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# BUILDING CUSTOMER TRUST IS GETTING HARDER— AND MORE IMPORTANT

How marketers win in a crowded ecosystem



## Building and retaining customer trust is harder than it was five years ago, but it's also more difficult to win that trust.

- The majority (76.3%) of marketers agree it is harder to gain customer trust now than five years ago, according to a new survey by EMARKETER in partnership with Klaviyo.
- 72.8% of marketers agree it is harder to retain that trust than five years ago.
- Marketers believe they play a vital role in building that trust—76.3% agree marketers play a bigger role in gaining and retaining customer trust than they did five years ago.

“The modern consumer is well-informed, has high expectations, and is vocal about their opinions of brands,” said EMARKETER senior analyst Blake Droesch. “This is particularly true for younger consumers, which brands are constantly trying to win over. Gaining a customer’s trust begins with messaging, so marketers are really on the front lines of this battle.”

Building trust is difficult. Customers have a lot of choice of where to shop and high expectations, while marketers say they are limited in their ability to personalize for and target shoppers.

This report details the results of an August 2024 survey of 287 senior-level marketers, designed by EMARKETER in partnership with Klaviyo. Respondents are in English-speaking countries (United States, Canada, United Kingdom, Ireland, Denmark, Australia, Singapore, or New Zealand), with nearly half at mid-market brands (between \$30 and \$500 million). This report details the survey as a whole as respondents across revenues answered similarly.

The report demonstrates the challenges to gaining customer trust, particularly for enterprise brands, and shows how personalized messaging, informative content, and communication can help build trust. It also shows how marketers need robust data and tech stacks to deliver that messaging.

## KEY FINDINGS:

Consumers have a lot of reasons not to trust brands. Between privacy, product quality issues, poor communication, negative public image, and supply chain issues, consumers can easily grow suspicious of brands.

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Brands should leverage content to build trust. Brands project their image and values to consumers via content. They need to make sure communications are high-quality and personalized to win trust.

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Brands need effective data strategies to personalize messaging and keep customers comfortable. Incomplete and unreliable data are the two leading challenges to delivering a personalized experience consumers can trust, per our survey. Marketers need a solid technical approach to collect and utilize that data.

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Most marketers aren't concerned about AI's impact on building trust. Still, marketers using generative AI need to understand how their consumers think about the tech to avoid blunders.

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# **BUILDING TRUST IS VITAL TO DRIVING REVENUES**

“There’s so much competition in retail these days, particularly in the household essentials categories,” Driesch said. “And inflation has made consumers more cautious about spending.”

Some 4 in 5 marketers (80.8%) agree it is more important to gain and retain customer trust now than it was five years ago, according to our survey.

- 84% of US fashion and beauty brands consider building trust and loyalty a necessary part of their omnichannel sales and marketing strategies, according to a June 2024 survey by Glossy and Bigcommerce
- Consumers agree on the value of trust. Some 88% of consumers worldwide say trusting a brand is important when deciding to buy or use its products, according to Edelman.



80.8%

**Of marketers agree retaining customer trust is important**



84%

**Of beauty brands consider building trust necessary**



88%

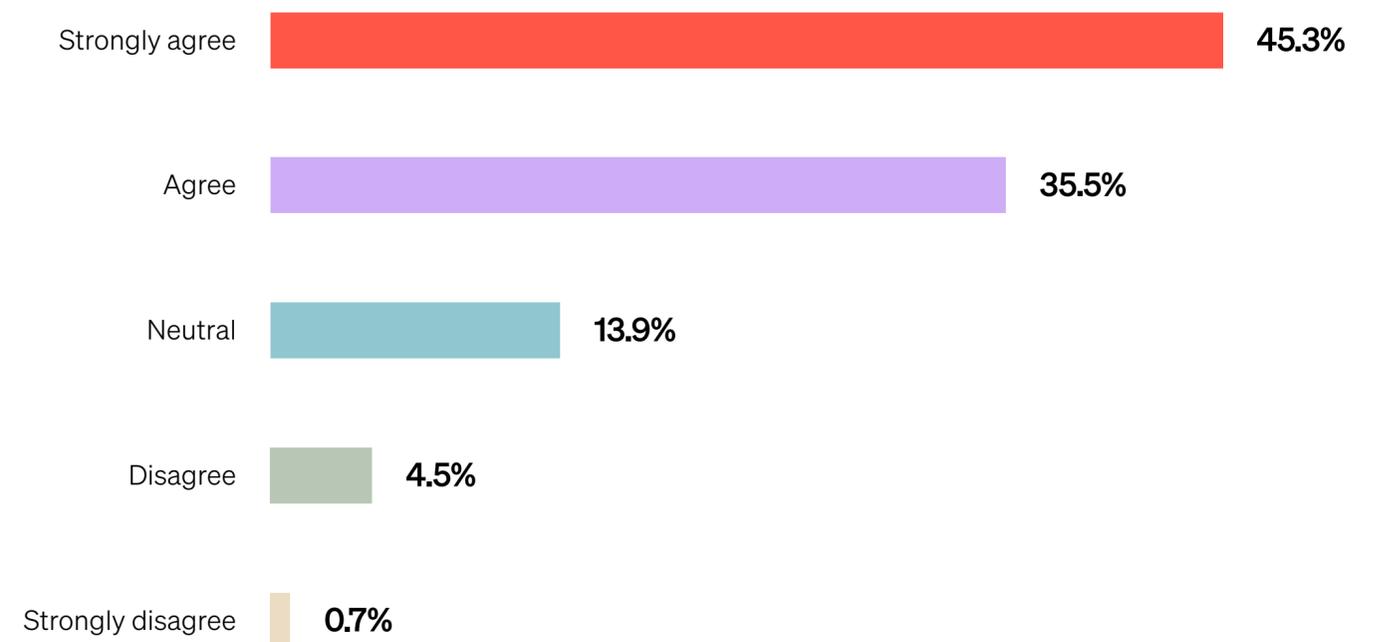
**Of consumers worldwide say trusting a brand is important**

Source: EMARKETER and Klaviyo "Building Customer Trust Survey," August 2024, Glossy and Bigcommerce, Edelman

“Smaller brands have fewer touchpoints on which they need to build and maintain trust—like ads and a website; however, they have limited tools for establishing trust, such as brand recognition/reputation, product review, and user-generated content,” said Jon Palmer, lead product marketing manager at Klaviyo.

“As brands grow, they gain access to more resources and tools to build trust. However, as brands scale, they have more budget to add programs and enter channels with a higher barrier to enter—which comes with the added challenge of building and maintaining trust giving bigger brands more of a challenge in building trust,” he added.

### It is more important to gain and retain customer trust now than it was five years ago



Note: n=287

Source: EMARKETER and Klaviyo “Building Customer Trust Survey,” August 2024

# CHALLENGES COMPOUND IN BUILDING TRUST

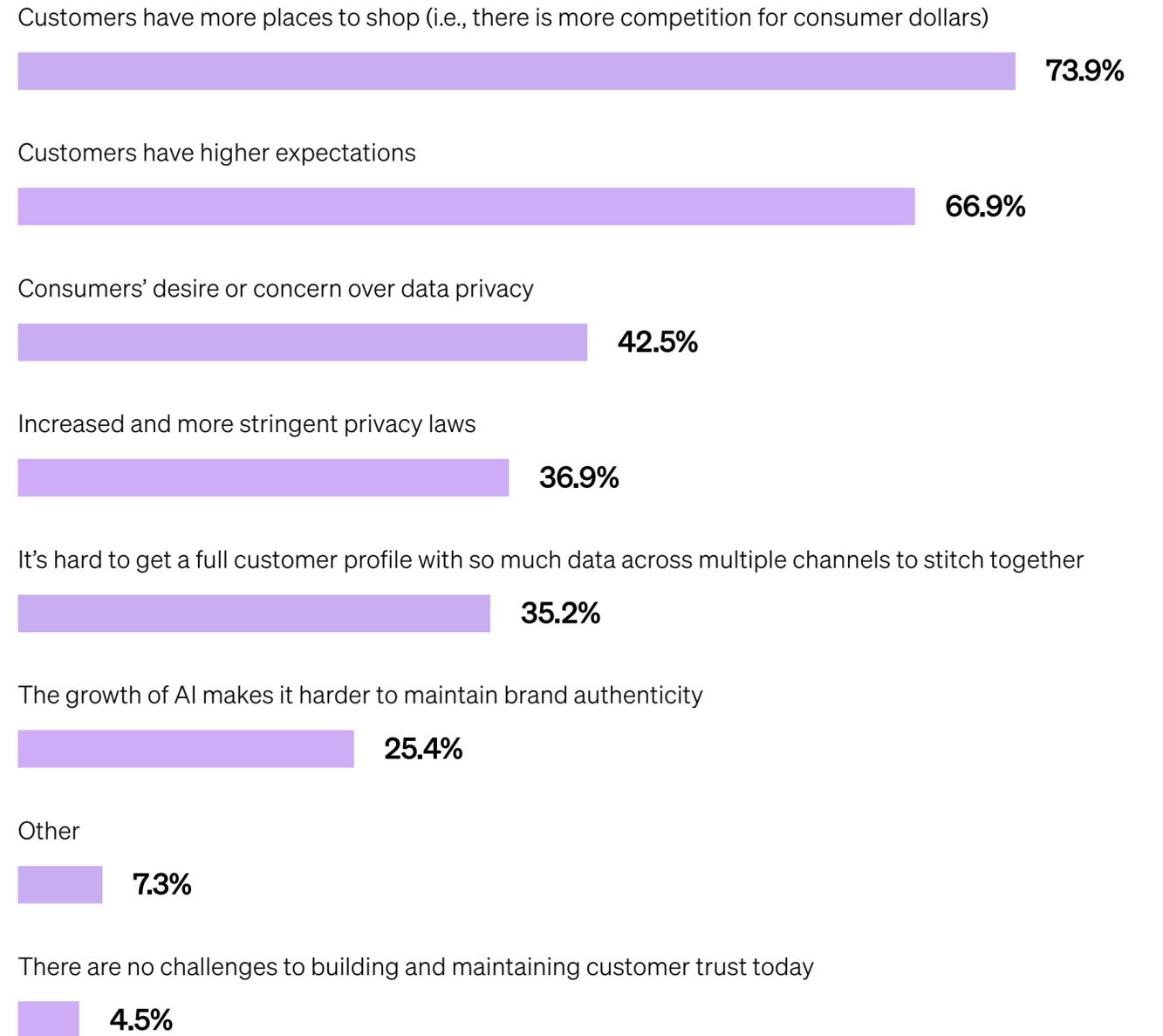
Most marketers from mid-market brands agree customers have more shopping options (73.9%) and higher brand expectations (66.9%) than five years ago, according to our survey.

“Consumers need to trust that their retailer is selling quality items at affordable prices or they are likely to start shopping somewhere else. With ecommerce and the proliferation of discount retailers, consumers have plenty of options,” EMARKETER’s Droesch said.

Consumers have high expectations for earning their trust.

Consumers worldwide are looking for companies that protect their data (83%), offer high-quality products (79%), communicate clearly (77%), treat their employees ethically (77%), and deliver a consistent, high-quality, consumer experience (76%), according to PwC.

## Which of the following are your biggest challenges in building and maintaining customer trust today?



Note: n=287

Source: EMARKETER and Klaviyo “Building Customer Trust Survey,” August 2024

# **BUILDING TRUST STARTS WITH A SOLID CONTENT AND COMMUNICATIONS STRATEGY**

The biggest ways marketers' approach to gaining trust has changed in the past five years is by personalizing customer experiences and interactions (71.4%) and by focusing on transparency and open communication (61.7%), per our survey.

That transparency in communication is across digital channels.

- Two thirds of marketers (66.2%) publish informative content across all channels, including email, product listings, and social media posts, in order to gain trust.
- 61.3% of marketers engage in two-way conversations by responding to reviews and feedback to build authentic conversations.
- Consumers also want authenticity. Adults worldwide ranked communicating in a relatable and authentic way as the most appealing aspect of brands' social presences in a December 2023 study from Hootsuite and Critical Truth.

“Insincere messaging, particularly when a brand is pandering to a specific audience, is a great way to burn the trust of a potential customer from the onset,” said Droesch. That communication should carry throughout the purchase journey.

“These days, ratings and reviews are absolutely crucial. Brands need to make sure they maintain the customer feedback coming from Amazon and other retailers or they risk losing a potential customer during the mid-funnel research phase,” he said.

But open communication isn't limited to responding to customers. Marketers proactively communicate with consumers via marketing and advertising, which can be personalized to build trust and authentic relationships.

- More than half (57.8%) of marketers aim to personalize messaging across all digital channels to win consumer trust, according to our survey.
- Two-thirds of marketers (66.2%) leverage video to tell impactful stories to build relationships with customers.
- User-generated content (UGC) is one effective and low-cost way to tell those stories and is leveraged by 45.3% of marketers.

Brands should tread carefully with personalization, Droesch said. “Knowing your customer and presenting them with the right product at the right time can be very impactful. But a lot of consumers, particularly those who aren’t already your customer, will be put off by messaging that seems overly familiar,” he said.

## How has your approach to gaining customer trust changed in the past five years?



Note: n=287  
Source: EMARKETER and Klaviyo “Building Customer Trust Survey,” August 2024

# PERSONALIZATION REQUIRES ACCESS TO THE RIGHT DATA AND TECHNOLOGY

Incomplete data (60.6%) and appearing intrusive or creepy (58.2%) are the two leading challenges to delivering a personalized experience consumers can trust, according to our survey.

Data that is incomplete or unreliable can lead to communication errors like requesting a review before a product is delivered, encouraging repeat purchases too soon, or offering first-order discounts to existing customers. “Missteps like these can make a brand appear careless, disconnected, or overly eager for sales, ultimately eroding trust,” Klaviyo’s Palmer said.

These missteps can be avoided with a well-equipped tech stack. “By centralizing marketing communications within a single platform, brands can avoid sending redundant or conflicting messages to the same customer,” Palmer said.

Around half of marketers (50.9%) have adopted new technology to better understand and engage with customers in the last five years, according to our survey.

- This adoption is more common among brands with more than \$500 million in revenue, which likely have bigger budgets than mid-market brands.
- Less than half (41.8%) of marketers think their current tech stack is equipped to help build trust.

- “Brands need a single integrated system that consolidates data from all marketing tools, providing marketers with a holistic view of the customer journey,” Palmer said.

Pet gear company Ruffwear found that implementing a new customer data platform (CDP) allowed it to better understand disengaged consumers and send re-engagement flows tailored to their prior purchase history. The CDP played a direct role in improving consumer trust and conversions, resulting in a 49% increase in campaign click rate 90 days after CDP adoption, per Klaviyo.

Every Man Jack found similar success after implementing AI-powered predictive analytics to better leverage their customer data to personalize their email timing and strategies. The AI helped the men’s care company build a personal relationship with consumers and amplified consumer trust, ultimately resulting in 25% YoY growth in revenues, according to Klaviyo.

# MARKETERS SEE AI'S POTENTIAL, BUT THEY MAY BE MISSING SOME OF ITS RISKS WHEN IT COMES TO TRUST

Nearly half of marketers agree (45.3%) AI use will impact the ability to gain consumer trust, 32.1% are neutral, and 22.7% disagree, according to our survey.

- Just 25.4% of marketers think the growth of AI makes it harder to maintain brand authenticity.
- Transparency about AI use ranked the lowest among trust-building activities marketers integrate into digital marketing, at 19.9%.

“Generative AI has streamlined marketing communications, but it has also made them more formulaic,” said Palmer. “For marketers, this underscores the importance of ensuring that content aligns with the brand’s unique voice to foster trust and authenticity.

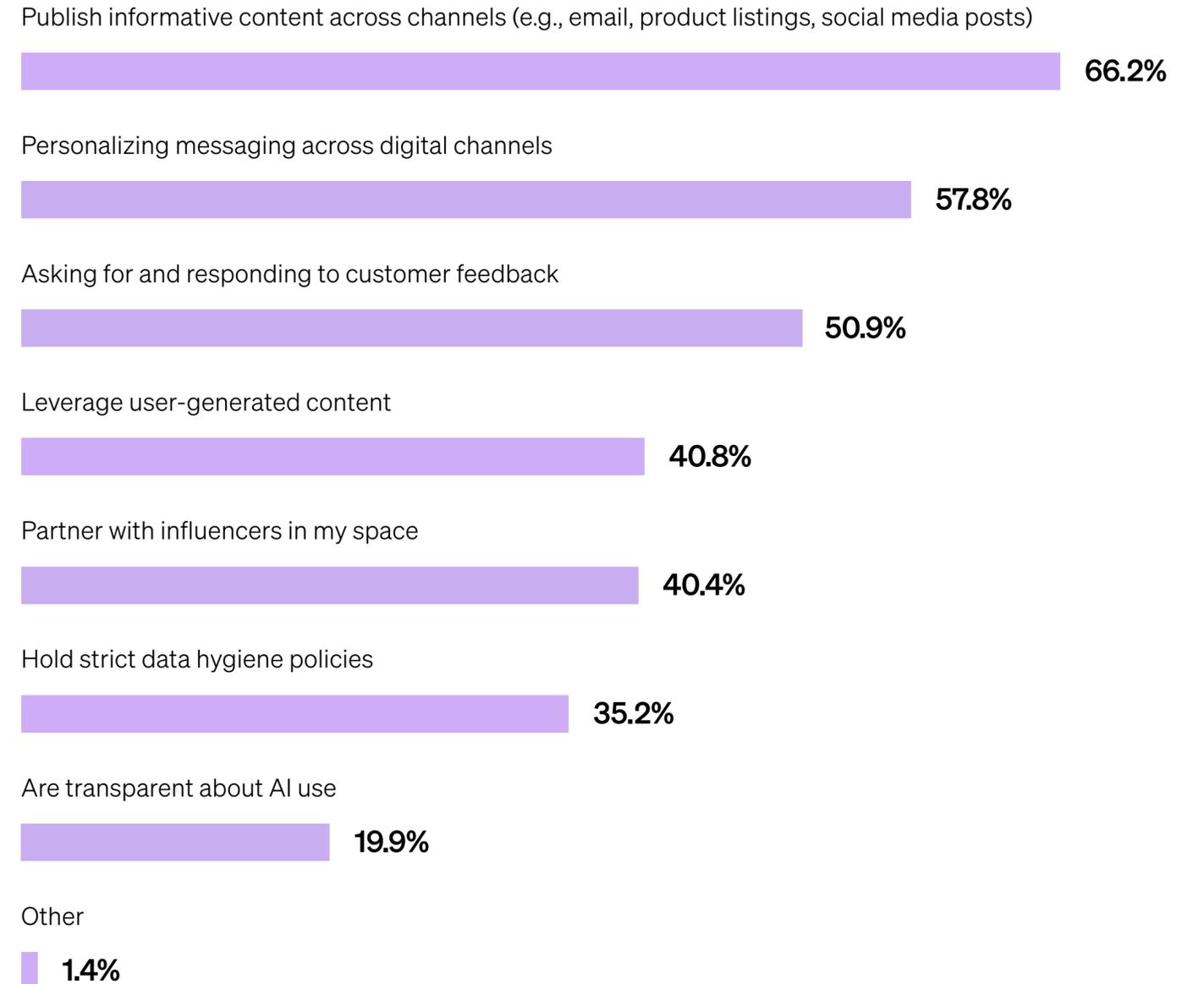
“Today’s consumers are aware of the capabilities of generative AI,” he continued. “When communications miss the mark, they may perceive that the brand doesn’t genuinely care about their needs. Therefore, prioritizing relevance and personalization in messaging is essential for maintaining strong customer relationships.”

“Marketers should definitely be concerned about AI hurting consumer trust,” said Droesch.

- Only 20% of US consumers trust AI completely or mostly, while 33% don't trust it at all, according to data science company dunnhumby.
- Only 18% of Gen Zers and millennials trust generative AI, while more view it with uncertainty, according to Deloitte.

Droesch said generative AI (genAI) presents a user-interface challenge. “GenAI search may be rushed out and not work very well, which is going to annoy the consumer, make it harder for them to find what they are looking for, and could lead to them losing trust in the dependability of the brand or retailer,” Droesch said.

## How do you integrate trust-building activities into your digital marketing?



Note: n=287

Source: EMARKETER and Klaviyo "Building Customer Trust Survey," August 2024



# Building trust is personal. And personalization is our thing.

Klaviyo gives you everything you need to deliver ultra-relevant experiences across every channel, fueled by data from across your tech stack. It's everything you need to build a customer journey that deepens relationships with every step.

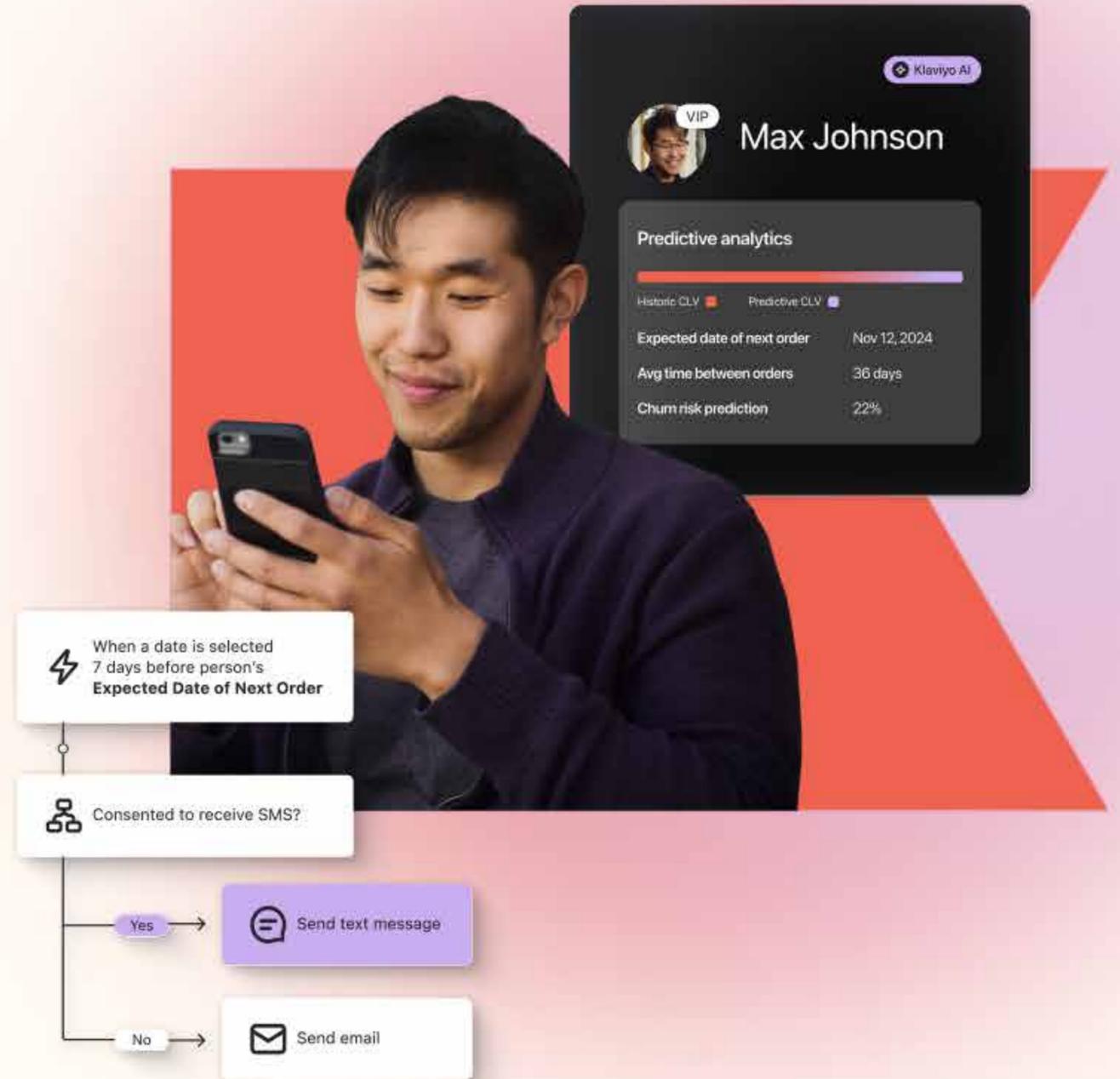
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# SECURE CUSTOMER TRUST AND RETENTION AS A LARGE BRAND

In today's digital marketing landscape, where consumers have unlimited choices in deciding which brands they can shop with, earning trust is more difficult—and more important—than ever. And not only is the competition fierce, but consumers are smarter, savvier, and more aware of brands' marketing tactics.

Nearly 90% of ecommerce retailers expect their revenue to increase this year, according to [Klaviyo's 2024 State of Ecommerce Industry report](#). However, nearly half of consumers expect their spending to remain flat. This underscores the importance of cultivating trust to ensure revenue projections align with reality.

But trust isn't earned at the first purchase or interaction—it's nurtured through every touch point, message, and engagement that a brand has with its customers.

## **Build connections through personalization at scale**

Trust starts when customers feel understood. Enterprise brands have access to vast data sets, and using them effectively is critical to delivering hyper-relevant experiences.

With segmentation, automation, and AI brands can send highly personalized messages that resonate with individual needs and anticipate future actions. From personalized product recommendations to predictive analytics, tailored interactions demonstrate that a brand is effectively catering to shoppers' interests, preferences, and intent.

## **Commit to transparency and authenticity across channels**

Today's consumers have little tolerance for misleading marketing, so brands must commit to honest and upfront customer communications.

Maintaining trust at scale requires anticipating issues before they become problems. Enterprise ecommerce brands must go the extra mile to align their messaging across digital, mobile, and physical touchpoints to ensure a seamless experience.

Additionally, featuring customer reviews—both the good and the critical—can increase transparency and trust in your brand. Over three-quarters (79%) of consumers engage with product reviews, according to Klaviyo's research.

## **Ensure retention with strategies that extend past the first purchase**

Marketers must think about how they're showing up for shoppers—beyond the first transaction—by providing continued support and follow-up resources to purchasers across channels.

For example, elements like robust customer support and return policies go a long way with shoppers. Close to 40% (38%) of consumers ranked customer service and return/warranty policies (36%) as factors they consider when deciding to make a purchase, Klaviyo found.

## **Cater to your most loyal customers**

Since most brands' revenues typically come from a small percentage of their returning customer base, it's critical to cater to these shoppers in a way that displays appreciation and acknowledgment of their loyalty.

Building loyalty programs that reward repeat customers is table stakes for modern brands—especially considering that 86% of consumers find loyalty programs to be influential in their purchasing decisions, according to Klaviyo's report.

## **Trust is the first step to your customers' next purchase**

Trust is the cornerstone of any successful ecommerce business. By leveraging personalized, omnichannel experiences and engaging in proactive communication, large brands can not only earn trust but also secure their position as market leaders for the long term.

## CONCLUSION

Brands need to build trust to boost customer loyalty and revenues, meaning marketers must reach customers with the right message at the right time. But even the most creative marketers need a solid tech stack.

“To foster genuine connections, marketers should leverage a unified system that utilizes AI to determine the optimal message, channel, and timing for each customer,” Palmer said. This approach not only enhances the customer experience but also solidifies trust, making interactions feel intentional and personalized.”

To improve consumer trust, brands should have an effective tech stack and use authentic, targeted messaging. Marketers don’t need to avoid genAI when building trust; it can help deliver targeted communications. But they should be wary of customer fatigue with redundant messaging or broken interfaces and losing trust.

# ABOUT THE SURVEY

This survey of 17 questions was developed and fielded by EMARKETER in collaboration with Klaviyo in August and September 2024.

We surveyed 287 senior-level marketers in the United States, Canada, United Kingdom, Ireland, Denmark, Australia, Singapore, and New Zealand and their attitudes in building and maintaining customer trust.

# ABOUT THIS REPORT

Research for this report was compiled by members of the EMARKETER Studio team in partnership with Klaviyo, using reports, data, and research by EMARKETER on consumer trust, marketing technology, personalization, and generative AI conducted in August and September 2024.

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