



Close the trust gap to unlock business value and improve customer engagement.

Actionable insights on consumer
perceptions and the business value
of trust, based on our new research.

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Digital

 **twilio**



If you could spark a 25% increase in sales to existing customers, you'd take that, right? Especially if you could sustain that increase over time while driving increased customer satisfaction. That's the opportunity when you cement bonds of trust with your customers.

That's not all. Trust impels customers to become more loyal and to advocate for your brand. It's a key ingredient in differentiating your business from the competition while improving efficiency through reduced customer churn and lower acquisition costs. And it helps customers feel more comfortable sharing personal data and preferences.

Business leaders generally recognize that trust plays an important role in their organizations' success. Yet most companies today aren't consistently delivering on the elements of trust that matter most to consumers—and many leaders don't even realize it. In fact, we found that **leaders are overly confident about almost every dimension of customer trust in brands.**

These gaps between what consumers value and leaders think—and the value that many companies are leaving on the table as a result—are revealed in new research commissioned by Deloitte Digital and Twilio. During the summer of 2021 we surveyed 1,000 consumers and 500 leaders of large, business-to-consumer enterprises in the United States to identify and quantify:

- The business value of trust.
- Perceptions about the factors that contribute to trust.
- Tangible approaches that brands can take to build, rebuild and reinforce trust.

Our research shows a landscape of opportunity for smart leaders who focus on building and sustaining trust in their customer relationships. By understanding the complex and interconnected drivers of trust, and by developing more accurate ways of measuring and influencing trust, your business can rapidly foster meaningful differentiation and resilient customer loyalty—and accelerate growth for the long term.

Unless cited otherwise, the information and insights presented here are gleaned from our owned research, conducted summer 2021.

Is your brand as trusted as you think?

You know your brand through and through. You probably wouldn't work for your company if you didn't believe it was a quality, trustworthy organization with valuable offerings for customers. In that sense, you're similar to most leaders we surveyed—nearly 80% of whom think their customers have somewhat or very high trust in their company's brand.

**The question is, do consumers agree?
Not according to our research.**

Barely half of surveyed consumers said they feel somewhat or very high trust for the brands they have purchased from or used

in 2021. And even the *most trusted brands* have room for improvement. For example, a net of 33 customers out of 100 said they believed the brands they trust most are transparent—that is, that those brands openly share all information, motives and choices in straightforward and plain language. A net of 48 out of 100 said their most-trusted brands consistently deliver on their promises.

The shortage of trust in brands is all the more striking given fundamental human nature. "Human beings are naturally predisposed to trust," wrote Stanford University professor Roderick M. Kramer in Harvard Business

Review. "In many ways, trust is our default position; we trust routinely, reflexively, and somewhat mindlessly across a broad range of social situations."¹

If people are inclined to trust, why do they have so little trust even in the brands that they trust most? And why are so many leaders out of step with the perceptions held by consumers?

The answers lie in the complex ways that trust is built—and the many easy ways that it can be broken.



79% of B2C leaders believe customers have *somewhat or very high trust* in their company's brand.

Just 52% of consumers feel *somewhat or very high trust* for the brands they purchased or used in 2021.

The connected dimensions of trust.

When consumers talk about the trust they feel for brands generally, it's certainly possible that they aren't thinking specifically about *your* brand. But even for the most trusted brands, there are usually opportunities for improvement and added business value.

That starts with understanding the dimensions and mechanics of trust—how it is built, reinforced and sustained. Through its HX TrustID research,² Deloitte Digital identified four core signals that must be integrated by brands in order to earn trust. (See graphic below.)

These signals are embedded in everything that your brand does—whether intentionally or not. For example, siloed organizational structures can cause disjointed, impersonal experiences for customers as they move from awareness of

your company's products, to purchase, to post-sale service. Those customers may question your brand's humanity ("do you really even care about me?") or transparency ("why weren't you upfront about shipping costs?"); or lose trust in your company's capability ("this was the worst experience I've had") or reliability ("this product stopped working").

Supply chain and channel partners, product development and merchandising, IT and communications infrastructure, finance and commerce technology: *They each impact the trust fostered—or fractured—with customers.*

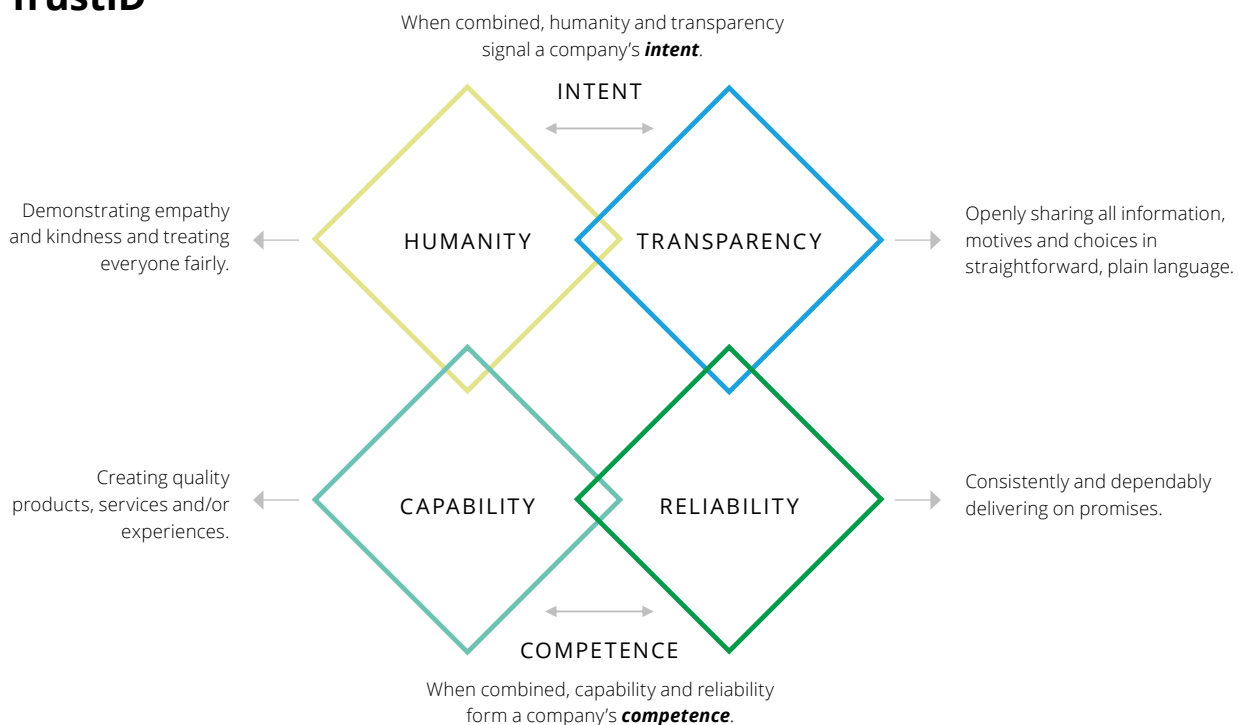
When brands fail to understand what customers expect across the four signals, trust is all but impossible to build and sustain. Good intentions that aren't backed by consistent execution also run the risk of damaging trust

and missing opportunities for growth. You can't make up for a bad product with a good ad—or vice versa.

In a world where executives are constantly forced to make tradeoffs in how they deploy resources, it can be tempting to focus on narrow aspects of the trust equation or to only see trust as the responsibility of marketing. That's not good enough to capture the value that trust can bring or to safeguard against the risks of losing trust.

The key is to communicate all four trust signals across the end-to-end customer experience. That's where true business value lies. But brands—including many of those most trusted by consumers—often struggle to consistently communicate those signals, as we will explore in the next section.

HX TrustID™



Are you sending the right signals?

Our research shows that brand leaders and consumers are generally aligned on the importance of trust. However, there is significant misalignment when it comes to how (and how well) trust is actually fostered. While the art of building trust can be complex, many brands struggle with a basic disconnect between what they value and what they deliver—that is, between their *intent* and their *competence*. (See graphic, page 5.)

For example, nearly all surveyed B2C executives—98%—said customers trust their brand more when it's easy to do business with the brand. Consumers agree on this point: 96% said they trust a brand more when it's easy to do business with it.

Yet only 35% of consumers said it is very easy to do business with the brands they trust most.

Why? Because even as brands work diligently to make it easy to do business with them, they too often focus on the wrong approaches. When asked to identify the most important factors that make it easy to do business with their brand, B2C executives only correctly identified one out of the top four factors that matter most to consumers—and underestimated the importance of top factors by an average gap of 21 percentage points. (See chart below.)

Other key disconnects between leader perceptions and consumer values regarding the mechanics of trust emerged in the research. For example, consumers said the most important factors in building trust are quality products / services and fair prices—core attributes of *reliability* and *capability*. Almost three in four consumers said those ingredients are critical to building their trust in a brand. Yet only 38% of B2C leaders recognized that fair prices are central to building trust, and only 57% recognized the critical importance of quality products or services.

Across the four signals of trust, disconnects appear between what brand leaders say they value and do, and what consumers say they experience. (See chart on page 7.)

Our research also found that when trust is damaged, brand leaders are especially misaligned with consumer preferences regarding the most important actions that help rebuild trust. Brand leaders rank “provide outstanding customer service” and “communicate proactively about the problem and the resolution” as the most important ways to rebuild trust—missing and significantly underestimating the importance of the three most-important actions in the

eyes of consumers: providing refunds, offering replacements / exchanges, and admitting the mistake and apologizing.

This disconnect, as with others, is illuminating—and an area of opportunity for brands to create meaningful improvements that reinforce trust. Brand leaders focusing on outstanding customer service and proactive communication are, in essence, prioritizing the *intent of humanity and transparency*—but consumers are focused on the *specific, real-world signs of competence* that matter to them.

By focusing investments and improving processes that enable timely solutions through the communication channels that customers prefer, leaders can better connect the signals of trust. The good news is that when the right actions are taken, consumers are quite willing to forgive mistakes—whether those mistakes are as simple as delayed shipping or as significant as nonfunctional products. Our research shows that on average consumers will accept three mistakes from a brand before losing trust—provided that the mistakes are resolved to their satisfaction.

So, by better connecting intent with actions, brands can send coherent signals that amplify trust. And, as we will see, they can generate fast growth and durable loyalty as a result.

What factors are most important in making it easy to do business with a brand?

Issues resolved quickly

Consumers
67% (rank 1)

Executives
51% (rank 1)

Gap: ↓ 16%

Can easily reach a live person

Consumers
58% (rank 2)

Executives
38% (rank 6)

Gap: ↓ 20%

Not bounced from person to person to solve a problem

Consumers
54% (rank 3, tied)

Executives
20% (rank 8)

Gap: ↓ 34%

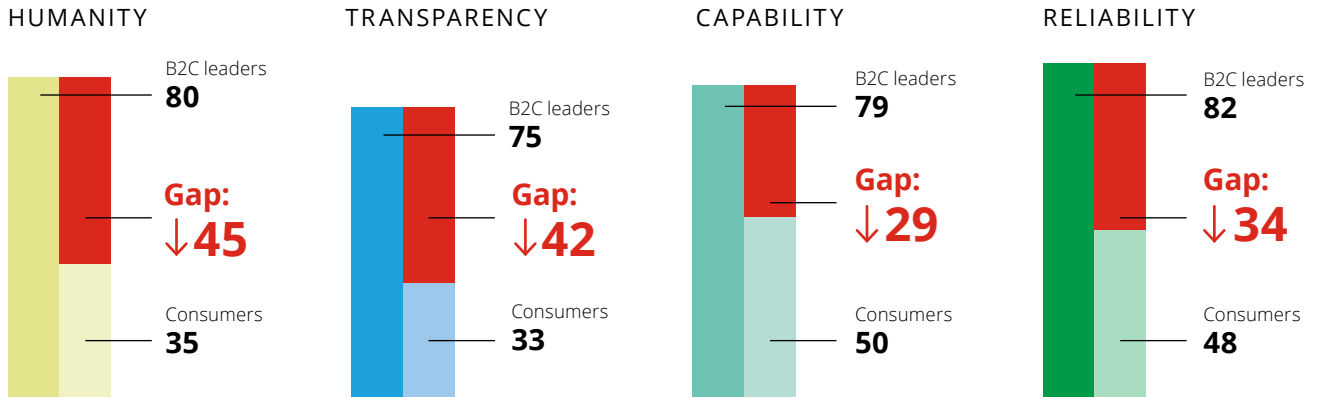
Simple to find / get the info I need

Consumers
54% (rank 3, tied)

Executives
39% (rank 5)

Gap: ↓ 15%

B2C leaders overestimate performance on all core TrustID signals.



TrustID signal scores range from -/+100 and represent a net percent of respondents who agree that their brand (in the case of B2C leaders) or trusted brands (in the case of consumers) exhibit the qualities of that signal. The score is calculated by subtracting the percent who *strongly disagree* or *disagree* from the percent who *strongly agree* or *agree*.



The bottom line of trust: A quantifiable impact.

Trust matters to your company's bottom line over both the short and long terms. There's massive upside for brands that get it right.

But beware: Brands that violate trust both miss that benefit *and* lose customers and revenues—creating, in essence, a potential double-downside.

Our research shows that among consumers who track their purchases, more than two-thirds (68%) spent more money in 2021 on trusted brands than on brands they don't trust. And on average, **consumers spend 25% more money on trusted brands.**

That's just the top-line impact that trust creates. Deloitte's prior research on trust signals showed numerous other impacts from enhanced trust. For example, customers are 2.4x more likely to stick with a brand that shows humanity after a mistake, 5.4x more likely to recommend a brand that exhibits

capability and 2.3x more likely to try a new product or service from a brand that exhibits reliability.³

Trust also helps you earn permission to collect more and more valuable data from customers—enabling your brand to foster deeper bonds with customers through insights. In fact, consumers are okay with favorite brands having significantly more data about them than they think the brands already know.⁴

Increased sales and loyalty, louder advocacy, willingness to forgive mistakes and provide personal data: Those are intangible assets that money can't buy, but that are among the most valuable for the long-term growth of your business. And as the world becomes more digital and the voices of your customers gain new platforms for amplification, the value of trust will only grow.

Conversely, when trust is broken, the consequences are greater than leaders recognize. Fifty-three percent of consumers said they stopped purchasing from a brand after a loss of trust in the past year; but only 39% of leaders said customers would stop purchasing from their company brand due to a loss of trust. Similarly, 44% of consumers said they told friends and family about a loss of trust in a brand in the past year; but only 34% of business leaders said they believed their customers would do that.

In other words: Loss of trust is never a neutral event. Instead of growing sales, loyalty and word-of-mouth through greater trust, brands that break trust are actively eroding those key drivers of success.



1 in 5
consumers spend
upward of **50%**
more money on
trusted brands.



Fill the gaps: tangible approaches to elevating trust.

Our research reveals multiple disconnects between what business leaders and consumers perceive about the mechanics and realities of trust. It also reveals significant headroom even for consumers' most trusted brands to improve their performance in ways that deepen trust. To get there, **it's important to connect your brand's intentions with its actions across the four trust signals.**

SHOW YOUR HUMANITY.

The reality is that most companies are failing to show that they genuinely care about the experience and well-being of individual customers—and those companies often don't even realize it.

Gaps to close:

40% vs. 13%

Leaders are 3x more likely than consumers to strongly believe that their company consistently exhibits humanity through empathy and kindness toward customers.

81% vs. 51%

Four out of five leaders somewhat or strongly believe that their brand treats customers like valued friends; only half of consumers said that about their *most-trusted brands*.

Key actions to take:

- Quickly resolve issues with safety, security and satisfaction top of mind—and ensure your employees have the tools they need to do it.
- Ensure that all communications with customers are timely, relevant and wanted; and make it easy for individuals to update their preferences as their needs change.
- Share human-centered company initiatives with customers.

BE TRANSPARENT.

Consumers want to clearly understand your company's motives, information and choices in plain language.

Gaps to close:

75% vs. 37%

Leaders are 2x more likely than consumers to believe or strongly believe that their companies show transparency through their actions and communications.

39% vs. 18%

Leaders are 2x more likely than consumers to believe their companies always are proactive with important messages and alerts.

Key actions to take:

- Ensure that marketing and communications are clear, accurate and honest.
- Be upfront about how you make and spend money from interactions.
- Communicate how and why customer data is used in plain and easy-to-understand language.
- Be clear and upfront about fees and costs of products, services and experiences.



STRENGTHEN CAPABILITY.

Creating quality products, services and/or experiences is core to building trust. Here too, many companies don't realize that they're falling short in the eyes of customers.

Gaps to close:

38% vs. 20%

Leaders are 2x more likely than consumers to strongly believe that their brand shows capability through quality products, services and/or experiences.

38% vs. 73%

Leaders are significantly less likely than consumers to believe that fair prices are critical to building trust in a brand.

Key actions to take:

- Align quality control measures across the entire supply chain to ensure consistently high standards of product / service quality.
- Engage your customers in two-way conversations. Make it easy for them to interact with you, ask questions and resolve issues over the channels that are most convenient for them.
- Invest in tools and infrastructure that provide the agility to quickly and confidently deliver new experiences that address evolving customer needs.
- Deliver relevant communications based on customer preferences.

ALWAYS BE RELIABLE.

Consistently delivering on promises and expectations should be table stakes, but leaders significantly overestimate the reliability of their brands and products.

Gaps to close:

40% vs. 19%

Leaders are 2x more likely than consumers to strongly believe that their companies always show reliability by delivering on their promises.

35% vs. 13%

More than 1/3 of leaders think they always send customers the types of information that they want to receive—yet less than 1/7 of consumers agree with that even about their trusted brands.

Key actions to take:

- Meet customers where they are—via digital channels and in-store, in the moments that matter, with products and services that they value.
- Facilitate digital interactions that run smoothly and work when needed.
- Resolve issues quickly and in ways that meet customer expectations.



Methodology.

Consumer survey:

A 10-minute online survey of 1,000 adults in the United States conducted between June 29–July 6, 2021. Respondents did not know the identity of the survey sponsors.

All respondents ...

- Owned a smartphone or mobile phone and used it within the past week.
- Had received a communication from a business within the preceding month by email, text message, messaging app, social media, phone or company mobile app.
- Had shopped for a product or service online or by mobile phone within the preceding month.

Respondent demographics:

AGE

Generation Z: 25%
Millennial: 25%
Generation X: 25%
Baby boomer: 25%

GENDER

Male: 50%
Female: 50%
Nonbinary: 1%

B2C leader survey:

A 10-minute online survey of 500 leaders at business-to-consumer companies in the United States conducted between June 29–July 6, 2021. Respondents did not know the identity of the survey sponsors.

All respondents ...

- Held a position of director or higher at a B2C company with 1,000 or more employees.
- Held responsibility for one or more of the following: consumer digital communications strategy, messaging, implementation and/or technology.
- Worked in / led one of the following departments: customer service / support / experience, e-commerce, executive leadership or general management, marketing, product development, product management, sales or web development.

Respondent distribution:

COMPANY SIZE (by number of employees)

1,000–2,499: 46%
2,500–4,999: 35%
5,000–9,999: 15%
10,000+: 4%

INDUSTRY

Retail: 20%
E-commerce: 13%
Automotive: 12%
Technology (hardware, software): 10%
Banking & financial services: 7%
Consumer goods: 5%
Hospitality: 5%
Other consumer industry: 28%

Get in touch

Ashley Reichheld

HX TrustID Creator
Principal, Deloitte Consulting LLP
areichheld@deloitte.com

Paul Clemmons

Twilio Alliance Leader
Principal, Deloitte Consulting LLP
pclemmons@deloitte.com

Jeffrey Burlin

Enterprise Innovation Director
Twilio Inc.
jburlin@twilio.com

Christopher Awoyinka

Partner Alliance Leader – Deloitte
Twilio Inc.
cawoyinka@twilio.com

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