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Trust in Telco
Understanding customer behaviour through Trust

June 2024

MAKING AN IMPACT THAT MATTERS since 1845

A new measure of trust in telecoms

Trust is crucial, and Deloitte's new methodology will help telcos measure, understand, and improve it like never before.

Trust is the driving force behind our human relationships. Our assessment of trustworthiness has an impact on who we vote for, where we work, and what we buy. In a world increasingly powered by algorithms and driven by data, trust is the fundamentally human factor that influences decisions and behaviour. And it's at an all-time low.[1] Deloitte has carried out research across UK telcos to understand how customers feel, what that means for business, and what needs to change.

Introducing TrustID™

Trust matters. Businesses understand that customers want to trust in their organisations.[2] Leaders know that they need a relationship built on mutual trust to create high-performing staff teams.[3] And consumers spend more and stay longer with brands they trust.[4]

The NPS methodology proved a strong link between likelihood to recommend and loyalty, and businesses have been able to achieve marked improvements through using NPS alone.[5] But we now know that it's trust that drives that link. We each have our own personal brand – millions of things that make us unique and define our role in the world. Consciously or not, we only make recommendations to our circle of influence when we feel that they fit with our personal brand and identity. As an experience metric, NPS is as close as we've been able to get to understanding the hearts and minds of our customer. Until now.



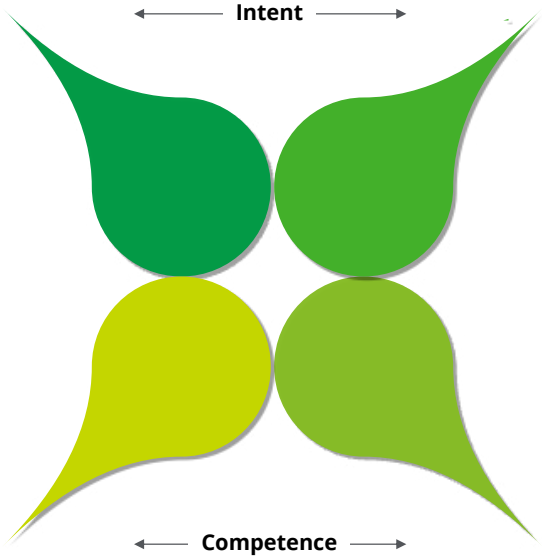
The Four Factors of Trust™

Humanity

When customers agree a brand exhibits humanity, they are 2.8x more likely to stick with the brand through a mistake

Transparency

When workers agree their employer is transparent, they are 1.8x more likely to positively review their employer on a public website



Capability

When workers agree their employer is capable, they are 50% less likely to look for another job

Reliability

When customers agree a brand is reliable, they are 3.8x more likely to spend on the brand

Deloitte has conducted extensive research into the components that create trust, and linked them to the specific, quantifiable behaviours that they drive.[6] This groundbreaking research[7] identified the Four Factors of Trust™ – those key pillars that contain the micro and macro level inputs that consumers unconsciously consider when they're deciding on trustworthiness: Humanity, Transparency, Reliability, and Capability.

NPS is a solid predictor of customer perception of brand competence. It captures elements that are more aligned with the factors of **capability** and **reliability**. Combining this insight with the more emotive and human-centric factors of **humanity** and **transparency** offers a truly holistic view of a brand's reputation, performance, and trust. This gives you a defined roadmap with actionable insights so that you can improve performance where it really matters.

These signals predict behaviours with 74% accuracy[8]

Trust in Telco

Deloitte has conducted research on the state of trust within the UK telco market, and found that across mobile and broadband there is a strong link between high trust, loyalty, and spend.[9]

High Trust telco customers are[10]:



High Trust telco customers are

60% **More likely to**

have multiple contracts

3x **More likely to**

try new products from you

3x **More likely to**

stay even if you make a mistake

6x **More likely to**

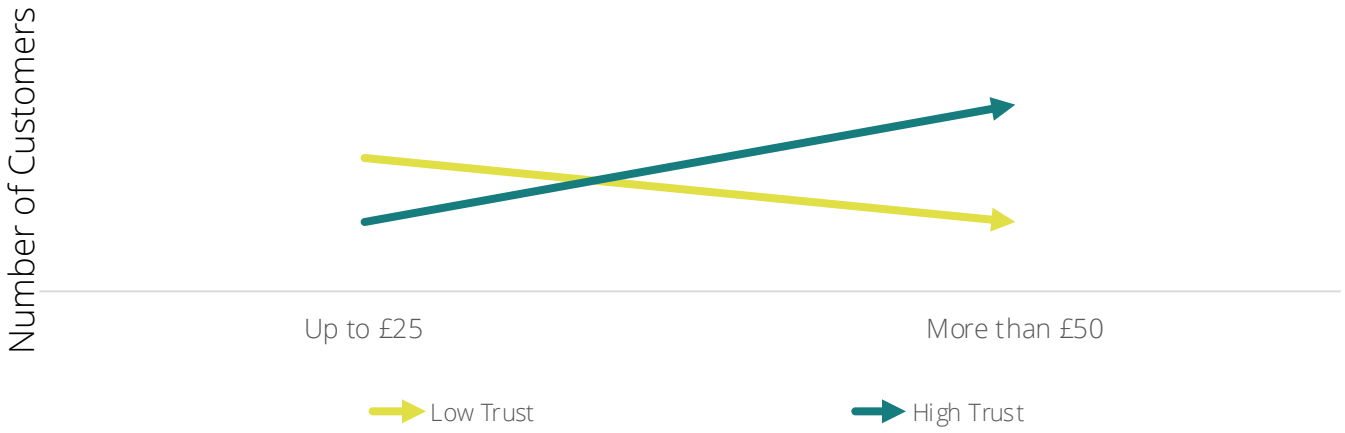
positively comment about you on social media

4.5x **More likely to**

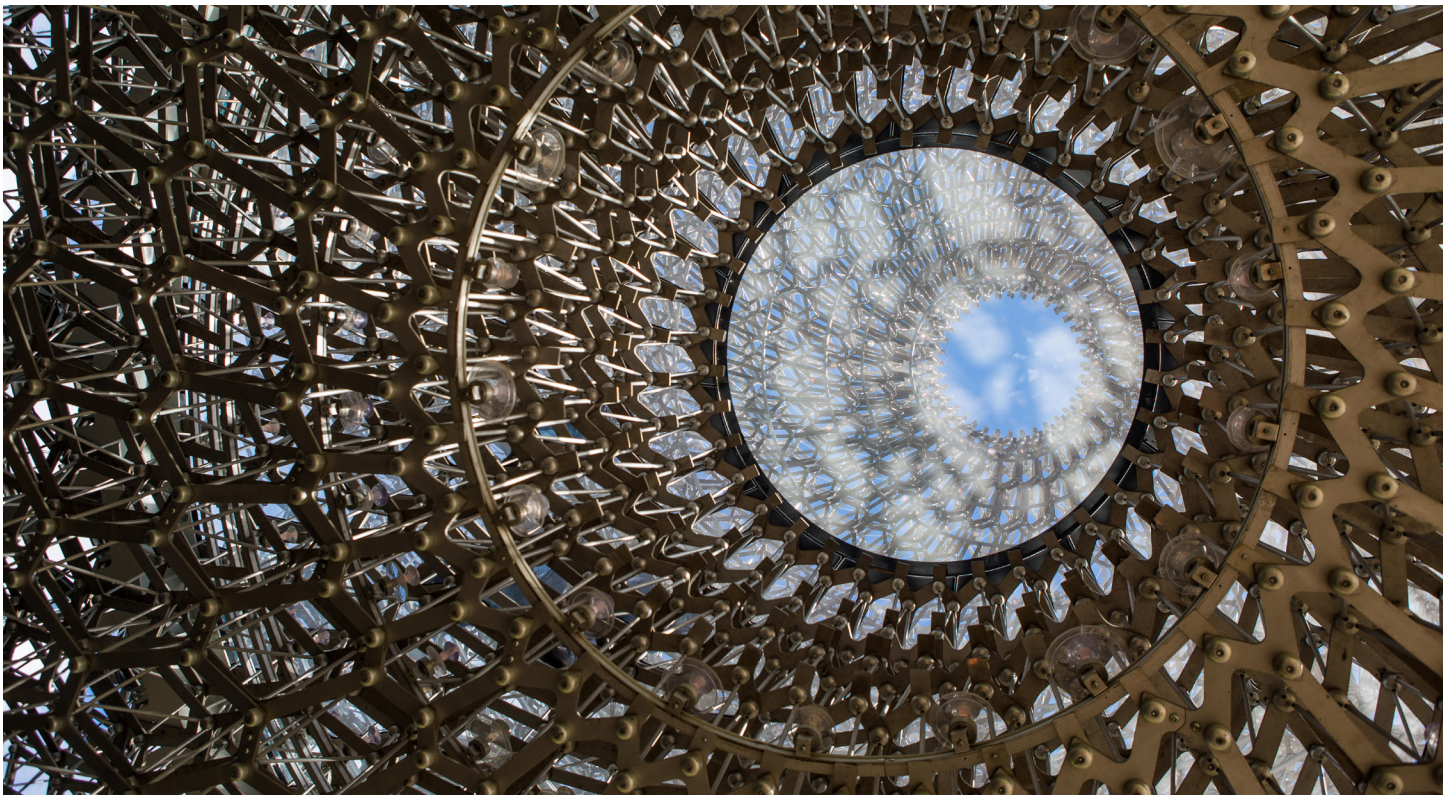
choose your brand's products over competitors

Source: Deloitte Mobile Network TrustID survey, may 2024

Monthly spend of telco customers by trust category



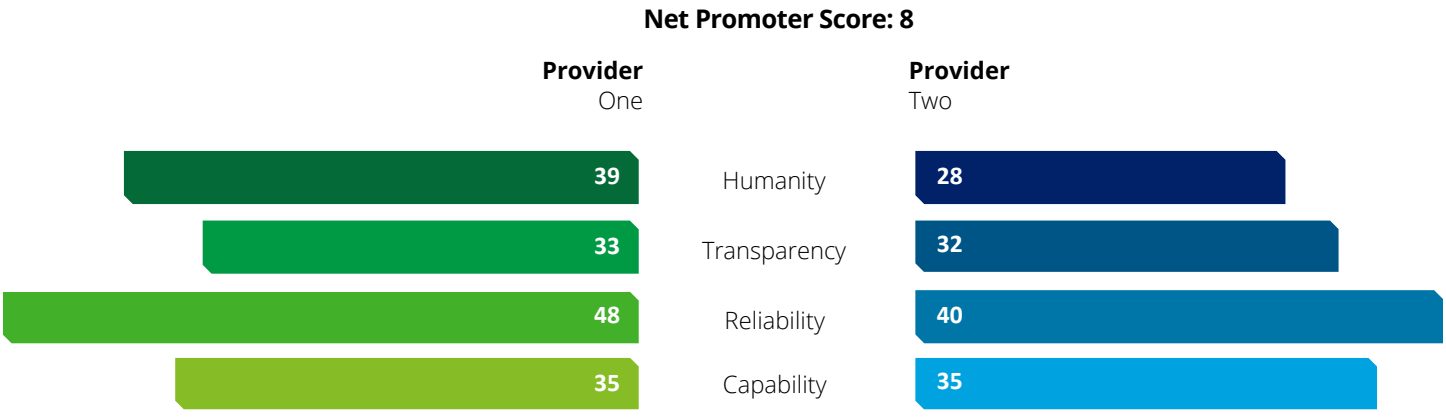
Source: Deloitte Mobile Network TrustID survey, may 2024



A New Layer of Insight

Using the Four Factors of Trust adds a richer and more actionable level of insight to our understanding of customer experience and behaviour. Comparing two UK broadband providers who share the same NPS score, we can see how TrustID can be used to better understand what each brand needs to do to improve.

Net promoter score: 8



Despite sharing an NPS score, Provider 1 fares better on many of the Four Factors of Trust. This suggests that if they can focus resources on Transparency – in particular when it comes to their environmental impact – they would see an increase in overall customer trust. Provider 2, however, should look at their Reliability. They scored poorly on their perceived ability to resolve issues – which also contributes to their low Humanity scores as customers felt their customer service teams did not always demonstrate courtesy and respect.

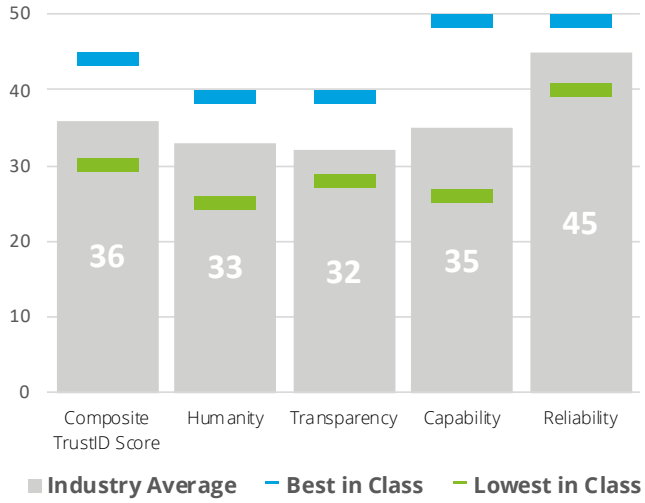
Provider 1 has a clear route to improved trust. Working with marketing and ESG teams they can streamline their brand messaging and make customers feel more confident in their role as a force for good. Provider 2 has more work to do on resolution processes and customer service, but thanks to the TrustID methodology they can identify exactly where their weaknesses are - and how they can address them.

Key Insights: Broadband

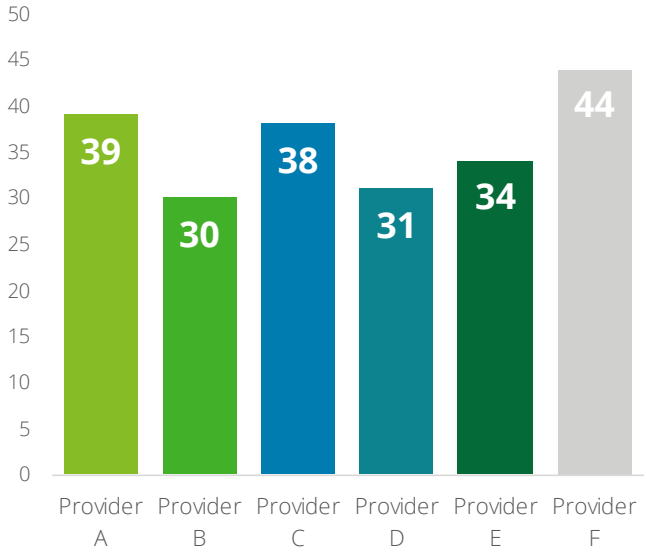
Humanity and Transparency are the areas on which to focus.

Reliability matters – customers need to trust that their provider will deliver the best speeds and deliver a quality service – but there is little scope to differentiate in this space. Deloitte has already predicted a slowdown in the demand from customers for faster speeds[11] and this new TrustID research bears that out. Instead, organisations who want to build a loyal base should pay attention to the human-centric aspects which matter to customers.

UK Broadband: Market overview



UK Broadband: TrustID by provider



Environmental and societal contributions are more important to customers than ever, but only 27% believe their broadband provider values the environment. 74% of customers feel that brands are not upfront about how they make and spend money.

Broadband providers are failing to meet customer expectations around their environmental, social, and governance goals. Working with experts like Deloitte's customer and marketing teams will help you uncover which of your ESG messages are getting lost, and where you can increase the visibility and impact of your brand in a way that most resonates with consumers.

Where you need to adopt new tactics to increase your sustainability and social strategies, our ESG consulting team can help find new ways to ensure that you are doing the right things for all your stakeholders.

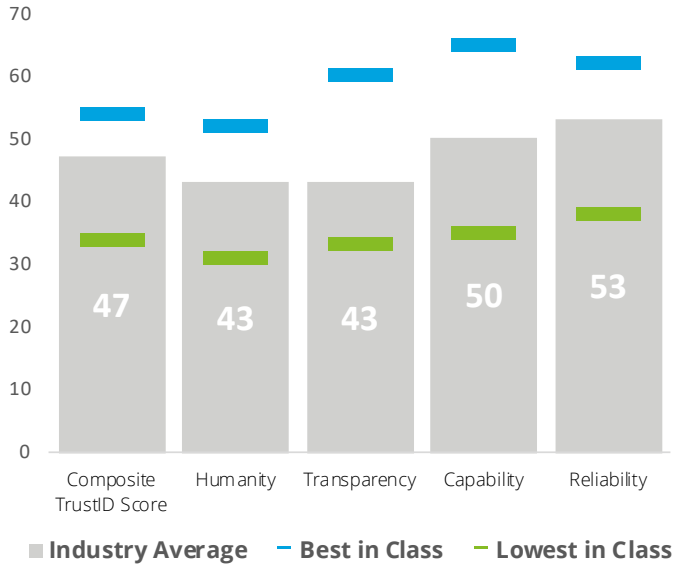
As we move into a customer landscape that is more digital than ever, and consumers become increasingly wary of AI and its role in their customer journeys[12] the first broadband provider who can meet customer needs on both competence and brand identity will stand out in the marketplace.

Key Insights: Mobile

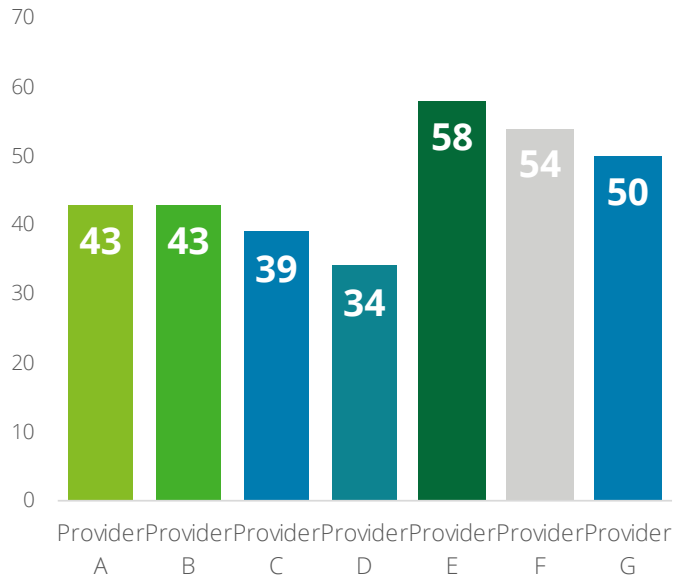
There is a huge opportunity to win on customer experience.

Surveying customers of mobile network providers, the gaps between brands across all Four Factors of Trust are significant; but the strongest and weakest brands vary by category. There is no single brand that has been able to achieve consistently market-winning scores aross all four pillars. This means that an opportunity exists for one brand to refine messaging, processes, and behaviours to really stand out as the network that delivers a consistent, excellent, trustworthy experience for customers.

UK Mobile: Market overview



UK Mobile: TrustID by provider

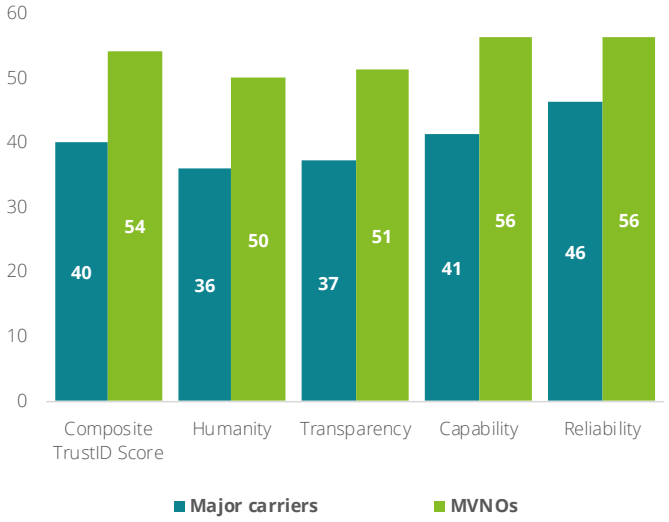


MVNOs perform better across all Four Factors of Trust

There is a notable difference in scores between the Trust scores of the four major carriers (represented by A-D above) and mobile virtual network operators (MVNOs). While the scores of MVNOs are higher across the board, the contrast is less stark on the measure of reliability. This suggests that while customers feel broadly similar levels of trust about the competence of their network provider, MVNOs have the edge when it comes to the more emotion-based aspects of customer care.

In particular, the gaps between the four major carriers and MVNOs on transparency indicate that MVNO customers feel a much greater sense of trust that their provider is upfront about fees and costs, and they are more likely to believe that communications are honest and easily understood

MVNOs tend to communicate in a way that resonates with their customers. There is no trend between age and trust, which indicates that the friendly, less formal tone of voice that is more common among MVNO brands is one to which customers are receptive. This is linked to both transparency and humanity: customers want to feel like they are heard, understood, and talked to in a way that is clear and acknowledges that they are a human being – not just a customer number.



Trust is the battleground for customer experience in telco.
Across mobile and broadband customers, the link between trust and propensity to spend and stay loyal is strong. While there are industry-wide trends, such as a need to communicate better on ESG considerations, and customers wanting to feel like they are being dealt with as an individual, there are significant differences between the brands on where the biggest potential for impact lies.

As expectations and demand around faster, better network speeds shift, and coverage becomes more consistent, telcos have two options to win over new customers and delight their current base. They can either race to the bottom on price, or they can build a reputation for excellent customer experience. Deloitte's new insights and our proven expertise in telco can help you make the right decisions, at the right moments, to do the right things to win on experience.

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To find out how our research can help you build a trusted relationship with your customers, contact our TrustID team

Endnotes

Endnotes

1 Duffy, B., May, G., Hewlett, K., Wright, J. and Stoneman, P., 2023. Trust in trouble? UK and international confidence in institutions
2 Dunlop, A. and Reicheld, A., 2022, The Four Factors of Trust
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11 Lee, P., Trimmel, D. and Hallside, E., 2024. No bump to bitrates for digital apps in the near term: Is a period of enough fixed broadband connectivity approaching?, Deloitte Insights
12 Deloitte, 2023, Generative AI Captures Consumers' Imagination

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