



zoho for Enterprise

The **ROI** of trust in a digital world

Trust series, Q1 2023

Digital trust

Trust is a fundamental asset for any enterprise seeking long-term viability. However, as technology evolves, so do the standards of a trustworthy brand. The challenge of building digital trust is based in the immense power of tech to connect individuals and brands, while paradoxically making these relationships much more abstract and fickle. Businesses must reorient themselves to address entirely novel concerns around cybersecurity, data privacy, and even the ethics of AI, or else they risk their customers jumping ship. This is borne out by a 2022 report from McKinsey, which showed that over half of Millennial and Gen Z customers will consider switching brands¹



if they're unclear on a company's data practices. The organizations that opt to develop comprehensive strategies to address these trust hurdles will, in turn, win long-term customer commitment and loyal brand advocates.

Data privacy

Access to a wealth of consumer data has provided many businesses with the opportunity to better serve their customers by enabling personalized experiences and seamless service continuity. Although these technologies have the potential to be mutually beneficial, customers have their guard up when it comes to trusting businesses with their data—and not without reason. Unfortunately for everyone involved, customer trust around data privacy has been significantly damaged by high-profile incidents of data misuse (or even abuse) by major companies. Incidents like the exploitation of Facebook user data² for political influence have created an environment where the potential benefits of sharing data are offset by consumers' mistrust. If digital brands want to regain the confidence of their online audience, they are

[1] McKinsey, 2022

[2] New York Times, 2018



74% of consumers believe that they now have little control over how their personal information is collected by outside forces.

[Ponemon Research Institute]

incentivized to implement user-friendly policies and systems that place the control over customer data back in the hands of the customers themselves. In fact, the most privacy-sensitive market segment—the consumers known as “privacy actives”—are actually more willing to share their data³ in exchange for beneficial experiences. They simply need to be made aware of the nature of the deals they’re being offered. By providing transparent touchpoints where customers are invited to provide (or withdraw) consent to share their information, forward-looking companies can provide the personalized experiences that their customers appreciate, while associating their brand with trustworthy values.

[3] Harvard Business Review, 2020



Customer ownership of data

Given the importance of establishing trust around customer data privacy, some companies are taking extra steps to provide essential peace of mind. Zoho has made a commitment to block all adjunct surveillance, remove all third-party trackers from our sites, and never sell customer data.

Cybersecurity

While misgivings around data privacy revolve around the risk of customer data being exploited or misused, the prospect of personal or business data being stolen outright presents an even greater threat for organizations seeking to build and maintain digital trust. By offloading much of their communication and transaction activity to the digital space, businesses have been able to drive huge boosts to growth and efficiency,

but as a consequence, they may expose themselves and their customers to the risk of cyberattacks. Cybercrime may not be top-of-mind every time a customer makes a transaction, but on the occasion that a breach does take place, the damage done to customer confidence can be completely devastating. A recent Forbes report estimates that global ransomware costs will reach as much as \$265 billion by 2031,⁴ with DDoS attacks alone expected to have doubled in the period between 2018 and 2023.

First and foremost, any tech-enabled organization will want to develop effective cybersecurity protocols to safeguard their customers' data as well as their own. While this may seem to some like an obvious step to take, it's been shown that fewer than 25% of organizations⁵ have been working actively to mitigate their digital risks. This shows that virtually any investment made towards bolstering cybersecurity will put most organizations on a better footing than the rest of the market. However, there are myriad strategies available for those willing to go above the bare minimum to protect their customers' data. For instance, "zero-trust" security protocols require that every



employee is regularly re-verified when accessing important infrastructure, using a variety of data points such as geographic location and behavioral patterns. While a zero-trust security standard may be a logistical challenge, it has the potential to offer substantial ROI in terms of customer peace of mind.

Artificial intelligence

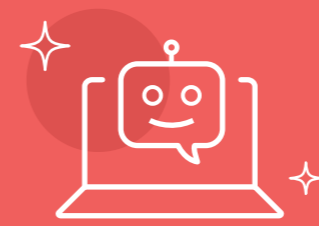
Emerging artificial intelligence tools have near-revolutionary potential to enhance customer experience across many industries. However, the benefits of AI tools are highly dependent on maintaining a steady supply of high-quality input data. For many organizations, the most useful AI functionalities require this input data to be

[4] Forbes, 2021 [5] McKinsey, 2022

sourced from their customers' behavior, which gets back to ethical issues around trust. While many of the same strategies for handling general data privacy can be applied successfully to AI as well, there are also some unique challenges in communicating about AI with customers.



As with many new technologies, there is a gap between how AI is perceived by the general public and the potential benefits it offers them. When asked directly about their preferences, only 26% of respondents reported feeling “great” about artificial intelligence. However discouraging this may seem, when this is considered alongside survey data showing that 43% of consumers say they don’t even know what AI is,⁶ it suggests that much of the population is distrustful because of a lack of understanding of the technology itself.



Making AI approachable

A few AI-forward businesses have made popular entries into the consumer market with friendly, anthropomorphic AI assistants, featuring human-sounding voices and human-sounding names. Zoho’s AI assistant, Zia, was designed to apply this type of approachable interface to enterprise software. Zia has since expanded its scope from a simple voice interface to a sophisticated AI platform, providing user-friendly assistance to our entire CX suite and beyond.

In order to fully reap the benefits of AI without the risk of alienating a portion of the customer base, businesses should make an effort to be transparent about how customer data is used in powering AI, while highlighting the benefits customers receive in terms of improved quality and speed of service. The term “explainable AI” (XAI) has been coined for exactly this purpose. Making the mechanisms that govern an AI

[6] SmartBrief, 2020

tool's decision-making easily communicable to laypeople offers multiple benefits. Not only do customers develop a greater trust in the technologies they're being introduced to, but the companies using the AI tools can directly benefit from generalizing understanding of AI throughout their own workforce. When this understanding is no longer limited to a small group of specialists within a company, the greater diversity of knowledgeable perspectives creates more opportunities to identify improvements and eliminate biases in the AI learning model.

Trust as a KPI

The temptation of technology is that it can boost performance beyond what a human would ordinarily be capable of. However, in the pursuit of performance, the human relationships at the heart of business can start to be overlooked. In some ways, trust can be seen not only as an end in and of itself, but as a broad measure of success across all of the ways that an organization communicates and interacts with its customer base. It's even been shown that the greater the commitment a company has towards building digital trust, the more likely it is that



they will have a high rate of growth. So while a business strategy that targets a variety of KPIs may end up creating the conditions for improving trust, competitive digital enterprises stand to drive enormous value by focusing on maximizing trust itself.

Why Zoho for Enterprise?

Proven software, customer commitment, tremendous value.



Scalability & Reliability

Zoho for Enterprise reduces the cost of infrastructure, unifies existing apps, and solves complex business problems for increased enterprise fitness, resilience, and scalability.



Customization & Extensibility

Through granular customizations and powerful in-house developer platforms, Zoho lets you orchestrate workflows, streamline data management, and deploy world-class solutions at scale.



Security & Privacy

From owning our own data centers to GDPR compliance features, Zoho enables enterprise organizations to focus on core business priorities, rather than data management.



Enterprise Services

From data migration to consultation and implementation, our team is armed with the in-depth product knowledge and industry expertise to meet your unique technical requirements.

Are you ready to transform your organization?

We're here to help. Have a 15-minute, no-obligation call with one of our **Business Architects** to get all your questions answered.

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