Trust me, it's worth it

What prompts someone to let strangers into their apartment for bed, breakfast and possibly an exchange of travel stories over dinner? When was it considered lucrative (and cool) to drive strangers around in your private car? As an avid traveller myself, I have tried some of these services as a customer and am happy to share that I've had pretty good experiences so far.

We are certainly seeing a rise in peer-to-peer sharing, such as car sharing and accommodation sharing. The fact that this trend is becoming an increasingly accepted feature of the business landscape is because people see value in it — value that inspires trust. Consumers want relationships with a community of users or like-minded people they can trust.

The same goes for companies in more traditional businesses. For people in business like us, trust revolves around understanding what your stakeholders want — and how you create value for them. Trust helps you do business well for the long haul in this transient world.

But do you know for a fact how trusted you are among your stakeholders? And how do you confidently measure it? Do you know who needs to trust you and how much?

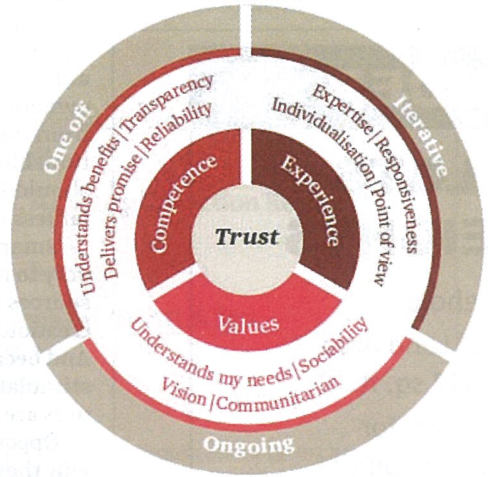
PwC's recent Building Trust Awards was conceived to highlight to Corporate Malaysia that trust can indeed be measured and managed proactively, and converted into a valuable organisational asset.

Trust profiles were created for each of our award finalists, describing the specific areas that drive trustworthiness. These trust profiles were very revealing, measuring how investors and customers perceive the companies to inspire trust from conversations gathered through publicly available

Trust in RESILIENCE

BY PAULINE HO

Our model of what drives organisational trustworthiness



digital data — news sites, investor forums, blogs and social media platforms.

The trust profiles are a significant part of PwC's Trustworthy Organisation Model, which breaks trust down into three different trust types (competence trust, experience trust, values trust). (See diagram)

So what's next after measuring trust, you may ask. How can it be used in practice?

As an example, during a recession period, a major retailer used its Trust Profile to see where it was at a disadvantage against its competition. It found that if it focused on building experience trust with its customers and prospects — specifically by treating the customer as an individual — that would put it at a clear competitive advantage. This guided its efforts in engaging with new customer segments. Its mobile commerce revenues grew by 89%, accounting for 18% of total sales. Overall, annual sales for the quarter rose by 3% compared with the previous year.

A global pharmaceutical company discovered the benefits of monitoring its trust levels consistently when it embarked on a campaign to launch its new drugs. Trust levels were monitored at the various stages of the drug launch: during the initial announcement to investors, during the regulatory submission period, at the negotiation stage with claim handlers like insurance companies and during the prescriber education phase as well as the recruitment phase to select patients as advocates.

The organisation identified and isolated the stakeholders that would influence the behaviours of its wider stakeholder group. To maximise shareholder returns on the new drugs, it first needed to focus on the needs of its wider stakeholders (for example the regulators, claim handlers and patients who would use the drugs).

By focusing its time and resources effectively, this ensured that there were no surprises and maximum commercial benefit was derived at each stage of the launch process. These two businesses were among a pilot group of organisations that used the Trustworthy Organisation Model to help them accomplish their business goals.

Using the trust profile to gauge your level of trust can be very insightful as it provides an independent view based on what your key stakeholders are actually saying about you. It is generated by scraping all online conversations about an organisation and isolating the conversation that

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Important to know how trust is linked to your growth

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is relevant and specific to trust-building.

In doing this, you learn who trusts your organisation and how much, and in what areas you are falling behind your peers. Also, who are the stakeholders you need to concentrate on — you clearly can't be all things to all people.

Your business model may have a bearing on who trusts you more as observed from the trust profiles of our Building Trust Awards finalists. B2C organisations tend to have stronger trust with their customers while B2B organisations perform better among their investors.

As our finalists are large public-listed companies, it wasn't surprising that most of them performed well in investor trust, considering their efforts in engaging with investors via their reporting or investor relations activities.

As for customer trust, it was difficult to draw conclusions on performance without understanding the type of customers they engage with and the objective of such engagements.

Furthermore, their trust profiles with customers varied based on the sector they are in. Based on our experience, there are innovative ways to engage a diverse group of customers these days, from social listening to monitor online conversations and introducing online chat services to respond faster to customer feedback/complaints, to offering more customised services to meet the customers' individual needs.

As illustrated in the earlier pharmaceutical company case study, how much trust you need to achieve your business objectives and your approach to doing it varies with each stage of your business cycle and the stakeholders you interact with.

Your business will continually be tested through events beyond your control in this volatile environment. Hence, it's important to know how trust is linked to your growth so that you can be more tactical in planning where (and whom) to spend your efforts on.

Having a good understanding of how trust leads to your growth can help you to be prepared for ambiguous business cycles and eventualities. With better control over your future, you can turn trust into an organisational asset, where you realise tangible return on investment from it — significant returns that will see you through both buoyant and challenged business environments.

Indeed, there are clear benefits to measuring trust, contributing directly to your wider business goals. With the right planning and strategies, trust can flourish, sending out a strong message about your leadership as a brand and a business. So, make trust count and results will follow. E

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