



## A new measure of trust for consumer industries

Trust is more important than ever, and we have a new way to measure it: Introducing the Human Experience (HX™) TrustID™

### Why are we talking about trust?

Trust is an essential bond that underpins the relationships organizations have with the humans in their ecosystem—customers, workforce, and partners. It's nearly impossible to build successful, lasting human experiences and relationships without trust. And why do we use the word human? Because we don't wake up as customers or employees or partners. We wake up as humans. Our mission at Deloitte is to Elevate the Human Experience (EHX™) and we've written extensively about why this matters—[check it out](#).

However, people's ability to trust is fractured. People don't trust each other to keep each other safe and healthy from COVID-19,

and they certainly don't trust businesses.<sup>1</sup> They don't even really trust the health care organizations tasked with keeping us safe.<sup>2</sup> The big question leaders face: how can you elevate human experiences without trust? The simple answer is that you can't. And on top of that, current measures simply measure trust without linking it to behavior. We set out to fix that.

### Trust is the new measure of success

Did you know 60 percent of Americans surveyed don't trust others to social distance?<sup>1</sup> This period of uncertainty and societal changes has made trust even more important and exposed who humans trust, or distrust. Only 38 percent of consumers believe businesses are successfully putting people before profits during the time of COVID-19.<sup>3</sup> Deloitte's [State of the Consumer Tracker](#) tells us that nearly half of consumers plan to shop from name brands they trust during the next few weeks of COVID-19.<sup>4</sup> When customers buy, they are looking for signs of trust: according to Deloitte's research on [safety and cleanliness](#), 54 percent of customers surveyed believe a certification of safety is very important as they interact with brands.<sup>5</sup> As leaders navigate how to effectively respond to, and recover

from the pandemic, fostering human connections by exploring each other's beliefs, attitudes, and values to rebuild trusted relationships will be essential.

What does trust drive? Customer loyalty: 62 percent of people who report highly trusting a brand buy almost exclusively from that brand over competitors in the same category.<sup>6</sup> It drives loyalty for the workforce, too: employees who highly trust their employer are about half as likely to seek new job opportunities.<sup>7</sup> But knowing trust leads to decisions wasn't enough, we wanted to dig deeper.

Conventional measures of trust and loyalty have been a staple for understanding business performance, yet in today's environment, these measures are not enough. Leaders must connect feelings and beliefs about trust to *what humans actually do based on those feelings*.

How did we do this? We conducted extensive research and analysis to understand both the components of trust, as well as the specific, quantifiable behaviors driven by these components. Using data from 7,500 customers and employees of travel, hospitality, retail, and automotive companies, we ran a series of advanced analyses to understand what is most important for brands to do to demonstrate trust and to quantify how customer and employee behaviors change when an organization is trusted. The result of our work is a new measure of trust: HX™ TrustID™.

## Trust drives value and current measures are not sufficient

Trust is not a new concept; and many organizations have long understood its importance. So why do organizations need an additional measure now? The current pandemic has demonstrated a distinct lack of trust, and the benefits to rebuilding trust can be substantial.<sup>8</sup> Furthermore, the cost of not rebuilding trust can be enormous. [A recent Deloitte study](#) determined that brands that broke customer trust due to scandals lost 20-56 percent of their market capitalization.<sup>9</sup>

Trust drives favorable behaviors for both customers and employees of an organization.<sup>6</sup> When customers trust a brand, they are loyal, repeat purchases, promote the brand, and are willing to provide more of their personal data to the organization.<sup>6</sup> When employees trust their employer, they produce quality work, commit to the organization, stay productive, and feel satisfied.<sup>6</sup> Examples of how trust helps create value include:



Of customers who highly trust a brand...

**88%**  
have bought again from that brand.

**73%**  
have tried a new product or service from that brand.



**79%**  
of employees who highly trust their employer feel motivated to work, while only **29%** of those who did not trust their employer are motivated to work.

Social Media Week reported that a lack of trust costs global brands **\$2.5 trillion per year**.



**62%**  
of customers who report "highly trusting" a brand buy almost exclusively from that brand for the category.



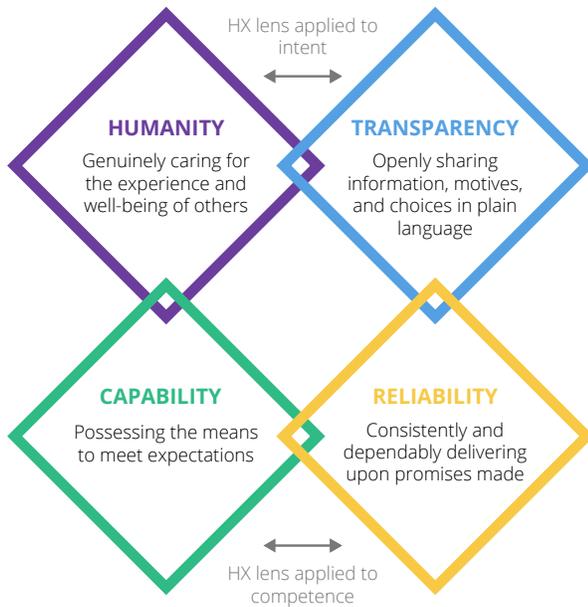
**81%**  
of customers cite 'being able to trust the brand to do what is right' as a deal breaker or deciding factor when making buying decisions, according to Edelman's Trust Barometer research.

Source: Deloitte HX TrustID survey, May 2020; Social Media Week, February 2018; Edelman Trust Barometer Special Report, June 2019

There are many measures corporations rely upon to assess the power of their relationships with customers, employees, partners, and financial stakeholders. However, many metrics simply measure trust. We set out to not only measure the value of trust, but to understand its elements and how those elements correlate to actual behaviors such as customer loyalty and employee productivity.

What people say matters to them versus how they *actually* behave are often different. Existing performance measures often focus on what people say, not their behavior. HX TrustID solves this issue by quantifying the relationship between trust beliefs and behaviors.

## Measuring trust: integrated signals



How do you measure trust? To develop HX TrustID, we broke trust down into integrated signals: Humanity, Transparency, Capability, and Reliability. Through our research and accompanying analyses, we have concluded that each of these signals is a critical contributor to trust.

### When combined, Humanity and Transparency form an organization's intent:

**Humanity** indicates a belief that an organization genuinely cares for the experience and well-being of others. What stands out? Most customers and employees surveyed universally agreed on Humanity's importance to trust, regardless of demographic or industry.

#### Example behaviors the Humanity signal drives:

- Customers are **1.6x** more likely to purchase the brand over competitors
- Employees are **2.6x** more likely to feel motivated to work

#### Most important actions to have a high Humanity signal:

- **Safe resolutions** (physical): Quickly resolve issues in ways that keep people healthy and secure
- **Respectful treatment** (emotional): Value and treat all customers, employees, and partners with respect
- **Greater good** (emotional): Balance individual well-being, environmental, and societal interests with profit

**Transparency** indicates a belief that an organization openly shares information, motives, and choices in plain language. What stands out? When asked, Transparency is believed to be the least important signal by customers and employees. But actually, this is a great example that what people say is important does not always reflect what they actually do. In reality, Transparency is an important driver in the majority of the customer behaviors we tested.<sup>10</sup>

**How the HX TrustID data was collected:** Built on a proprietary study of 3,000 customers and 4,500 employees of companies from consumer industries such as retail, travel, and hospitality, the data behind HX TrustID was developed from a detailed exploration of the components of trust, what trust drives, and what brands should do. In order to use a consistent frame of reference throughout the survey, all customers were asked to name a brand they trust, and all employees were asked to think about their current, or most recent, employer. The brand's name was used as an input throughout the remainder of the survey questions. With the data, we ran four types of analyses:

**Validation of signal definitions:** To determine the trust signals, we conducted a market scan of existing definitions of trust across academic and social science experts (such as Brené Brown<sup>a</sup> and the Journal of Trust Research<sup>b</sup>) and other organizations (such as Edelman's Trust Barometer<sup>c</sup>). These inputs consistently incorporated the themes that became our signals. To validate the signals, we ran a regression with our survey data to determine how much each signal contributed to an overall sentiment of trust. All signals were significant contributors, giving us confidence that these signals resonate.<sup>d</sup>

**Self-reported signal importance:** Survey participants were asked to allocate 100 points across the signal definitions based on how important each was to why they trusted their brand or employer. These allocations were used to understand what humans value within different contexts.

**Analysis for human behaviors:** Participants were asked which behaviors they have done in the past by selecting, "Yes", "No", or "Unsure." Two populations were created for each signal: participants who rated their chosen brand high in exhibiting that signal, and those who rated their chosen brand low. An analysis was run to compare the populations which returned the odds that someone in the high-rated population had completed a behavior compared to the low population, assuming all three other signals were held constant.

**Analysis for what is important for brands:** For each signal, we tested eight brand attributes which were grouped into emotional, physical, financial, and digital categories—[learn more about these dimensions here!](#)<sup>e</sup> Participants were asked to what degree they believe the brand exhibited each signal definition and each of the attributes. A regression analysis was used to determine the degree to which each attribute contributed to each signal and the attributes that rose to the top are what is most important for brands.

a. <https://daretolead.brenebrown.com/wp-content/uploads/2018/10/BRAVING.pdf>

b. [https://www.jstor.org/stable/258792?seq=1#metadata\\_info\\_tab\\_contents](https://www.jstor.org/stable/258792?seq=1#metadata_info_tab_contents)

c. <https://www.edelman.com/research/trust-is-tangible>

d. R<sup>2</sup> of multi-linear regression for customers was 96% and 92% for employees

e. <https://www2.deloitte.com/us/en/insights/economy/covid-19/guide-to-organizational-recovery-for-senior-executives-heart-of-resilient-leadership.html>

**Example behaviors the Transparency signal drives:**

- Customers are **2.8x** more likely to continue purchasing from the brand if a data breach occurred
- Employees are **1.7x** more likely to be satisfied with compensation

**Most important actions to have a high Transparency signal:**

- **Honest communications** (emotional): Communicate honestly and accurately in marketing
- **Unmistakable motives** (financial): Be open and clear about motives, business models, and financial interests
- **Straightforward language** (digital): Use plain and easy to understand language about how and why data is used

**When combined, Capability and Reliability form an organization’s competence:**

**Capability** indicates a belief that an organization possesses the means to meet expectations. What stands out? Capability is considered the most important signal according to employees surveyed, but is in the middle of the other signals for customers.

**Example behaviors the Capability signal drives:**

- Customers are **2.4x** more likely to repeat purchase
- Employees are **2.4x** more likely to show up to work on time

**Most important actions to have a high Capability signal:**

- **Safe use and access** (physical): Create quality and safe physical products and environments
- **True value** (financial): Deliver products, services, and experiences at the best value for money

**Reliability** indicates a belief that an organization consistently and dependably delivers upon promises made. It also indicates that trust is earned over time. What stands out? Reliability was the most important signal for every consumer subsector studied, except for grocery and mass merchant or hotels, resorts, and casinos.

**Example behaviors the Reliability signal drives:**

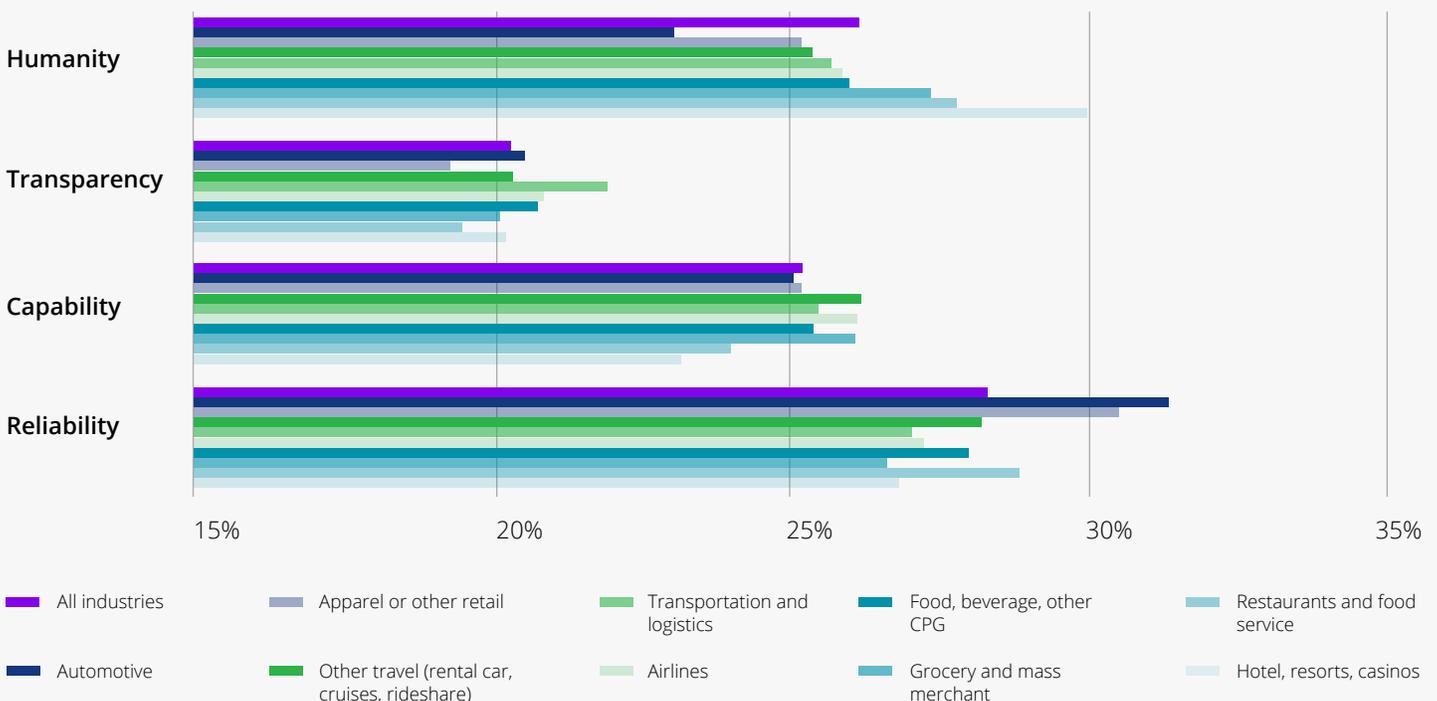
- Customers are **2.0x** more likely to recommend the brand to a friend
- Employees are **1.7x** more likely to positively review their company on social media

**Most important actions to have a high Reliability signal:**

- **Consistent quality** (physical): Deliver products, services, and experiences with consistent quality
- **Committed promises** (emotional): Always keep, make, and deliver promises
- **Accountable network** (emotional): Be committed to, and accountable, for partners and workforce

**How context influences what customers think is important**

We asked customers to report how important each signal was for them to trust a brand. What did we hear? Varied results based on the context of the brand. Humanity was rated as more important than average for high-touch service industries, such as hotels, compared to Reliability which was most important for durable goods, such as automobiles or apparel. **What customers say matters.**



Source: Deloitte HX TrustID Survey, May 2020

Note: Responses of each subsector sum to 100%. 95% confidence interval for allocation mean is between 1.3% and 2.1% per each signal within each industry.

## Measuring trust in your organization

What does this all mean? As your organization navigates uncertainty, now and in the future, trust can be a guiding factor on what turns to take. As a leader of your organization, do you understand the level of trust your organization has and how to increase it?

Would you like to measure trust yourself? We have simplified the task into four questions you can include in your customer and workforce surveys:

### To what degree does:

1. The brand genuinely cares for the experience and well-being of myself and others?
2. The brand openly shares all information, motives, and choices in plain language?
3. The brand possesses the means to meet my expectations?
4. The brand consistently and dependably delivers upon promises it makes?



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Through this simple pulse survey, we can measure an organization's level of trust, compare it to industry benchmarks, and provide recommendations of ways to unlock the puzzle pieces to help influence business outcomes. For example, if a brand has a low Transparency signal, it is imperative that the organization is clear about how personal data is used. This includes articulating why specific personal information is needed, how it is used, and giving the customer the option to opt out. Determining what actions to take requires intimately understanding your organization's relationships and recognizing the importance of trust in any good relationship. By measuring trust with HX TrustID, your organization can be on the path to stronger human experiences, and better business results.

### End notes

1. Deloitte HX in Uncertainty Survey, May 2020
2. <https://www.edelman.com/research/trust-2020-spring-update>: Less than half of survey respondents believe "national government leader", "global health authority", or "CEOs" are doing an outstanding job to protect people during the COVID-19 pandemic
3. <https://www.edelman.com/research/trust-2020-spring-update>
4. <https://www2.deloitte.com/us/en/insights/industry/retail-distribution/consumer-behavior-trends-state-of-the-consumer-tracker.html>
5. <https://www.deloittedigital.com/content/dam/deloittedigital/us/documents/offering/offering-20200626-safety-cleanliness-covid.pdf>
6. Deloitte HX TrustID Survey, May 2020
7. Deloitte HX TrustID Survey, May 2020: 26.3% of employees who highly trust their employer "never" seek outside employment, while 13.5% of those who do not highly trust their employer "never" seek outside employment
8. <https://www.pewresearch.org/science/2020/04/07/polling-shows-signs-of-public-trust-in-institutions-amid-pandemic/>: 40% of Americans believe "ordinary people across the country" are not taking the COVID-19 pandemic seriously enough
9. <https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/deloitte-analytics/ca-chemistry-of-trust-pov-aoda-en.pdf>
10. 13 out of the 15 behaviors we tested were significantly stronger for brands where customers believed the brand was Transparent

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