The Trust Imperative

How to make trust a concrete concept within your organization
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Trust is up for grabs.

Corporate scandals and massive data hacks. Political unrest and social instability. A growing influx of misinformation across media platforms. Is trust under attack?

A series of trends have combined to effectively destabilize the public’s trust in many organizations once considered the cornerstone of our economic and social well-being. No, society isn’t suffering from a lack of trust; rather, individuals are adjusting their trust. As they lose trust in some organizations, such as governments and news outlets, they redirect that trust to other entities they find more deserving of their trust, such as employers.

In other words, trust is up for grabs right now. And business leaders need to ensure that they are gaining — not losing — the trust of customers, employees, and partners.

“When we feel betrayed by a person or organization we trust, we redirect our trust elsewhere.”
Forrester’s most recent Global Trust Imperative Survey shows that the current transformation of trust is yielding an unprecedented opportunity for businesses to boost trust across their stakeholder ecosystem. Ironically, this trust transformation is occurring in the blind spots of the C-suite. To detect and understand this new pattern of trust, business leaders must understand three key points:

1. **People are hardwired to trust.** Trust is as ingrained in us as our nervous system. Trust is both rational and visceral, which means that experts can use logical and chemical explanations to understand and predict when, where, and how trust triggers behavior.

2. **Technology is playing a duplicitous role in trust.** Social media and digital platforms give an unprecedented view of company policies and practices, but emerging technologies and increasing digitization also bring fears and doubts that trigger anxiety and diminish confidence.

3. **Trust is redefining the partner ecosystem.** When a partner’s action results in a sensitive data breach or ethical abuse, your stakeholders hold you responsible for the breach of trust. The opposite is also true: Our data shows that when US online adults trust a company, 72% are also willing to trust affiliates of the brand.

“A fifth of global data and analytics decision-makers at firms that use or are interested in AI say that employees’ lack of trust in AI is the biggest challenge to the organization’s adoption of AI-enabled technologies.”
The Opportunity At Hand

Developing trust is imperative now: Companies that earn trust among customers, employees, and partners drive revenue-generating loyalty behaviors like retention and advocacy. Highly trusted firms also have greater growth potential. Their customers are more likely to experiment with new offerings; their employees are more likely to be productive; and their partners are more likely to facilitate faster routes to market.

To grow the value of this asset, or “trust capital,” companies must consistently execute on it with values-based actions. Trust drives many different opportunities and risks. Here are just a few examples:

• **Opportunity:** the ability to enter adjacent markets or offer new solutions. How much or how little trust you command determines how quickly you can pursue rapid change, expand into new markets, introduce new solutions or experiences, and innovate into adjacent markets.

• **Opportunity:** becoming a brand that is more resilient to missteps and mistakes. US online adults who believe a company is trustworthy are three times as likely to forgive the brand for product- or service-related mistakes than those who believe a company isn’t trustworthy. This has two advantages: Not only can you recover more quickly or limit the damage of a misstep or mistake, but you can also take more risks, knowing that your stakeholders will forgive you — provided you hold yourself accountable for the mistake. This could mean faster time-to-market for a minimum viable product.

• **Risk:** breaches of trust that trigger cascading losses. Trust pervades your entire ecosystem, so leaders must be careful not to approach it as an asset they can manage in isolation.

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**3X**

US online adults who believe a company is trustworthy are three times as likely to forgive the brand for product- or service-related mistakes than those who believe a company isn’t trustworthy.

Source: Forrester’s March 2021 Global Trust Imperative Survey

**43%**

Percentage of US online adults who would favor the company that takes a stand on the social, environmental, or political values that they believe in

Source: Forrester’s March 2021 Global Trust Imperative Survey

**72%**

Percentage of US online adults who are willing to trust affiliates of a brand they already have trust in

Source: Forrester’s March 2021 Global Trust Imperative Survey
Make Trust Concrete

The key to landing on the right side of the risk vs. reward question? Leaders must make trust a concrete concept for all stakeholders involved and then design and execute sound trust strategies that are realistic and will move the needle. To help organizations standardize the concept of trust, Forrester provides the following definition to clients:

“Trust is confidence in the high probability that a person or organization will spark a specific positive outcome in a relationship.”

When it comes to building a concrete strategy, Forrester has identified and defined seven levers of trust that can serve as the basis for a good plan. Every company can pull and push on each lever to adjust trust to a desired level or identified need.

Each of the seven levers won’t be equally important in driving trust for your business, as different stakeholders will have their own views of what’s important to gaining their trust. Trust effectively exists in the eye of the beholder. Here are some key points to keep in mind when determining which of the seven levers to use:

- **Customers and employees will have their own trust perspective.** Consumers want to trust, so the behaviors they expect to earn or keep that trust are more likely to vary based on the type of business than for employees. For employees, trust catalyzes their productivity: High-performance organizations have cultures with high levels of employee trust, while fractured trust is a barrier to progress.

Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.
• Each audience needs trust levers that are relevant and contextual. Corporate social responsibility (CSR) reports and security certifications may help your partners feel more comfortable doing business with you, but they won’t increase consumers’ trust. To make the most positive impact, you should demonstrate that you’re trustworthy in the actions and measures most relevant for each audience.

• Your business model, not industry, will most affect which levers have the most impact. For example, our trust data shows US online adults favor four primary levers to drive trust in a business that provides things like groceries and daily household items: dependability, accountability, transparency, and empathy. When we asked them to think about the last time they purchased from this type of company, only 46% of US online adults saw the company as empathetic, despite this being the fourth most important lever in driving trust; in contrast, 60% saw the company as consistent, even though it is a secondary lever of trust for these firms.

• Your expression of customer obsession will increase the importance of specific levers. Forrester sees three common expressions of customer obsession — “Count on us” (reliability); “At your service” (service); and “On your side” (advocacy) — depending on a company’s strengths and what its customers value. Trust levers that map to your business type and expression of customer obsession are even more important.

• Regional differences are also key. For example, for highly service-oriented companies such as airlines, hotels, and banks, the most important lever in driving consumer trust is consistency in the US, empathy in France, and dependability in India, Singapore, and the UK. The number of primary levers critical to building trust also changes. Luxury goods and services companies will find that consumers in France, India, and the US need five primary levers to drive trust, while consumers in Singapore have only three primary levers — dependability, empathy, and integrity.

• Trust shapes business ecosystems with a unique set of primary levers for partners. The brands you affiliate with can waste or increase your trust capital. Organizations must leverage the levers of trust to optimize how partners trust them. The type of products or services they exchange and the overall risk related to the relationship are important variables.

How Trust Changes Regionally

Percentage of online adults who have tried a new brand because they believe in the values that the brand stands for:

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>13%</td>
</tr>
<tr>
<td>France</td>
<td>17%</td>
</tr>
<tr>
<td>Singapore</td>
<td>23%</td>
</tr>
</tbody>
</table>

Percentage of online adults who say they would stop doing business permanently with a brand if they observed a company saying or doing something that appears to contradict the values the company stands for:

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>18%</td>
</tr>
<tr>
<td>France</td>
<td>26%</td>
</tr>
<tr>
<td>Singapore</td>
<td>23%</td>
</tr>
</tbody>
</table>

Source: Forrester’s March 2021 Global Trust Imperative Survey
Four Steps To Build Your Brand’s Trust

Putting this plan into action requires a significant amount of forethought. Trust is fragile. Every engagement with a customer, employee, partner, or investor is an opportunity to build, reinforce, or destroy trust in your organization. Four actions are critical to get started:

1. **Benchmark your current trust level.** Forrester has a trust scorecard to help you assess your current trust levels. But remember — this should not be a self-assessment of your organization from internal stakeholders. Instead, you want to collect data directly from different groups (customers, employees, or partners), which will help you see the organization through the eyes of your stakeholders, uncover trust gaps, identify blind spots, and prioritize actions across trust levers.

2. **Prioritize to develop a deliberate action plan.** You can’t address all the levers of trust for every audience and region at once. Prioritize those most likely to have an impact on perceptions of trust for a given audience and your business type. For these, set a target appropriate to your business type and take into consideration your budget and corporate priorities. For the selected levers and audience, engage line-of-business owners and other leaders to identify your key initiatives (with regional variations as necessary) and set a realistic time frame; you can’t turn around trust in a few weeks or months. You must then measure continuously to see how you’re tracking and if you need to adjust.

   For example, an action plan to improve empathy with consumers might include building or enhancing your voice-of-the-customer program and ensuring that it systematically supports taking action; improving the skills of frontline employees in active and empathetic listening; and continuously measuring whether customers believe your firm understands their unique feelings and needs.

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**Who Do You Trust?**

Percentage of US online adults who trust the following organizations to follow through on their promises:

- **65%**
  - My friends

- **55%**
  - Companies that have existed for a long time

- **53%**
  - My colleagues

- **35%**
  - Professional news sources

- **29%**
  - The national government

Source: Forrester’s March 2021 Global Trust Imperative Survey
3. **Align and integrate trust with your customer, employee, and brand experience.** The proof is in the data. Forrester’s Customer Experience Index (CX Index™) proves that higher trust levels are correlated with higher CX quality and drive loyalty behaviors such as retention, enrichment, and advocacy. Our Employee Experience Index shows that employees’ trust levels play into the holistic employee experience. Our brand energy framework illustrates how trust works with other emotions to strengthen brand perceptions and trigger purchase intent, preference, and willingness to pay a premium. And our studies of customer obsession reveal how trust levels rise with a company’s commitment to customer obsession.

4. **Embed strong accountability mechanisms in your strategy.** There’s a reason why accountability is a lever. When there is a breach of trust, you must have mechanisms in place to ensure the enterprise takes responsibility, accepts the consequences, and makes amends. As one member of our qualitative study said, “I don’t get angry for company mistakes; I get angry for their not trying to make it right.” If you really want to improve your trust levels, there must be direct accountability for achieving or missing those targets: RBS-NatWest ties trust outcomes to total shareholders’ compensation.

When done correctly, increasing your trust will pay long-term dividends. Trusted organizations will build unbreakable bonds with customers; attract the best, most dedicated talent; and create inimitable engagement models with partners and emerging technologies — all while minimizing risk.

“More than eight in 10 US online adults who trust a specific company are willing to buy additional products from the brand or experiment with new products.”
Additional Resources

**Video: The Trust Imperative**
Analysts Stephanie Balaouras and Alyson Clarke reveal top takeaways from “The Trust Imperative.”

[WATCH NOW]

**Blog: Trust Is Your Business Imperative**
Analyst Enza Iannopollo outlines four key points from our latest research on trust.

[READ NOW]

**Podcast: Trust Is Up For Grabs — What’s Your Plan?**
Analysts Anjali Lai and Enza Iannopollo discuss the impact of shifting trust trends and the importance of developing a trust strategy in your organization.

[LISTEN NOW]

**Take The Next Step**
To learn more about how Forrester can help your brand build and maintain trust, contact us today.

[CONTACT US]