BETTER) BUSINESS

Por Mi Barrio

Uruguayan app enables residents to report community’s problems to government
FEATURED INNOVATIONS:
OPEN FOR (BETTER) BUSINESS

BBVA Bancomer

Mexican bank makes transaction data open for a hackathon to improve services
“Transparency in a person is a valuable trait - and so it is with brands. We love to have relationships with people that are capable of showing themselves as they are, brands too. I buy products from a brand when I can have this same relationship.”

CLAUDIA FERNANDEZ - DIRECTOR AT QUIROS FERNANDEZ DESIGN AND DEVELOPMENT CONNECTION S.C. / LEÓN, MEXICO
FEATURED INNOVATIONS:
OPEN FOR (BETTER) BUSINESS

Alianza Verde

Colombian political party offers courses to turn citizens into political innovators
LIFTING THE VEIL
Consumers are embracing services that lift the veil on opaque and corrupt organizations
Eleição Transaprente

During elections in Brazil, website shows candidates who tried to censor the internet.
Chequeado

Collaborative website checks all data the Argentine president references

Intos trabajadores pagan Ganancias?

Para Larreta, la Ley de Medic Audiovisuales solo la votó el FpV

Por qué se hace el paro del 3 de marzo

www.trendwatching.com/trends/transparency-triumph
FEATURED INNOVATIONS: LIFTING THE VEIL

Poderopedia

Online platform spots conflicts of interest between politicians and businesses in Latin America
FEATURED INNOVATIONS: LIFTING THE VEIL

Dilo Aquí

Venezuelan app allows citizens to report corruption
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FIND OUT MORE ➤
Next

Want to score your own TRANSPARENCY TRIUMPH? Keep reading!
No more hiding. It's time to take action on transparency in YOUR business.

How are you communicating your production process and brand story today? What are you telling clients about you? How could transparency help you engage those who love your brand?
ACT BEFORE YOU'RE CAUGHT OUT

Want to avoid a social media scandal and the accompanying backlash? Don't wait till you are caught doing something bad to become transparent!
BE FLAWSOME

Worried about coming clean now because your brand has skeletons in the closet? If handled FLAWSOMELEY, being honest about past mistakes can endear you to consumers.
DEMOCRATIC PRICING

Afraid of discovering how much consumers truly value you? If you are transparent about your business' costs, you can pursue DEMOCRATIC PRICING to show confidence in your offering and respect for your customers.
DO GOOD BUSINESS

Small and big brands have the potential to become sources of positive transformation in the community. Transparency is central to social responsibility and, in 2015, social responsibility is central to success. Want a place to start? How about becoming a RECONCILIATION BRAND?
If you have any comments, suggestions or questions then please do let us know. Just email:

NATHALIA SOUTO
Client Services Director for South & Central America
nathalia@trendwatching.com

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