



A new measure of trust: Why it matters for automakers, and how to build it

Do you know your company's HX TrustID™ score? [Learn why you should.](#)

Business leaders know trust is a critical element of the Human Experience (HX™) that shapes relationships with customers and employees. Metrics and surveys that gauge trust are easy to find. What's missing from all that conventional wisdom is the most important piece: What can you do about it?

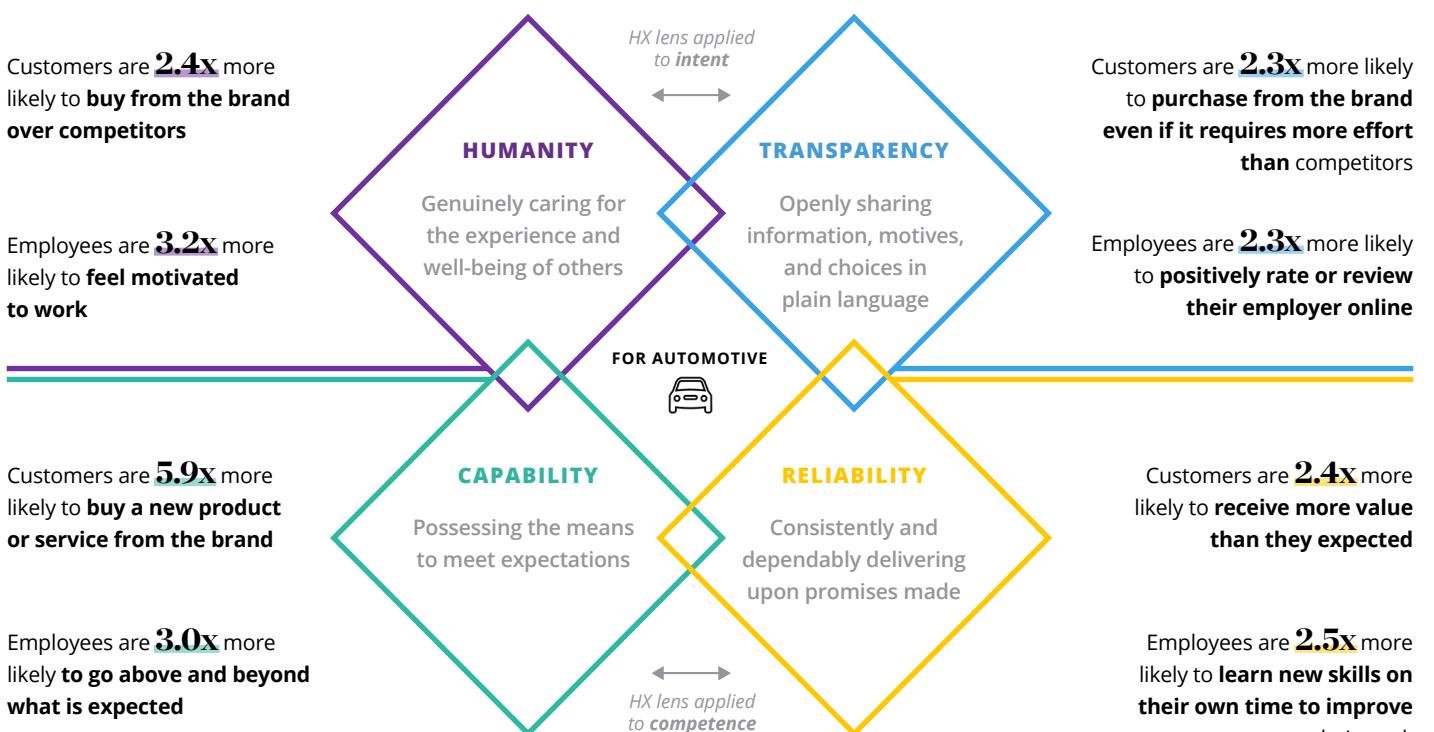
In the automotive industry, as elsewhere, understanding the way trust works starts with a look under the hood. You need to understand the components that go into trust, the behaviors that fuel those components, and the actions a business can take not only to identify deficits, but to address them.

Deloitte has developed a new perspective on trust that does exactly that. [HX TrustID™](#) maps a direct path from understanding to action, based on extensive research and

analysis using data from 7,500 customers and employees of real-world businesses in the United States. What we found is that four signals—Humanity, Transparency, Capability, and Reliability—come together in predictable ways to determine the level of trust an organization enjoys. The first two signals, Humanity and Transparency, combine to indicate an organization's intent. The second two, Capability and Reliability, combine to show an organization's competence.

What did we learn? Automakers have put in hard work on reliability over the last decades, which earns the industry high marks from consumers along that front—but employees still see room for improvement. Transparency is one of the weakest signals across all consumer product and service industries. Although automotive fares well here, there are opportunities for improvement, particularly in pricing and service. Keep reading to learn more about opportunities in each signal!

Trust drives behaviors that lead to business results for automotive manufacturers



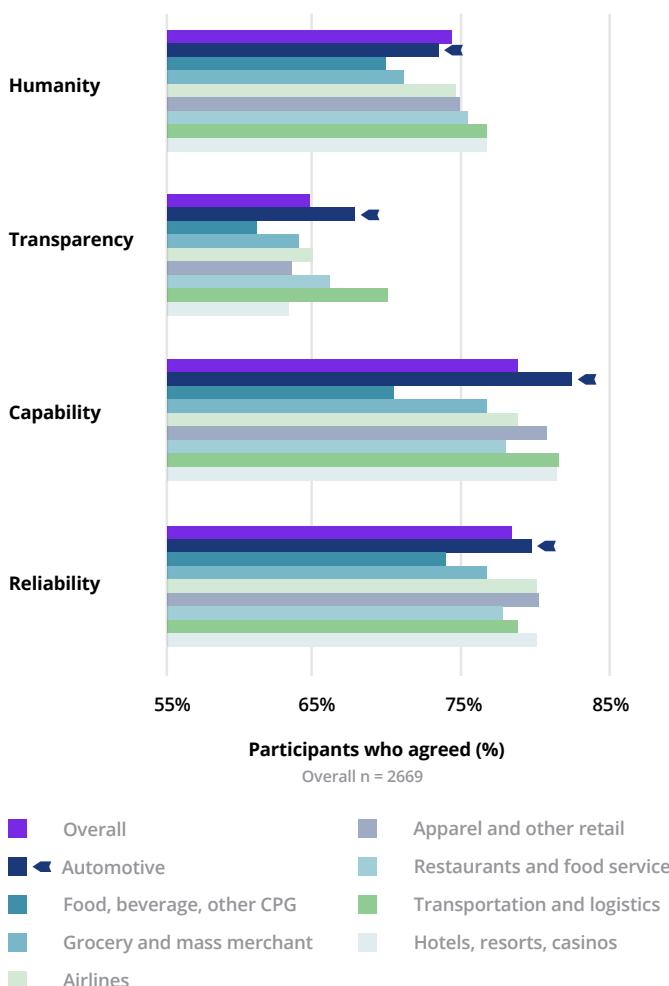
Note: Data represents a subset of results from regression analyses conducted based on reported actual past behaviors being true when a signal was rated highly compared to if it was not rated highly (with the 3 other signals held constant). Source: Deloitte HX TrustID Survey, May 2020.

Trust and the automotive industry: where does it stand?

Before diving into differences within the auto industry, let's take a look at how it compares as a whole to other industries. The figure below shows how the automotive industry compares to other consumer industries including food and beverage, airlines, apparel, and hospitality across each of the signals according to respondents of Deloitte's HX TrustID survey. This comparison finds automotive lagging most other industries in demonstrating Humanity but above the cross-industry average for Reliability and Capability. In demonstrating Transparency, the auto industry compared well to some other industries—but it's still the industry's lowest of the four signals.

Customer signal rating benchmarks

Grouped by signal across industries



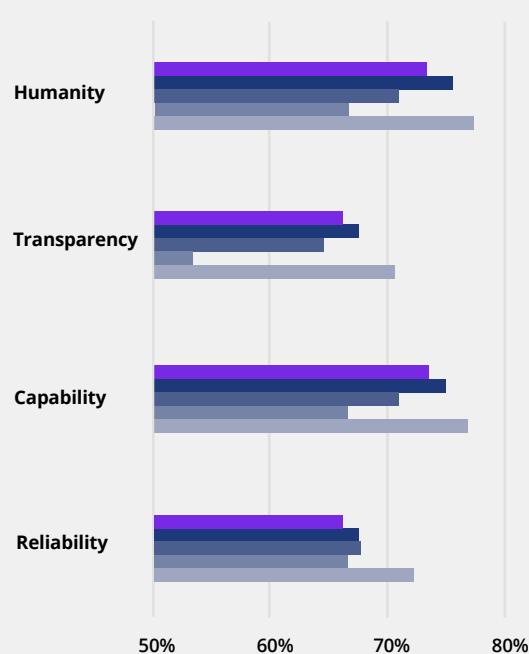
Percentages represent the portion of customers who believe the most trusted brands in the industry demonstrate each signal. Source: 3000 customer responses (~300 per industry) to Deloitte HX TrustID Survey, May 2020.

WHERE DO YOU STAND? IT MATTERS WHERE YOU SIT

Employee signals vary a great deal depending on what kind of employee we're talking about. A dealership employee who interacts with customers has an experience completely unlike that of an OEM employee on the factory floor or in a corporate office. Customer-facing employers of dealerships gave the highest ratings across all four trust signals. On the other hand, factory employees rated their companies lower for all four trust signals, far lower for Transparency, than their corporate or dealer counterparts. We saw similar patterns among warehouse workers in travel and hospitality industries as well. Automakers may want to consider ways to set new precedents for establishing trust with employees in manufacturing roles.

Automotive employee signal rating benchmarks

Grouped by signal across employee roles



Percentages in the benchmark represent the portion of industry employees who indicated they trust their employer and believe their employer demonstrates each signal. Source: 500 employees of automotive brands through Deloitte HX TrustID Survey, May 2020.

Armed with that knowledge, we turn inward to examine the benchmark for companies within the auto industry itself—in the figure below, broken down by customer responses and employee responses. By comparing your own company's signals to this benchmark, you can understand opportunities for improvement or areas of differentiation.

Automotive benchmark: Customers



Automotive benchmark: Employees



Percentages in the customer benchmark represent the portion of participants who believe the most trusted brands in the industry demonstrate each signal. Percentages in the employee benchmark represent the portion of participants who indicated they trust their employer and believe their employer demonstrates each signal. An individual company's trust signals can be compared to the benchmark. Source: 336 automotive customers and 500 employees of automotive brands through Deloitte HX TrustID Survey, May 2020.

MEASURING TRUST FOR YOUR COMPANY

The illustrative results below give us a view into where a brand has strong signals that could indicate potential strategic advantages or market positioning. It also provides insight into ways a brand could prioritize future investments. In addition, by comparing signal results across different demographics, HX TrustID could further illuminate new opportunities.

By adding four questions to customer and employee surveys, you can compare your brand's signals to the industry benchmark. To learn more, [click here](#).



Navigating the road: The view across each HX TrustID signal

To help improve their signal strength among customers and employees, we tested numerous high-level activities brands can do. These activities were grouped into physical, emotional, financial, and digital categories – [learn more about these dimensions here](#). Using regression analyses, we determined which of these activities was most important for each signal.

What shapes each of those signals within the auto industry, and what can companies do about each? That's the focus of what we'll examine next.

Humanity: In an industry weak spot, there's room for improvement

Humanity indicates a belief that an organization genuinely cares for the experience and well-being of others. This is one place where the auto industry has room to improve. Its Humanity signal placed it low among other industries and among other signals within automotive. Improvement is worth it, though: Automotive customers surveyed are 2.4 times more likely to purchase from a brand over competitors when that brand is strong in Humanity, and employees are 3.2 times more likely to feel motivated to work.

Safety, one driver of Humanity, is something the auto industry can clearly do something about, but not only behind the wheel. Safety and security in resolving service issues counts just as much as a new five-star crash rating. For other drivers of Humanity, the automotive industry may find useful lessons in hotels and travel companies, who fare much higher in our benchmark. Organizations in those sectors have developed ways to build personal and emotional relationships with customers through comprehensive data views of the customer across touchpoints, and personalized interactions based on preferences.

Trust between an organization and its people is no less important than it is with customers. Humanity is one place where employees give auto companies higher marks than customers. It's worth digging deeper here,

since in companies with a high humanity signal, employees are almost three times more likely to feel they have a career there.

Most important actions to have a higher Humanity signal ¹	Examples of what OEMs could consider
Respectful treatment ♡ Emotional	Expand experience-centric metrics to improve customer and employee journeys at dealerships by reducing the gamesmanship that happens around satisfaction metrics. Add omni-channel capabilities to help dealers understand how to tailor the experience based on different customer need states, such as those seeking an expedited experience because they have already researched extensively online.
Safe resolutions △ Physical	Following the COVID-19 pandemic, see to it that all brand-affiliated spaces, including dealerships, corporate offices, and factory floors, are getting the essentials right for cleanliness and safety. Click here to learn more about these essentials for customers, employees, and dealership partners. Actively assist with transitioning vehicle ownership through applications or connected car data. This can help with effective communications around recalls.

Transparency: Low industry-wide marks offer an opening for leadership

Transparency indicates a belief that an organization openly shares information, motives, and choices in plain language. Automotive industry organizations do compare favorably to many other industries in Transparency, which may be the result of well-known regulatory guidelines on quality, warranty, and financing from bodies such as the National Highway Transportation Safety Administration (NHTSA) and the federal Department of Transportation (DOT). Still, Transparency is the lowest of the four signals for the auto sector, which means it's one of the most potentially rewarding avenues for improvement. Customers are often loyal to transparent automotive brands, and Transparency was the signal that drove the largest number of business outcomes amongst respondents. When a company is Transparent, customers are 2.3 times

more likely to continue purchasing from the brand after a data breach, 2.3 times more likely to purchase from it even if it takes more effort than buying from a competitor, and 2.2x more likely to make a second purchase even after an unsatisfactory initial experience, according to our survey. Automotive employees surveyed who believe their companies are Transparent are 2.3 times more likely to positively rate or review their employer online.

Most important actions to have a higher Transparency signal ¹	Examples of what OEMs could consider
Honest communications ♡ Emotional	Develop a real-time tracking system that allows consumers to clearly see the current status and timing of vehicles during service and repairs. Implement transparent service and parts pricing by setting cost expectations up front. Recent polls suggest many customers do not trust dealers for service: 70 percent of respondents to one survey did not return to the same dealers they purchased or leased from for service. ²
	Following service, have technicians send personalized video messages to customers explaining the work that was done, the parts that were needed, and what the cost was.
Prompt updates △ Physical	Provide dealership employees and customers a more accurate way to track new vehicle shipments in transit from factories. Such a system would alleviate the frustration employees and customers feel when updates aren't available on estimated delivery of vehicles.
Straightforward language □ Digital	Grow trust among consumers by using plain language to help them understand how data such as telematics is used. Only 26 percent of consumers prefer that the data a connected car generates be managed by an OEM as opposed to other entities such as governments or insurance companies. ³
Unmistakable motives \$ Financial	Increase price and transaction transparency to reduce the amount of negotiating needed between customers and dealers. 40 percent of customers surveyed in recent Deloitte research cite "pricing issues/haggling" as their most disliked aspect of the dealership experience. ⁴

Capability: High customer ratings set a high bar for brands

Capability indicates a belief that an organization possesses the means to meet expectations. Automotive customers surveyed are 5.9 times more likely to buy a new product or service from a brand that has a high Capability signal, and 2.7 times more likely to make a repeat purchase. Among employees, companies with high Capability signals are more than three times as likely to be on time for work and three times more likely to go above and beyond expectations. Clearly, Capability is important for OEMs to get right.

Interestingly, Capability and Reliability are both signals where customer benchmarks are notably higher than employee benchmarks. Part of this may be driven by the meaningfully lower signals from factory employees, but even customer-facing employees at dealers rate these signals lower than customers. There is work to be done for automakers to increase their employees belief in the company's competence.

Most important actions to have a higher Capability signal ¹	Examples of what OEMs could consider
Safe use and access ◊ Physical	78 percent of automotive consumers rate customer experience as either a somewhat or very important factor in choosing where to buy a vehicle. ⁵ Work with dealers to refine leading practices on customer service and personalized experiences.
True value \$ Financial	Explore alternative compensation plans for new vehicles. This could also help with transactional efficiency, something we have seen customers desire . ⁶ Different compensation models with a more predictable salary might also attract a more diverse group of sales people. ⁷ Increase transparency for customers returning their vehicles at the end of a lease by clearly explaining vehicle evaluation processes and financial implications.
Competent people ◊ Emotional	Forecast workforce needs for high-tech technicians such as those required for EVs, and work with dealers to source qualified candidates, potentially from other industries such as utility companies.

Reliability: Consumers are sold, but brands must convince employees

Reliability indicates a belief that an organization consistently and dependably delivers upon promises made. Companies that demonstrate Reliability find surveyed customers are 2.4 times more likely to say they've received more value than they expected.

Employees surveyed rated Reliability as one of the industry's lowest signals, so this is an area where brands will need to focus if they hope to stimulate better workforce action. High signals for an employer's Reliability drove a two-and-a-half times improvement in likelihood of employee respondents learning new skills on their own time and doubled their likelihood to go above and beyond. Reliability also correlates with more than doubling in career commitment, personal connection, on-time performance, and willingness to share extra personal information.

Most important actions to have a higher Reliability signal ¹	Examples of what OEMs could consider
Regular improvement ◊ Physical	Explore new ways to implement incremental product improvements, via over the air updates, that offer new features and benefits to ownership.
Consistent quality ◊ Physical	Improve digital content and information consistency across omni-channel touchpoints by collaborating with third-party websites and dealer sites. Perception of reliability extends beyond the vehicle to dealer and digital channels, and in a recent Deloitte report , only 55 percent of customers believe that OEM websites meet their expectations. ⁴
Committed promises ◊ Emotional	Leadership should openly share the company's strategy, product plan, and vision with the corporate, factory and dealer workforce. Be genuinely receptive to feedback.

Fitting the parts together

Knowing how parts contribute to the performance of a whole is something the automotive industry knows a lot about. In a sense, HX TrustID is just another exploded-view diagram of a high-performance engine that needs regular tuning. But the deeper you look under that hood, the more details emerge. What starts as a large-scale commitment to building greater trust can filter, via this new understanding of its components, into a regular maintenance schedule of fine adjustments that affects almost every part of an operation.

How does that translate into specific steps for auto industry brands? Three common themes emerge from our research on trust signals in automotive:

- **Focus on elevating human experiences for all humans in the ecosystem** – not only customers and employees, but also dealers, partners and financial stakeholders. Remember that compared to other industries, automotive companies have weak Humanity signals. Across all the signals, many of the top brand actions are focused on the emotional dimension. Exploring why employees give lower signals than customers for Capability and Reliability may lead to profitable discoveries.

- **Build on the strength of physical products** – the vehicles will always be important for an OEM's reputation, and Capability and Reliability are strong customer signals in auto. But to move forward, other norms may have to change, across emotional, digital, and financial dimensions.
- **Seize the opportunity to lead the industry in Transparency** – this low signal for the industry is a crown waiting for someone to pick it up. The payoff could be large, as Transparency drives many activities among the customers and employees who currently give the industry low marks for it. This is especially true as OEMs invest in digital services and adjacent mobility offerings in which data transparency is important.

The findings in this paper are a snapshot of a more richly detailed data set that exposes much more about trust and its drivers in different parts of the automotive industry. The advantage of the HX TrustID approach is that it ties trust to predictable behaviors, which gives leaders strong insights about how to change their brands. Measuring trust in this way reveals where the problem areas lie and what to do about them. That's the difference between trust as a problem and trust as a tool for growth.

Contact Us



Ashley Reichheld
Customer & Marketing
areichheld@deloitte.com



Mark Allen
Customer & Marketing
marallen@deloitte.com



Jody Stidham
Customer & Marketing
jstidham@deloitte.com



Jeff Hood
Customer & Marketing
jeffhood@deloitte.com



Deirdre O'Connell
Customer & Marketing
deoconnell@deloitte.com



Andy Sussman
Strategy & Analytics
ansussman@deloitte.com

Endnotes

- 1 Deloitte HX TrustID survey: May 2020. Using data from 7,500 customers and employees of real-world businesses, we tested numerous high-level activities brands can do. Using regression analyses, we determined which of these activities most contributed to each signal.
- 2 <https://www.xtime.com/wp-content/uploads/Cox-Automotive-2018-Service-Industry-Study.pdf>
- 3 <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/consumer-business/us-global-automotive-consumer-study-2020-north-america.pdf>
- 4 <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/manufacturing/us-mfg-the-future-is-now.pdf>
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- 7 https://www2.deloitte.com/content/dam/insights/us/articles/5222_Changing-lanes-on-talent/DI_Changing_lanes_on_talent.pdf

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