

Trust Issues (Solution)

Brands that earn customer trust are likely to be rewarded with higher sales, customer loyalty, and positive recommendations, as reflected in the report based upon research carried out by software giant Adobe. Read the article, and then answer the questions that follow.

7 in 10 Customers Will Buy More from Brands They Trust but Abandon Those They Don't



According to new research by Adobe, 71% of customers in the UK are likely to stop purchasing from a brand that breaks their trust.

According to Adobe's research, the main four ways customers demonstrate their trust in brands are by making more purchases (71% say they do this), recommending the brand to friends (61%), joining a loyalty programme (41%) and posting positive reviews or comments on social media (40%).

More than half of customers (54%) say they have already stopped purchasing from a brand last year owing to their trust being broken.

The top three reasons why customers say they ceased buying from a brand last year are

- being 'creepy', by contacting a customer without permission (49% of people cited this);

- being annoying, such as by sending too many communications, or by lacking clarity over their privacy policies or data use (39%);
- Not listening, particularly to requests to stop sending marketing communications (39%).

The fact over half of customers say they took action to end their relationship with a brand last year shows these errors have financial consequences.

Regaining any lost customers - irrespective of age - is a long journey for any brand, and it's even harder to rebuild trust once it's been broken.

If customers do not trust the brand they are buying from, they are more than willing to walk away and take their money with them.

Adapted from Marketing Week (03/11/2021)



1. Which of the following are customers most likely to do if they feel that a business has broken their trust?

- Join a loyalty programme Post good reviews online
 Recommend to friends Stop purchasing

2. What do you think the “financial consequences” of losing customer trust are?

The obvious financial consequences are that a business will lose revenue from any purchases that the customer may have made. However, there may be additional consequences if the customer posts negative reviews, or tells their friends about their loss of trust. This could lead to more lost sales, and start to affect the reputation of the business, which may require additional spending on marketing to address the issue.

3. The table below gives two examples of businesses that have broken the trust of their customers. For each example, explain how you think the business could regain the trust of their customers.

Business	What Happened?	What They Could Do to Regain Trust
Volkswagen 	In what has become known as “Dieselgate” VW fitted illegal “defeat devices” to cheat emissions test so that their diesel cars would appear to be more environmentally friendly than they really were. Brands affected included VW, Seat, Skoda and Audi	Volkswagen should admit that they did wrong, and compensate all of those people who purchased one of the affected cars. They could offer to replace the diesel car with an electric one to highlight the fact that they are now producing more environmentally friendly cars.
Whirlpool 	Dangerous tumble dryers made under the Hotpoint, Indesit, Creda, Swan and Proline brands were sold in the UK for 11 years causing at least 750 fires over. The fires have burnt out homes and destroyed possessions of victims.	Whirlpool should have acted much faster, and not let this go on for 11 years. They should replace or repair all of the faulty machines that they sold, and compensate those that have suffered losses due to fire.