SHRINKING THE TRUST GAP

How your business can bring customers closer than ever before.

LSE THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

vodafone business

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DEAR BUSINESSES

You can't see it, touch it or smell it, but you can definitely feel it when trust is in place – and when it isn't. In many ways, trust is the invisible force that helps us to do the things that matter most in life: love, communicate, collaborate. And do business. Economists will tell you that a society with higher levels of trust enjoys faster growth, greater prosperity and more peace of mind.

When I think of trust, I think of my mum: reliable, dependable, someone who I knew had my best interests at heart. I have a vivid memory of finishing sports practice (I must have been about ten at the time) and mum wasn't there to pick me up. Ten minutes, twenty minutes went by, but I didn't panic or get antsy. I knew that there would be a good reason for her being late and that she would be doing everything possible to get there. She arrived in the end with a smile and an apology. There'd been an almighty traffic jam.

It's no surprise to me that trust turns out to be vital in business, nor that the most cutting-edge companies are figuring out how to foster trust with their customers and close the "Trust Gap" – a concept you'll learn more about in this brilliant piece of research. There are brands that I instinctively purchase from without checking the small print because I know they are reliable, human focused and, by and large, share my values. This is why when things go wrong (as they always will from time to time, no matter how consistent the brand) I give them the benefit of the doubt. Like with my mum.

And this is why understanding the nature of trust isn't some optional extra for a business, like a snazzy gym or a ping pong table (although the latter is a good idea for any office). It sits at the heart of what 'business' means. Think about your life: the places you go, what you buy, how you navigate the world, and you will see the operation of trust at every point in the journey.

You are drawn – unconsciously but magnetically – to the people and brands you trust and subtly pushed away from those you don't.

It's crucial to understand that trust isn't just about functional things like competence and security, although these definitely matter. It's about something larger and more human. Homo Sapiens are quintessentially social animals, for whom relationships are not merely transactional but part of the fabric that gives us meaning. It is why businesses that treat customers, employees and the public with respect and dignity are trusted. Sure, customers want decent products that do what they say on the tin, but they also want to feel connected with the employees delivering them.

So read on, extract the lessons, and see how your business improves. And hopefully the fun of doing business, too. Trust can be your most valuable asset – and your greatest strength.

- Matthew Syed, journalist and author

FOREWORD

I often find myself reflecting on how fast technology is evolving, and how confusing and confronting these changes can be for businesses and customers. While there's a lot being written about emerging technologies, and countless recipes to success being presented, I don't think we always focus enough on how people think and feel about these changes.

As we've already explored in our Fit for the Future (FFTF) research, businesses that display certain behaviours – from being open to change, embracing new technologies and reacting quickly to new trends and challenges, amongst others – have a greater ability to thrive in today's business world.

But to succeed in this era of generative artificial intelligence, complex cybersecurity challenges and social upheaval, businesses need to spend as much time talking about people, relationships and values as they do talking about their next technology investment.

And, critically, they need to be thinking about how they're fostering trust – vital to any functioning relationship, but reportedly on the decline around the world.

In an effort to kickstart these conversations, we decided to set out on a journey towards really understanding trust. We were driven by a genuine desire to make a difference to businesses and their customers.

Together with experts from The London School of Economics and Political Science (LSE), and our research partners B2B International, we have spent the last few months speaking to thousands of businesses and customers, exploring the key factors that impact trust.

But what is trust, really? How does it impact business relationships with customers? Do customers actually trust businesses? Where are the areas of opportunity for businesses to build trust with customers, and how can technology help in these efforts? Each of these questions has been explored in this report. Here, you'll discover findings from our groundbreaking global research, as well as practical suggestions for bridging the newly uncovered Trust Gap.

But this is just the beginning. We'd love this research to be a helpful stepping stone towards a higher-trust economy and society. We want to contribute to a world where humanity, consistency, and shared values are understood as the foundations of business success. Thank you for joining us on this journey. We hope these findings and suggestions inspire positive change in your organisation, and that we can all see the Trust Gap start to shrink over the coming years.

- Amanda St L Jobbins, CMO, Vodafone Business

01

UNCOVERING THE TRUE MEANING OF TRUST

TRUST IS VITAL TO SOCIETY AND TO BUSINESS

It's no exaggeration to say that trust is the foundation of a successful society, in all its many forms. It brings communities together. We put our trust in governments every time we go to the ballot box. And without it, there could be no commerce.

We can all feel the value of different kinds of trust in our day-to-day lives, but there's also hard data to back up its importance.

Countries in which citizens are more like to say that "most people can be trusted" benefit from a more advanced economy, less violence, greater political stability and better health outcomes.[1] A 10-percentage point increase in the share of interpersonal trust among a country's population raises annual per capita GDP growth by 0.5 percentage points.[2] Having trust in one another, and in our societal institutions, really does improve lives.

But the world has become more polarised. Trust has seemingly been breaking down between people, businesses and our institutions, with society-shaping consequences.

A lack of trust and understanding between the public and mainstream news media, for example, has contributed to high-profile riots, the flourishing of conspiracy theories and real impacts to health.[3] Sophisticated fakery has become all too common across social media, while criminals have embraced new technologies to confuse, frighten and defraud.[4] It's hard to know who, or what, to trust these days.

Indeed, technology itself is often intrinsically mistrusted. As new technologies emerge, people may be wary about what it might do, or how it might impact them (even if, as this research reveals, that technology delivered correctly can actually help enhance trust).

Across the globe, people have been impacted by falling levels of trust. Economic anxiety, pessimism and societal divides are now, unfortunately, familiar. But it's often hard to pin down exactly why we might feel that way. As Tim Hanstad, Vice-Chair of the Chandler Foundation, writes for the World Economic Forum, "Trust has been called the glue of healthy societies and the grease of economic productivity. Its presence often goes without notice. But its absence is hard to miss."[1]

Perhaps surprisingly, amid falling trust across all sectors of society, the institution most likely to still be seen as ethical, competent and trustworthy is business.[5] But only just.

Businesses of all kinds are at a real risk of losing the trust of their customers, even as they replace governments and cultural institutions as the key ›

[1] Tim Hanstad, Trust is the glue of a healthy society. Here's how to bring it back, World Economic Forum, 2020
[2] Ira Kalish, Michael Wolf and Jonathan Holdowsky, The link between trust and economic prosperity, Deloitte Insights, 2021
[3] Saman Malik, Sarah Peterson, How U.S. media lost the trust of the public, CBC, 2021
[4] Spencer Feingold, Johnny Wood, 'Pig-butchering' scams on the rise as technology amplifies financial fraud, INTERPOL warns, World Economic Forum, 2024
[5] Edelman Trust Barometer 2023, Edelman, 2023

guardians of that trust. They are underestimating how important the emotional, human elements of business are to the people they serve. And, without addressing this, not only do they risk impacting the bottom line, they risk going the same way as many media, cultural and government organisations: widely distrusted.[5]

How do we know this? We recently undertook global research, in partnership with behavioural scientists from LSE and market research specialists, B2B International. Combining a significant review of previous research into the very nature of trust and a survey of almost 8,000 businesses and customers worldwide, we aimed to uncover the key drivers, and barriers to trust in the business-customer relationship.

We also worked to understand the impact that emerging technologies are having on this dynamic, and to develop simple, sensible approaches that businesses can take today to boost trust. To see how trusted businesses really are, we developed a new measure, scoring them on a range of factors that research told us were important to trust. Through this, we discovered that there's a real divide in how well businesses think they are doing in fostering trust and how customers are actually feeling.

This misalignment in perception is what we call the Trust Gap.

This report will help you understand what is contributing to the Trust Gap and help you start to shrink it. You'll see how technology, appropriately applied, can help you build stronger relationships with your customers and become truly Fit for the Future.

[5] Edelman Trust Barometer 2023, Edelman, 2023

DEFINING AND SCORING TRUST

Trust is an abstract concept. But, to help businesses build trust with their customers, we first need to give it a definition.

Vodafone Business partnered with Assistant Professor Dr Dario Krpan and LSE's Department of Psychological and Behavioural Science to get to the heart of trust. Drawing upon decades of experience and vast amounts of data, the LSE team conducted a comprehensive review of existing research to develop useful hypotheses.

After rigorous debate and collaboration, we were able to develop a definition:

"Trust is the willingness to rely on another party in uncertain situations, and to accept vulnerability for mutual benefit."

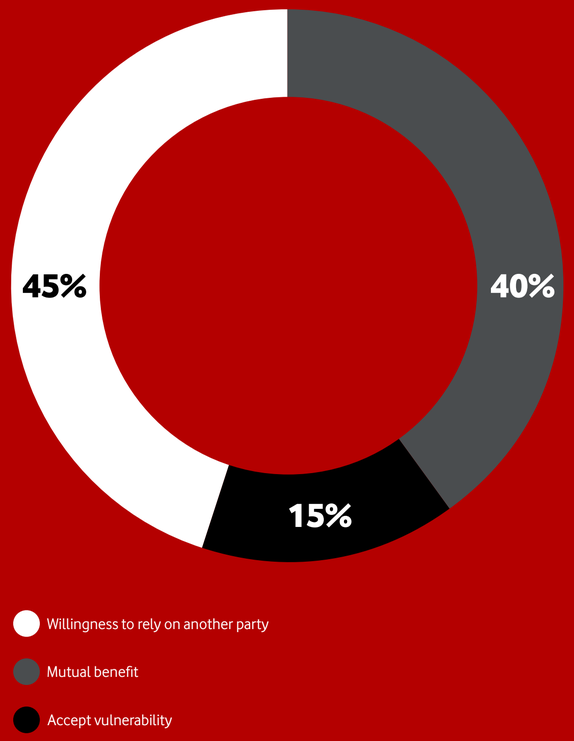
Having this definition is helpful, but for it to be of practical benefit to businesses, we also need to understand how important each element of the definition is to trust overall.

We found that the "willingness to rely on another party" was the most influential element of trust. This is, perhaps, unsurprising. How could you claim to trust someone, or a business, if you wouldn't rely on them to deliver on promises, tell the truth and solve problems when they arise?

But, to rely on another party, you must also accept that something in that relationship could go wrong. To trust means to "accept vulnerability", putting safety, privacy and money on the line in the belief that the relationship, or transaction, will be worth it in the end.

Interestingly, "mutual benefit" – the desired result of trust – more than twice outweighs "accepting vulnerability" in these measures. A relationship or transaction that isn't perceived as beneficial is, naturally, one not worth putting your trust in, or accepting vulnerability for. For businesses, "mutual benefit" might look like increased customer loyalty or revenue, while customers are more likely to relate it to positive emotions or experiences.

Understanding the relative weight of these three elements of trust has allowed us to give businesses a Trust Score.* Putting a number to trust allows us to see where business-customer relationships are strong, and where they could still be improved. Looking at the data drawn from our global survey, one thing became immediately obvious: there is a gap between the Trust Scores businesses give themselves, and those given by customers.



* For a more detailed description of how Trust Scores were generated, be sure to check the appendix at the end of this report.

THE TRUST GAP

Customers simply don't trust brands as much as brands think they do. Businesses are out of sync with what their customers really consider worthy of their trust.

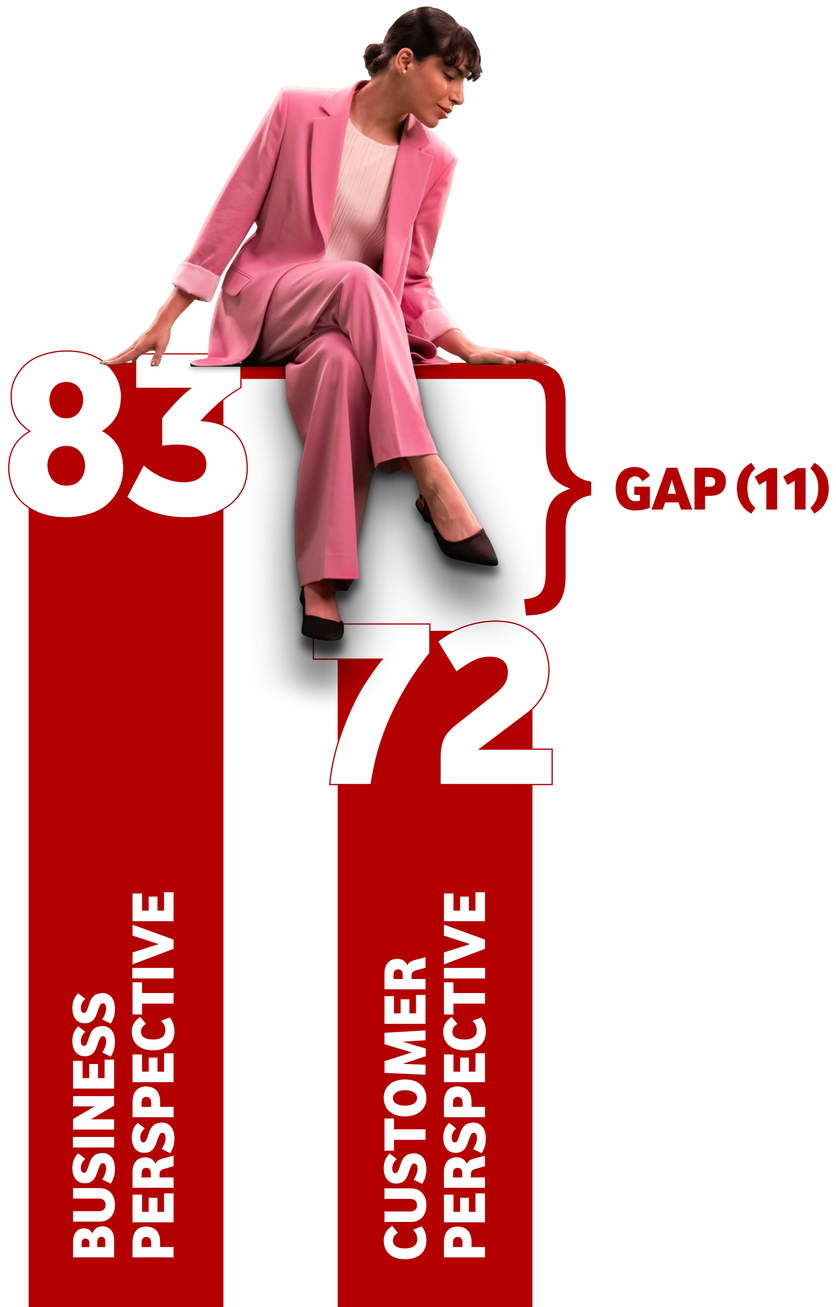
This is the Trust Gap. And it has the potential to cause serious damage to businesses, and to wider society, if it's not addressed.

The 11-point Trust Gap has a real impact on business performance, representing missed opportunities, disappointed customers and lost revenue.

Customers may be less likely to interact with, buy from and stay loyal to organisations they don't trust. Brands that are trusted by their customers, on the other hand, are more than twice as likely to benefit from 'buy first' preference, loyalty and advocacy.[6] Shrinking the gap should be a priority for any business.

This gap isn't equal across the board. Businesses that are better prepared for the future, with the right attitude to technology and change, are already performing better than those who aren't ready.

This divide also varies greatly when looking across industries. The Trust Gap in the technology sector, for example, is 15 points. That's higher than retail, energy, public sector, and healthcare, and almost four times higher than that of professional services. ›



[6] In Brands We Trust? 2019 Edelman Trust Barometer Special Report, Edelman, 2019

It's important to note here that just because a sector faces a larger Trust Gap, this doesn't necessarily mean businesses within it are less trusted. It does, however, mean that the disconnect between brands and customers is greater.

Technology firms, for example, may perceive themselves as trusted guardians of the future as they create and deliver advanced technologies, but customers may still be wary of the huge leaps that such brands promise.

Energy companies, similarly, are now moving fast to adapt to a changing world. It is perhaps not surprising that this sector also faces an out-sized Trust Gap, as any change is likely to face some resistance until mutual benefit is proven.

On the other side, businesses in sectors that are traditionally more B2B focused and tend to have a smaller Trust Gap.

Construction and industrial businesses, for example, may have customers more open to accepting vulnerability for mutual benefit, as contract terms should clearly state promised results. It's easier to rely on, and therefore trust, businesses more when you have everything in writing.

Some sectors have a larger Trust Gap with their customers than others

THE COMPONENTS OF TRUST

The existence of the Trust Gap goes to show that trust is much more complicated than it might look on the surface. So, we had to dig deeper to discover what is contributing to the divide in perceived trust.

We worked with LSE and B2B International to understand the key components that underpin trust – those individual traits that would encourage the average customer to rely on a business, or to accept vulnerability for mutual benefit. We established a range of components, each of which contributes to an individual's decision to trust a business.

Accessibility
Makes products, services, information and employment opportunities available to a wide range of individuals

Accountability
Takes responsibility for actions and decision

Communication
Delivers regular, relevant and appropriate communications

Competency
Achieves its goals and objectives

Connection
Builds a healthy emotional bond with customers

Consistency
Maintains uniformity and coherence in operations, branding and performance

Expertise
Is well informed and knowledgeable

Fairness
Treats all individuals and stakeholders in an equitable and just way

Humanity
Acts in a kind and charitable manner towards customers and employees

Integrity
Adheres to strong ethical and moral principles

Loyalty
Demonstrates a lasting commitment to customers and stakeholder

Stakeholders
Operates in a way that is easy to anticipate

Reliability
Can be relied upon to live up to commitments, delivering products and services

Safety
Embraces practices and policies that protect the wellbeing of customers, employees and the general public

Satisfaction
Develops and delivers products and services that live up to promises

Security
Safeguards sensitive data and customer property

Shared values
Aligns with customers on the things that matter to them

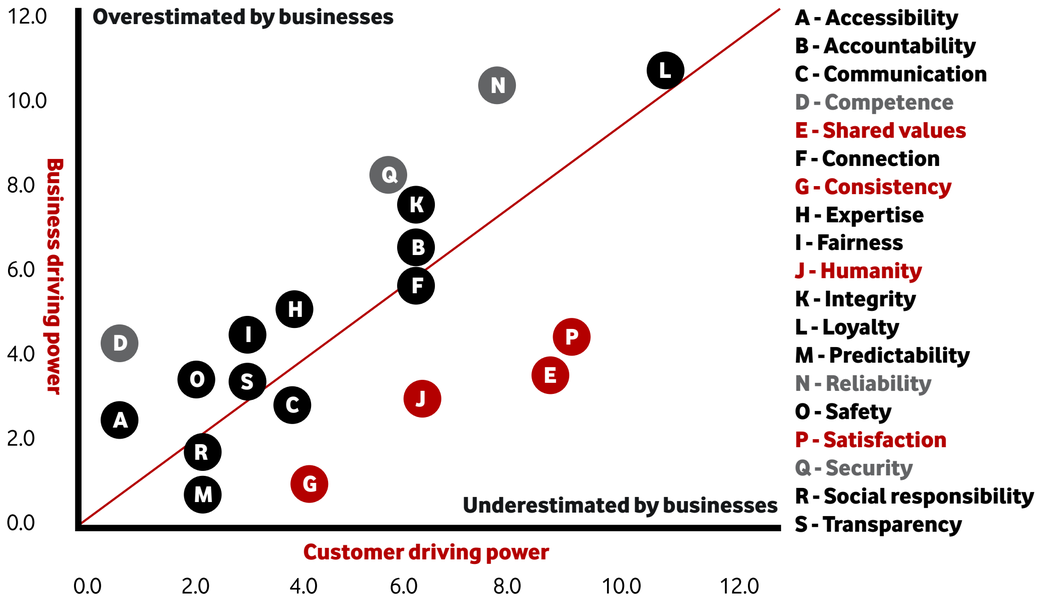
Social responsibility
Considers and minimises the societal and environmental impact of its operations

Transparency
Openly shares information about business operations, decisions, financial performance and conduct

BUSINESS AND CUSTOMER PRIORITIES DON'T ALWAYS ALIGN

Not all components of trust contribute equally. We conducted statistical modelling to see which of the components of trust had the strongest impact overall. This insight would show us where businesses could better align to shrink the gap.

This chart shows the relative influence that these two groups think each component has on trust, presented in comparison to one another.



The closer a component is to the centre line, the better aligned business and customers are. That is, they similarly value its influence on trust overall. The higher and further to the right these components are along this line, the more impact they are perceived as having for each party.

For example, while attributes like accessibility and predictability are perceived as having a low influence on trust, loyalty is considered the most influential component of all, by both groups.

There's no denying that loyalty is rewarding for both businesses and customers. Maintaining a healthy, mutually beneficial relationship over the long run is key to building trust. After all, you're usually willing to rely on those who show up for you, no matter what. Businesses must do all they can to show their loyalty to customers. This might come in the form of expanded loyalty schemes or data policy changes that addresses changing customer expectations.

But even though businesses and customers are aligned on the influence of loyalty, this modelling also reveals that brands tend to overestimate the value of some key components of trust and underestimate others – those components well below the line.

This is vitally important to recognise, as this underestimation is the key reason why the Trust Gap exists at all.

WHY BUSINESSES NEED TO BE MINDFUL OF EMOTIONS

Each of the 19 components of trust has a role to play in building trust. But businesses seem to underestimate how important certain components are to customers.

While they are still important components of trust overall, businesses tend to see reliability, security and competence as more influential in building trust than customers do. Businesses also tend to underestimate other components, including shared values, humanity and consistency.

Shared Values

Aligns with customers on the things that matter to them

Humanity

Acts in a kind and charitable manner towards customers and employees

Consistency

Maintains uniformity and coherence in operations, branding and performance

By underestimating the importance of certain trust components, businesses are inadvertently impacting their relationships with customers. On top of that, businesses may also be wasting time, resources and effort.

Shared values

Customers want to know that the businesses they are spending their money on are aligned with them on the things that matter. Businesses, for example, tend to underestimate how important environmental and social responsibility is to customers.

Boycotts, reputation damage and more direct recrimination could all be on the table for businesses that don't take these responsibilities seriously.

Humanity

Businesses perceived as lacking humanity could be damaging their reputation. Customers really do care about how a company treats its employees, its customers and the world around it.

Humanity means putting people first and doing right by them. Without showing customers how you do this, how can you expect them to trust you?

Consistency

Inconsistent communications, customer service and branding can swiftly erode trust in a business. If a business suddenly stops appearing or acting in a reliable, predictable way it can cause confusion, hurt credibility going forward and impact customer loyalty.

Consistency in your business' behaviour – acting the way that you say you will – is key in building long-term loyalty and customer confidence. If a change in direction is needed, it must be communicated to customers with clarity and sensitivity.

A note on satisfaction

Businesses tend to underestimate how important satisfaction is to customers in building trust. However, focusing on shared values, humanity and consistency is more effective in reducing the Trust Gap than prioritising satisfaction alone. These components greatly contribute to the overall customer experience, meaning that by simply being more human, sharing values and being consistent in delivery, our hypothesis is that satisfaction should come naturally.

FIT FOR THE FUTURE BUSINESSES

are more aligned with their customers on trust

Analysis shows that businesses that are Fit for the Future are better aligned with their customers on the importance of the most undervalued components of trust.

Fit for the Future businesses are almost three times more likely to align with customers on the importance of shared values, humanity and consistency. By prioritising these components, they may face far smaller Trust Gaps than others.

WHAT MAKES A BUSINESS FIT FOR THE FUTURE?

Vodafone Business has been studying the behaviours of Fit for the Future businesses with LSE for several years now. These businesses are generally more successful in commercial and environmental, social and governance measures. In fact, our previous research suggests that by increasing your 'Fit for the Future' score by 10 points, you could increase the likelihood of outperforming competitors financially by 36%*

These businesses share several key attributes:

Positive attitude to change
Sees change as an opportunity and are excited by the future

Open to new technology
Understands the power of technology to solve business challenges

Plans for technology
Has roadmaps in place for how technology can transform ways of working

Detailed strategies
Has wider business strategies for the future that are documented, specific, funded and measured

Up to date with emerging trends
Works to understand the forces shaping their business and gets help from key thought leaders

Adaptable
Can react quickly to new trends or challenges and are quicker to market than other companies

On top of being more aligned with these customer priorities, Fit for the Future organisations are already using technology to decrease response times, manage data safely and deliver information to customers in a faster, more reliable way.

Fit for the Future businesses are those that understand the role of technology to bring out the best in humanity, rather than replace it. They understand that technology has the power to deliver better experiences, deliver more consistent messaging and information, increase transparency and bring us closer together.

*Relative increases based on a self-reported assessment.

02 TRUST AND TECHNOLOGY

THE REALITY OF CUSTOMERS' TRUST IN TECHNOLOGY

Technological advances are happening all the time. In fact, the pace of change seems to increase every month. This is especially true when we look to artificial intelligence (AI), currently taking the world by storm.

While this rapid evolution is exciting, opening up new possibilities for businesses of all kinds, we can't ignore the fact that customers have some very valid concerns. Without addressing these, trust – and revenue – could be at risk.

Our research reveals a common perception, among both businesses and consumers, that technologies such as generative AI, chatbots and virtual reality, could actually erode trust in businesses if used inappropriately. A significant cohort of customers – about a third of them, over all – worry about a loss of control when such technologies are implemented.

When we asked this group of customers why technology like AI might make them trust a business less, 52% of them told us they have privacy concerns around the processing of personal data. 47% told us they feel emerging technologies are vulnerable to cyberattacks. As many as 64% of them think that relying on these technologies will make organisations less human in their interactions.

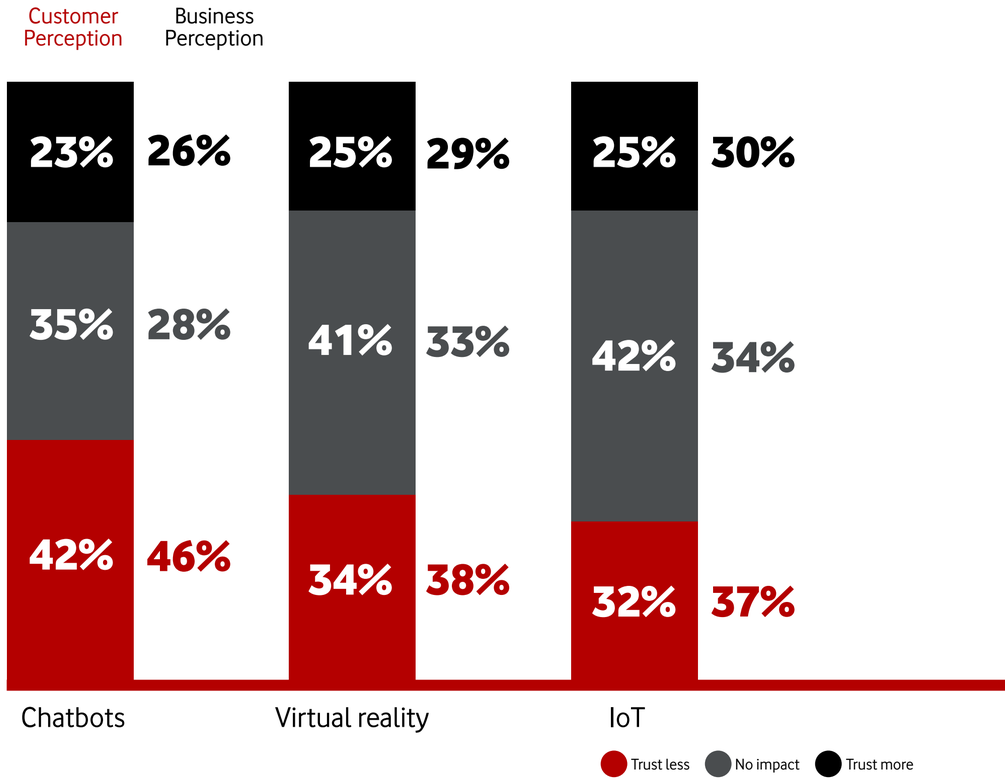
But opinion is divided on the impact of individual technologies.

As part of our global survey, we asked both businesses and customers whether they perceived certain technologies as likely to build or erode trust in the near future. Comparing customer and business perception, an interesting pattern emerged: Businesses tend to view technologies as more divisive than they actually are.

For example, 42% of customers told us that implementing chatbots would make them trust a business less, while 58% say that such a move would either have no impact or make them trust the business more.

Businesses seem to already expect this to be the case and may have even been bracing for a more negative response. 46% of businesses surveyed think chatbots could worsen trust. Across all technologies explored, businesses tend to overestimate both their potential positive and negative impact on trust. The least established technologies (like chatbots and VR) tend to have the greatest perception divide. Unsurprsingly then, AI is proving to be particularly influential to Trust Scores.

Will these technologies build or erode trust in the near future?



ARTIFICIAL INTELLIGENCE IN THE SPOTLIGHT

Generative AI (GenAI) – the umbrella name for a range of deep-learning technologies that task machines with creating new text, images, music and more – is taking the world by storm. But as businesses rush to invest in and implement these tools, they must also be mindful of their impact on customer trust.

The customer perception of GenAI is generally more positive, in terms of trust, when compared to chatbots. While **38%** of customers surveyed say that implementing GenAI would make them trust a business less, **62%** said it would either make no difference, or even make them trust a business more.

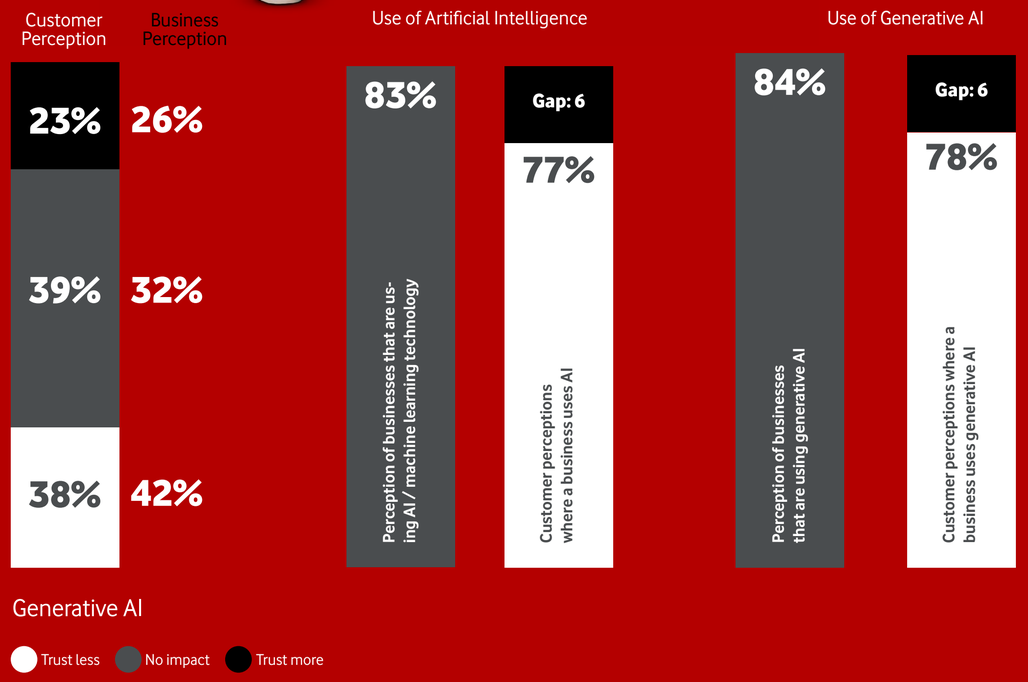
While chatbots could be perceived as a direct replacement for humans in the customer/business relationship (in customer service, for example), the role of GenAI is still relatively nebulous. The promise of new possibilities, new products and new levels of personalisation offered by GenAI are keeping interest – and hopes – high.

Customers are surprisingly open to AI. Businesses that utilise this technology for the benefit of their customers – delivering more flexible, more satisfying products and faster, more accurate customer service, for example – face a far smaller Trust Gap. The gap between Trust Scores is as small as 6 points in businesses perceived as using such technologies, as opposed to the average of 11 for all businesses.

There are a few potential reasons for this. Customers told us that they think these AI-savvy businesses are more likely to make accurate, relevant predictions and were more likely to effectively complete day-to-day tasks. Customers also believe that such technologies could make their own tasks easier to accomplish, providing tangible 'quality of life' improvements.

And this cuts to the very heart of the relationship between trust and technology: the greater the perceived benefit to customers, the more likely they are to trust in the businesses putting these technologies to work.

Customers are more open to AI than businesses think.



FOSTERING TRUST WITH TECHNOLOGY MEANS BEING HUMAN FIRST

Though opinion on individual technologies' influence on trust is somewhat divided, our findings will be encouraging for those currently investing, or planning to invest, in emerging technologies.

Technology implemented for the benefit of customers is a great way to build trust.

Businesses that deliver faster response times to customer requests for help see a 16% rise in their Trust Score as satisfaction and consistency improve. Chatbots, AI tools and related technologies could certainly help businesses achieve this. These tools could also bring a little more humanity into otherwise functional transactions and open up vital lines of communication when no human staff member is available.

Of course, we can't ignore the very valid concerns that customers have around the implementation of technology. Without due regard to privacy, security, humanity, values and consistency, businesses could end up damaging their relationships with customers. However, if their concerns are addressed, the benefits of technologies like chatbots and AI are plain to see.

Trust is built when the best of technology is combined with the best of humanity. In fact, Trust Scores actually see a significant uplift when customers perceive that businesses are "using technology the right way".

Rise in Trust Scores generated by the human-first application of technology

16%	15%	12%	11%	10%	9%	8%	7%	7%
Fast response times when I need help	Safe and compliant management of customer data	Access to timely and up-to-date information	Use of generative AI that can create something new – e.g. text, images, music, computer code	Use of Artificial Intelligence (AI) that is used in search algorithms, tailored recommendations, etc – but does not create anything new	Use of voice assistants and / or interactive voice response in customer service	Use of 'chatbots' (computer programmes designed to simulate conversation with human users) for customer support	Availability of a 'self service' online portal	Use of my data for tailored offers

DOING WELL BY DOING RIGHT

"Using technology the right way" should be the goal of any business looking to secure its future in our changing world. But what exactly does that mean?

In our earlier Fit for the Future research we saw that businesses who are confident of using technology and more responsive to customer trends and needs gain leadership in their markets. They have a positive attitude to change and see it as a growth opportunity. They are open to new technologies and have roadmaps and plans for implementing innovations. They actively prepare for the future.

Customers expect businesses to employ new technologies ethically, for their benefit and with due regard to the impact they may have.

What "using technology the right way" means to customers:

- Giving users control over their data through clear and transparent privacy settings
- Using technology responsibly in marketing and advertising, avoiding deceptive practices
- Educating users about their rights and how their data is being used
- Implementing robust data privacy and security policies
- Ensuring that the use of technologies such as Generative AI are fair and unbiased

Data privacy and security are particularly important to customers. In a world in which most of us are familiar with social media and algorithmic personalisation, customers understand that their data is valuable, and is being used by companies around the clock. For example, 70% of UK customers would be happy to share their personal data in exchange for better services.[7]

But they also desperately want more transparency and control around how their data is used. 44% of UK customers are concerned over how companies are using their data, and 77% of people feel the need for regulation around the use of their private data.[7]

41% of customers say that a robust cybersecurity solution would make them trust an organisation more.

In the end, "using technology in the right way" means addressing customers concerns in a changing world, aligning with their values, being consistent, and always acting with humanity, kindness and transparency.

It means doing all of this while still delivering the best, most satisfying products and services possible.

It means prioritising the key components of trust that are currently underestimated by businesses.

[7] Sukanya Awasthi, Is data privacy a concern among UK customers?, Capterra, 2022

That is how we shrink the Trust Gap.

03 SHRINKING THE TRUST GAP

ARE YOU FACING UP TO THE TRUST GAP?

With the right focus and the right solutions, it becomes much easier to identify and shrink the Trust Gap in your own business.

It's important to go back and reiterate what the Trust Gap actually is: the gap between how much businesses think customers trust them, and the customer's own perception. It has emerged due to a misalignment on the importance of certain components of trust.

Businesses tend to underestimate the importance of the emotional dimensions of the business-customer relationship, and overestimate the influence of more practical, transactional components, like reliability, security and competence.

While these components, especially security, certainly do help build customer trust, a single-minded focus on them isn't going to shrink the Trust Gap. Instead, businesses should be looking to realign with customers on shared values, humanity and consistency.

Customers want businesses to build authentic, personal connections. They expect companies to treat their employees with respect and do everything they can to contribute positively to society while minimising their environmental impact. They'll put their trust in businesses that remain consistent in their services and communications, living up to the promises they make.

The expectations on businesses are high, but the rewards for becoming a more trusted business likely outweigh the investment and effort needed to do so. Two thirds of customers are willing to pay a little more for products and services from companies they trust, even as many countries deal with an intense cost of living crisis.[8]

Thankfully, there are tools and technologies available today – and on the way – that could help really improve businesses' relationships with their customers. If such technologies help them deliver satisfying products and services, while building more authentic, positive human connections, then customers will embrace them. In this section, we'll explore how businesses can realign with customers on shared values, humanity and consistency. We'll provide practical suggestions and examples of how businesses can use technology "the right way".

[8] Trust is key to maintaining customer spending through the cost of living crisis, **The Institute of Customer Service**, 2022

SHOW CUSTOMERS YOU SHARE THEIR VALUES

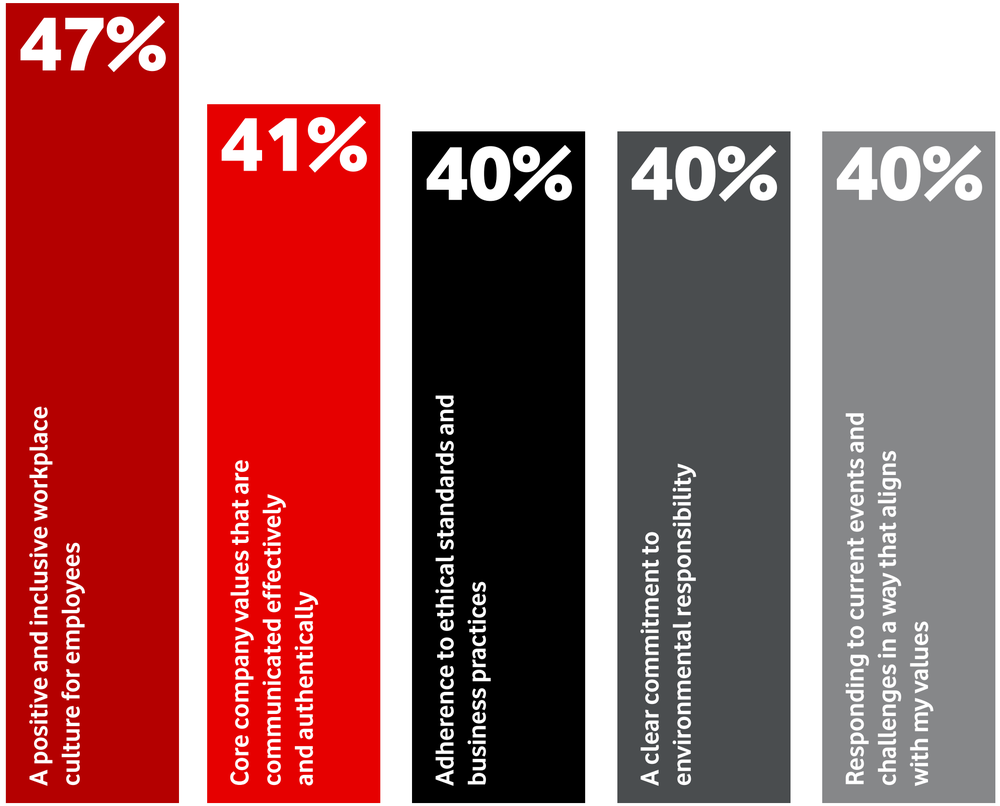
Businesses that invest appropriately to meet their customers' expectations around culture, ethics and safety are those that will be more trusted.

Customers want the latest products and services, of course, but they also want to know that they're buying from businesses that care just as much as they do. And they'll shop accordingly. 82% of shoppers want a brand's values to align with their own, and three quarters would part ways with them if there was a conflict.[9]

To shrink the Trust Gap, businesses need to focus on the ways that they can better align with the public's evolving expectations.

What do customers seek most from organisations when it comes to value alignment?

[9] Trust is key to maintaining customer spending through the cost of living crisis, **The Institute of Customer Service**, 2022



Businesses currently underestimate how important environmental responsibility is to customers. This is compounded by the fact that, overall, the focus placed on sustainability by businesses has remained static since 2020. 24% of businesses in 2020 said that "being sustainable is absolutely necessary for our organisation to continue operating". That number is no longer rising, with 23% in 2024 agreeing with that sentiment.

People generally want to know businesses are doing all they can to minimise their impact on the planet. Even more important to customers, however, is knowing that businesses are acting ethically and fairly.

The right technology, used in the right way can not only give customers the transparency and reassurance they're calling out for, but restore trust in businesses' purpose once again.

SHARED VALUES

Align with customers on the things that matter to them.

Continue to demonstrate robust and ethical use of customer data across every channel, while better highlighting its mutual value

- Cybersecurity best practice is essential to maintain. A healthy security posture should be considered the baseline but be sure to reach out to experts and partners for help, advice and testing in order to improve it. Ensure strong, unique passwords are set and multi-factor authentication is standard across your business, while keeping up with patches and a regular back up schedule. Be sure to communicate these efforts to customers.

- Scale and evolve your cybersecurity architecture across all points to protect your customers, employees and partners. Consider your cloud and on-premises environments, especially where employees are hybrid working, or where partners have access to internal systems. A Secure Access Gateway solution could be employed to provide secure access to cloud services and applications, without unnecessary friction.

- Take a zero-trust approach when it comes to sensitive customer data and systems. Ensure that platforms or technologies that hold this data cannot be accessed by outside parties, and that those looking to gain access must first validate their identity.

- Be sure to audit all the ways that customers and employees engage with your business today. This will help you discover how and where enhanced security and privacy controls could be implemented. Ensure that these controls empower customers and employees, rather than taking away agency.

- If employing digital voice assistants, AI-powered chatbots and other automated communication channels, outline how the information customers share with these technologies will be used and secured. Use communications of all kinds – from your website to social media – to show customers how these tools can help them and provide value in return for their trust.

- Proactively publish updates to data privacy policies and ensure customers are active participants in changes to how their data is used.

Prioritise technology that helps you reduce environmental impact and creates a meaningful difference to your customers

- IoT-connected sensors can be used to track, monitor and improve sustainability efforts across your business, helping to highlight energy usage and pre-empt maintenance. They can also be used to monitor multiple data points, such as temperature, vibrations and humidity, in transit to help minimise spoilage and waste of goods. Such systems can also measure energy input and production across whole cities, as well as keep tabs on sources of raw materials for food, fashion and engineering.

- Be sure to communicate your efforts to customers in order to build trust. Showcase your commitment to reducing your impact on the environment through tangible results, backed by data.

- Empower your workforce to monitor, diagnose and resolve issues faster by introducing augmented and virtual reality solutions, as well as ultra-HD real-time video streaming. This may require significant investment in Edge Computing technology. However, by accessing advanced computing capabilities via the cloud, employees may be able to get closer to customer and operational issues from anywhere they might be working. >

Apple shares values with its valuable customers

Industry: Consumer technology
Solution: Operating system updates empowering customers with privacy and security
Core trust component addressed: Shared values

Apple's strong customer loyalty could easily be attributed to how it has prioritised alignment with customer values, particularly around privacy. In a world of increasing cyber threats and data misuse, Apple recognised its responsibility as a perceived 'custodian of user data', implementing changes in its recent releases. The launch of iOS 17 introduced features allowing users to limit tracking, a commitment to privacy that may enhance trust and outweigh the loss of tracking-derived revenue.

What we can learn:
Apple has identified where customers feel trust is threatened and exerted their substantial pressure on their behalf. Be sure to give your own customers greater power over their data and respond swiftly to concerns around privacy and security.

HUMANITY MUST COME FIRST WHEN INNOVATING

Inventing, innovating and transforming the world through technology is part of what makes us human. Now, emerging technologies are making us rethink what humanity in the business-customer relationship means.

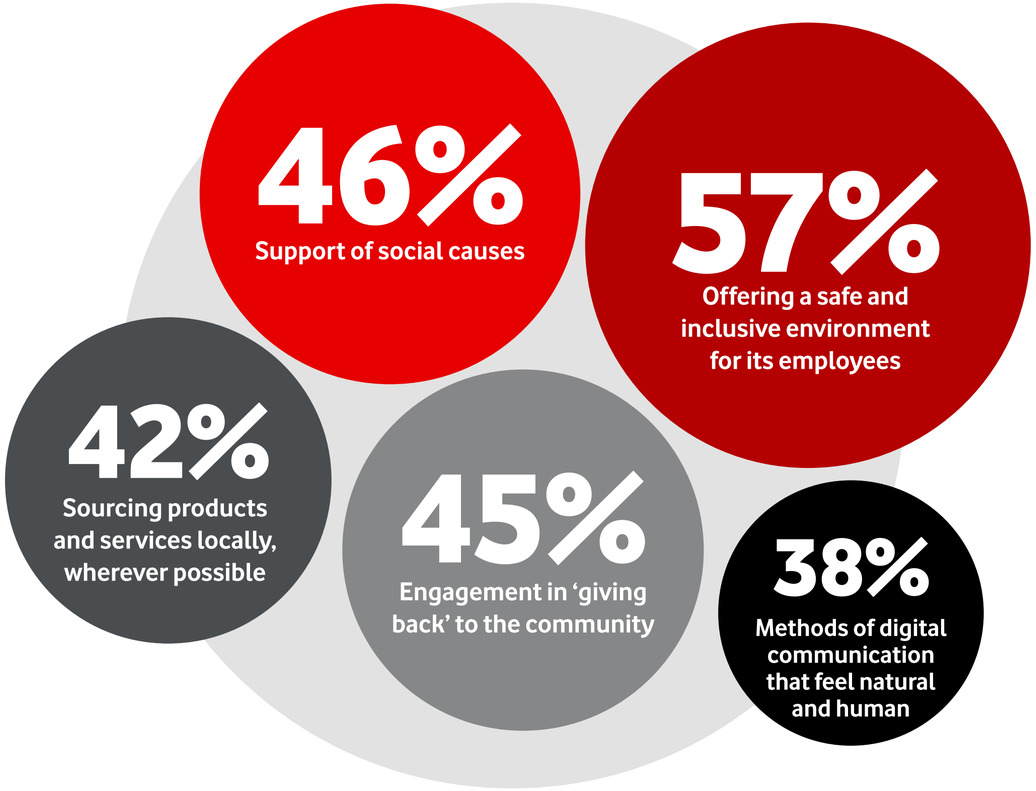
Businesses and customers alike see the value of technology in bringing people closer together. Tools like AI and the Internet of Things can lead to meaningful moments of human interaction, giving us new avenues for navigating the world and society around us.

But there is still a Trust Gap at play here. While 61% of businesses think their use of technology helps them connect with customers on a human level, only 41% of their customers agree. To customers, 'being human' doesn't just mean coming across as authentic in communications – something that AI is now very good at, for example – it means treating customers, employees, partners and the public with respect and dignity. Humanity means connecting, giving back and building up communities.

Customers don't just want great products and services from a company, they want to feel connected with the people delivering them.

Humanity is central to trust. Technology should only connect us and enhance our ability to communicate with one another, not replace that humanity all together.

What do customers seek most from organisations when it comes to value alignment?



HUMANITY

Act in a kind and charitable manner towards customers and employees.

Focus AI and emerging tech on automating repetitive processes, freeing up humans to make deeper connections

- Explore how AI-powered solutions and deep learning models could automate asset and site visual inspections, as well as other routine tasks. Automating such tasks may not only lead to greater accuracy, but also free people up to engage in more customer-focused tasks.

- When chatbots are used, ensure that customers and workers know that they're speaking with a machine and give them an option to speak to a human instead. Focus these technologies on reducing waiting times and delivering up-to-date information at all times of day and rely on humans to provide assistance on more complex, emotionally charged issues.

Enhance the employee experience and ensure that these advances are made clear to customers

- Your customers want to know that your employees are being treated fairly. Be transparent about this in communications and give your work a human face through marketing and media.

- Technology can be used to simplify and speed up tasks, promote collaboration and help employees achieve increasingly complex goals. AI assistants could help workers find answers faster, for example, while Edge Computing can enable augmented and virtual reality, helping them collaborate on tasks and connect on a deeper level across huge distances These technologies can also help people to learn through remote, virtual training – speeding up the learning process and giving them hands-on experience.

- Advances in AI-enhanced communications can help improve collaboration and team effectiveness. Consider utilising live transcription and closed captioning to improve accessibility and ensure that no one misses a detail in meetings. AI-powered noise cancellation and voice enhancement can also improve clarity for people working in noisy environments. On top of this, AI tools can be used to translate speech in real-time for the benefit of non-native speakers and to enable multi-language conversation.

- Consider using the blockchain – a secure system of decentralised, digital record-keeping which makes sure data is reliable and can't be altered – to improve transparency in the eyes of customers. For example, it could be used to create and share profiles of the team members serving them or the origins of certain products. Such technology could increase trust by providing immutable proof of your ethical business practices. ›

Uber put humanity behind the wheel

Industry: Transport and ridesharing
Solution: App-based ridesharing with GPS tracking, rating and reviews
Core trust component addressed: Humanity

Uber revolutionised ridesharing by using technology to give a human face to ridesharing. Initially, both drivers and passengers had concerns about their safety and the details of their trips. Uber addressed these issues by implementing real-time tracking, transparency and both driver and user profiles. The app's simplicity, automatic fare charging and rating system encouraged mutual respect between drivers and passengers, by highlighting the humanity of each.

What we can learn: Making your business more human can all come down to transparency. By making it obvious to a customer who they are interacting with, you'll be building trust between two equal parties. Shared vulnerability for mutual benefit encourages good behaviour, and technology can clearly play a role here.

CONSISTENCY IS THE CORNERSTONE OF SUCCESS

Customers trust businesses that can walk the talk. They know what to expect when ordering from them and have little worry that their issues will go unsolved.

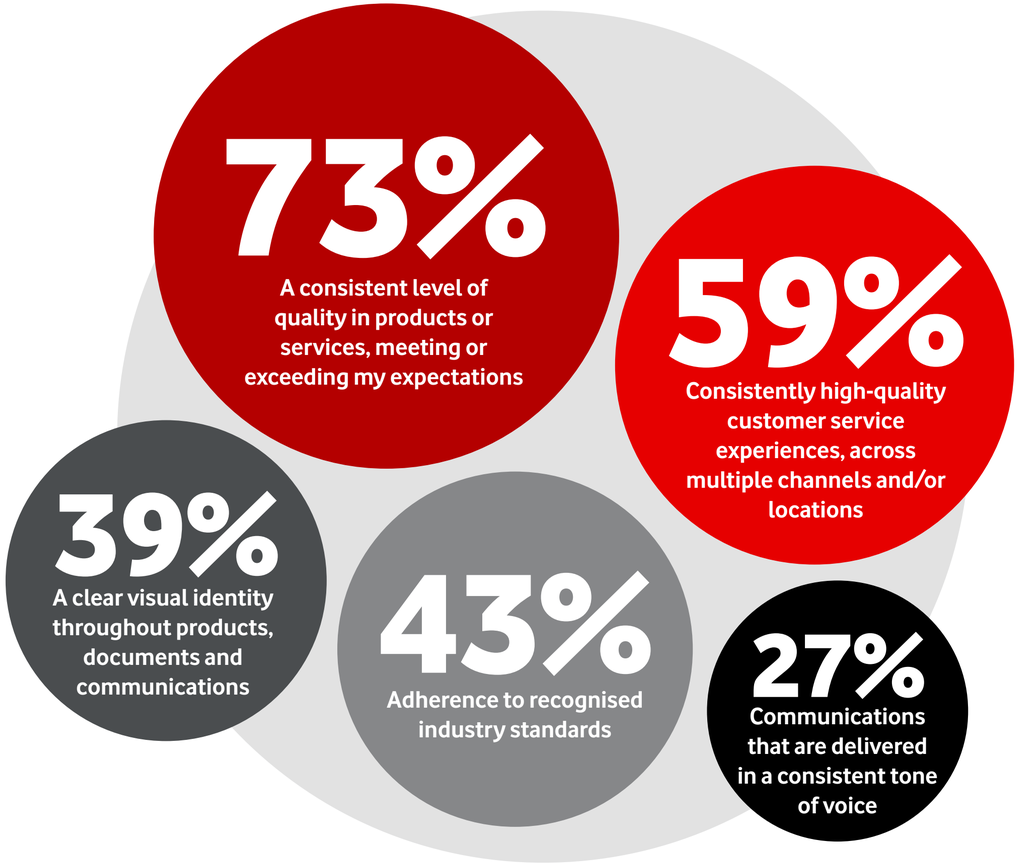
A consistent level of quality is one of the most important, underestimated factors behind the Trust Gap. If your business can't deliver service and communications that are up to the expectations of customers, then you'll find trust in deficit. Whether you're selling luxury sports cars or burgers, the principle here is the same.

But beyond products themselves, customers also expect service and communications to be consistent. In fact, while 41% of businesses believe they deliver strong customer service and support, only 32% of customers agree. Thankfully, consistency is one of the easier trust components to improve with technology.

From boosting efficiencies in factories and stores to automating helpline responses, all the way to building new digital worlds for customers to explore, there is a technological solution available to make your offering more consistent.

But "consistency" is not synonymous with "robotic". We can't forget that, as much as customers want a consistent, reliable experience, they also want humanity and alignment with their values. There is a balance to be struck here between automating processes and providing a human touch. And it often comes from giving customers more control over their experience.

What to do customers seek most from organisations when it comes to consistency?



CONSISTENCY

Deliver products and services that live up to promise, while maintaining uniformity and coherence in operations, branding and performance.

Implement technology with the aims of removing obstacles, without encouraging your business to stray off its path

- Be sure to establish a solid technology strategy, with agreed timelines and realistic expectations around what technology can be implemented and when. Don't rush to bring technology into your business if it isn't going to support your existing goals. But look out for technologies that can fill roles missing within your organisation.
- Don't let changing technology change you. Be sure to stick to your company's trusted branding, style and guiding principles. Authenticity can, and should, co-exist with automation.

Prioritise technologies that make your business more responsive and adaptive to changing customer needs

- Deep learning and big data can help your business be more responsive and adaptable to customer needs. These tools can be used to analyse vast amounts of existing customer data and pre-emptively create solutions or suggestions to customer. Use them to plan ahead for spikes of demand or emerging trends, giving you time to adapt and stay ahead of the competition.
- Multi-Access Edge Computing – in which cloud computing and IT services are moved from a centralised cloud closer to the edge of a network – can give teams the ability to access business systems and data from anywhere, in near real time. This can help them respond to emergencies faster, spot issues before they affect others, and complete tasks at impressive speeds. Ultimately, Edge Computing provides teams more flexibility and reduces friction.

Select emerging technologies that enable you to streamline operations, bringing multiple systems under one roof

- Consider utilising the blockchain to securely record transactions, processes and the movement of products. For example, the blockchain's transparent, indelible ledgers ensure that everyone involved in a transaction or business process has visibility of what's happening in the background, tracking progress, location and more.
- Technology like IoT-connected RFID tags can also ensure transparency in logistics and inventory management, ensuring that all items are where they need to be – or on their way there.
- Robotics, AI and other forms of advanced automation can be used to streamline processes and get products and services to customers faster, and with less strain on resources. These technologies must be monitored to ensure consistency in delivery, and securely connected.
- Consider reviewing your existing connectivity structure. An SD-WAN solution can connect a wide array of devices, technologies and digital touchpoints to the cloud and premises, ensuring consistency across operations and delivery. Employees, customers and partners accessing cloud systems and applications will benefit from a consistently branded, high-performing and secure experience.

IKEA delivers on the showroom promise

Industry: Homewares and furniture
Solution: Utilising augmented reality to give all online customers a consistent experience
Core trust component addressed: Consistency

IKEA faced challenges in the ecommerce era with customers finding that the items they ordered online didn't always arrive the way they expected. To address this, IKEA developed the IKEA Place AR app, allowing users to virtually place furniture in their homes using their devices. Designed with 'human sensibilities' as the guide,[10] the app offers high-fidelity visualisations of fabrics and materials in real space, reducing surprises upon delivery. A chatbot also provides guidance and assistance.

What we can learn:
Consistency means living up to promises, always. Self-service technology like AR and chatbots give people the power to buy and engage in a way that suits them, reducing the risk that expectations go unfulfilled (and reducing costly product returns at the same time).

[10] **Space10**, How might augmented reality democratise the ability to decorate your home?, 2017

THE FIRST STEPS TO DECREASING THE DIVIDE

The Trust Gap between your business and its customers may be wider than you think. The good news is that, by implementing the right technology in the right way, it's possible to start shrinking it.

This research has been an exhaustive exploration of trust in the business-customer relationship. Alongside behavioural scientists from LSE, Vodafone Business experts have been working to create practical solutions for all businesses, no matter their size, technological maturity or location.

While there is no single magic-bullet solution to the Trust Gap issue, this research has revealed that shrinking it largely comes down to how businesses implement technology to support certain components of trust – shared values, humanity and consistency.

For example, emerging technologies like augmented reality can help customers get closer to products than ever before. AI can make customer service faster, simpler and more effective. Blockchain technology can ensure true transparency and accountability. Even tried-and-tested, data-based personalisation can help customers feel closer to businesses. But technology can also be a barrier to trust if used inappropriately. There is a balance between optimising operations and approaching customers on truly human terms that all businesses must strike. They must also be incredibly mindful of increasing security and privacy concerns. A little reassurance in this regard is vital to building trust.

By aligning more closely on what customers want out of their relationship with them – not only in terms of transactional delivery but around shared values, humanity and consistency – businesses can focus their plans to help them meet overlooked customer needs. Ultimately, by acting with integrity, implementing technology appropriately and effectively, and providing greater transparency, businesses can build trust with customers. And that could be the start of something genuine, trusted and profitable.

ARE YOU READY TO SHRINK THE TRUST GAP?

If you're ready to become Fit for the Future, with the technology, support and expertise needed to build trust in your business, the best place to start is by talking to Vodafone Business.

Find out more.

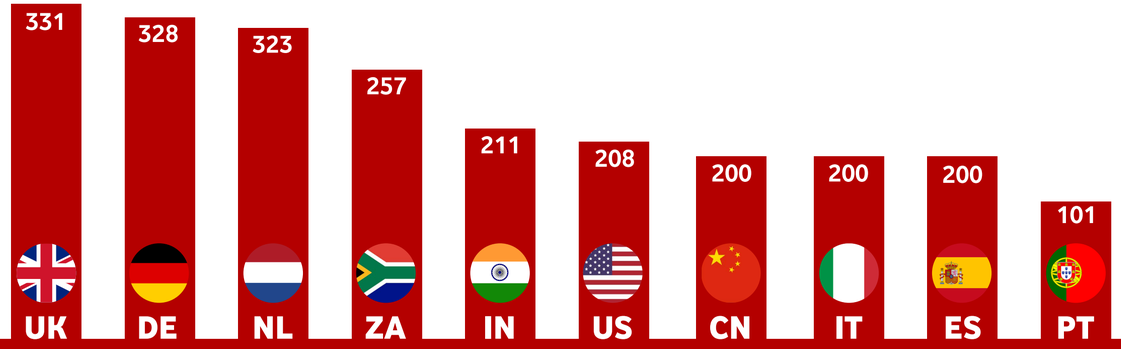
03

METHODOLOGY

QUANTITATIVE RESEARCH

was conducted by B2B International in consultation with the London School of Economics and Political Science

We surveyed 2,359 businesses and 5,289 individual customers across 10 markets and 11 key sectors of the economy.



BUSINESSES

CUSTOMERS

HOW WE ASSIGNED TRUST SCORES

To create Trust Scores for businesses and industries, we asked research participants to give organisations a rating on a 1 – 5 scale, according to how much they agreed or disagreed with 4 statements within each of the three pillars within our definition of Trust.

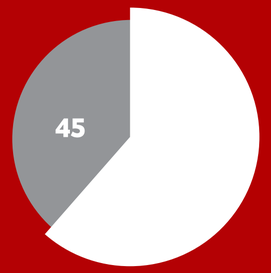
Customers were asked to rate specific brands on this scale, giving us an idea of how much they are willing to rely on them, and how prepared they were to accept vulnerability for mutual benefit. In other words: how much they were willing to trust them.

Businesses, on the other hand, were asked to give themselves a score on these measures, according to how they thought customers would rank them.

The responses to these prompts were then calculated and weighted according to the importance of each element of our definition of trust.

This gave us our Trust Scores.

CONTRIBUTION TO TRUST (OUT OF 100)



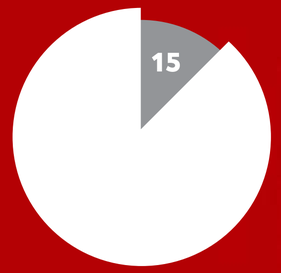
1. Willingness To Rely

I believe that the information I receive from BRAND is always accurate

BRAND makes my life easier

BRAND would be able to solve a problem I had with one of their products / services, everytime

They would do the right thing, even if nobody was watching



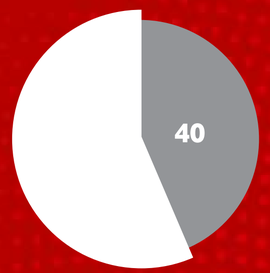
2. Accepting of Vulnerability

New customers feel safe doing business with BRAND

I believe thet BRAND would always keep my personal data safe

I would go hiking with them in an unfamiliar territory if they assured me that they knew the area

I would feel comfortable confiding in them, because I know they would keep my secrets



3. Perceived Mutual Benefit

I have actively recommended BRAND to others

BRAND is an organisation I would be proud to work for

I believe that BRAND always has my best interests at heart

BRAND cares aboutt its customers

vodafone
business