

Turning transactions into trusted relationships

How trust-based marketing and insights can help ANZ brands reconnect with customers

Executive summary

Across Australia and New Zealand (ANZ) the digital revolution has transformed consumers' attitudes and behaviours. It has thrown open the door to greater choice and convenience, enabling individuals and businesses to buy and transact easier and faster than ever before.

But it's also disrupted the way that brands interact with their users and buyers – removing face-to-face personal relationships and focusing instead on online or in-app experiences. This has left many businesses out in the cold when it comes to understanding, servicing and locking in their customers.

In this report, we examine why it's time for transaction focused businesses like financial services and utility companies to harness the 'voice of the customer' to create closer and stickier engagement with their target audiences.

It provides marketers and business decision-makers with unique insight into:

- 1.** The challenges of emotional engagement and the growing trust-gap
- 2.** Authenticity and its role in boosting loyalty and better experiences
- 3.** Why “trust-based” marketing methods work for finance and retail brands
- 4.** The power of reviews in shaping trust and achieving strategic goals

Importantly, it highlights the deep connection between trust, reviews and loyalty, and reveals why a proactive approach to customer reviews is now central to utilities and financial services success.

The flight online and the impact on consumer decisions

Technology has opened the door to choice and convenience, with buying online now easier and faster than ever before. While this is great news for consumers, it's left transaction-based businesses facing a wave of disruption.

Today, brands which 'appear to be dishonest or boastful in their marketing' are a big turn off for Australians.

According to a Trustpilot survey 55% per said it would make them unlikely to purchase from a brand.¹

Meanwhile, a separate Australian study by Adobe found that when consumer trust is broken, 76% will immediately stop purchasing or recommending a brand.² It appears the luxury of second chances is over. In this new technological era, companies need to fight harder to acquire and maintain their customers.

So, how is this shift in behaviour impacting consumer decision-making? The answer might be surprising. Research by Trustpilot indicates that for a significant proportion of consumers, a brand's honesty – particularly regarding its environmental or societal impact – is a key factor in their decision to purchase, even trumping price and quality.

A staggering, 94% of Australians surveyed believe that a brand's honesty and transparency are important when it comes to purchasing decisions,³ showing that businesses cannot afford to exaggerate, greenwash or lie.

With honesty now a key factor, consumers are increasingly seeking third-party social proof to validate their purchasing decisions.

In fact, 44% of Australians surveyed said they look to the opinion of others⁴ – whether via personal recommendations from friends and family, social media or user-generated review sites – before committing to buy a product or service.

In this fast-paced digital climate, it appears trust, honesty and transparency have become more important than ever.

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Emotional engagement and the growing trust gap

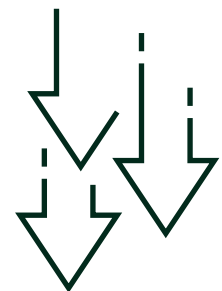
The digital revolution has disrupted the traditional consumer-brand relationship by removing face-to-face interaction from the buying journey. As a result, consumers no longer feel an emotional connection with a particular company, which has made it harder for firms to build and maintain genuine trust.

But it's not just the lack of personal engagement that damages trust. Current events can also influence buyers' perceptions and trust in even the most famous brands. Trust in the financial services sector, for example, dropped considerably after the financial crash in 2008. The Edelman Trust Barometer showed that by 2018 trust had declined to 49%, making it the second least trusted business sector in Australia – Energy was the least trusted at 39%.⁵ More recently, a Trustpilot study revealed how the COVID-19 pandemic contributed to an 11% decline in global trust in 2020.⁶

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With global uncertainty looking set to continue, gaining consumer trust has never been more critical. After all, a business can have the best product or service available but if consumers don't trust them, they won't part with their cash.

With this in mind, brands must close the widening trust gap and find a way to reconnect with consumers.



Challenges facing transaction-based businesses

The digital era has brought a wealth of benefits for businesses, but it's not without its challenges. As well as undermining trust, the lack of consumer interactions is making it harder to know what consumers want.

A survey by Salesforce Datorama, in partnership with marketing research agency The Leading Edge highlights that 73% of ANZ marketers are being roadblocked because they don't have access to real-time customer insights.⁷

The absence of real-time customer insights can also lead to ineffective marketing investment and poor customer service. A Qualtrics report suggests that Australian businesses lose US \$69 billion annually because of negative customer experiences⁸ – a loss of revenue many simply can't afford.

So how can brands harness the power of digital, demonstrate transparency *and* gain better consumer insights? As we explore in the next section, user ratings and reviews have a vital role to play.

73%

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The role of reviews in building stickier engagement and deeper insight

In a world with more choice and less loyalty, trust-based marketing is king. The digital equivalent of word of mouth, ratings and reviews are central to this approach. But exactly how and why do they lead to stickier engagement? Let's explain.

1.

Reviews provide social proof

Customer reviews are a great form of social verification, which is a primary motivator in the decision-making process.

According to Trustpilot research, in Australia and New Zealand, 70% of online buyers read reviews, while 40-45% identify them as central factors in their purchase⁹. They want to know which brands to trust before

deciding to buy. Showcasing honest, unbiased reviews is the perfect way to demonstrate transparency and nurture trust. In fact, reviews are more influential in consumer decisions than a brand's own marketing material – no matter how slick or expensive – and are second in building trust only to a brand's website. Customers are the best marketers.

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The role of reviews in building stickier engagement and deeper insight

2.

They offer real-time, actionable insights

Reviews offer valuable insights into customers' experiences, needs and expectations. Without this kind of feedback, it's difficult to know what consumers want and how they feel about a particular product or service.

Unlocking real-time customer insights can help brands to refine

their marketing strategy so they can target consumers more effectively and stay one step ahead of the competition. Insights also enable them to improve their business operations and product/service offering, which is key to fostering consumer loyalty and ongoing business growth.

98% 98% of Australians won't buy a product, service or software without reading reviews first

3.

Reviews are proven to increase engagement and conversions

Embedding customer reviews and ratings through the customer journey can be one of the most effective ways to increase brand awareness and consumer engagement. With every positive review there's the potential for more clicks, likes, shares and, crucially, increased conversions.

Given that 98% of Australians won't buy a product, service or software without reading reviews first¹⁰,

products with reviews have a much higher chance of being purchased than those without.

In certain markets, displaying reviews on a website can also increase the chances of earning Google's coveted star ratings on organic search listings.

Assuming the brand qualifies, not only will those shiny gold stars help attract more attention to their product pages, but they can also improve organic click-through rates by up to 35%¹¹.

Which businesses can benefit the most?

SPOTLIGHT ON FINANCE

Traditional finance businesses risk being cut-off from customers – through digital-first services, and the opening up of ecosystems to new fintech, insuretech and big-tech players. Failing to truly understand customer needs can lead to poor investment, bad decision-making and the wrong KPIs when it comes to measurement and service improvement.

Unsurprisingly, consumer trust in the finance industry plummeted after the financial crash in 2008. After all, respected brands that had lectured people on fiscal prudence were suddenly exposed. Even today, years after the downturn, consumers still view finance-related brands with a large amount of scepticism and distrust.

According to Consumer NZ only 32% of Kiwis trust their bank¹².

And it's even worse in Australia where an ME Bank survey of Australian banking customers pre-COVID showed that 94% of consumers didn't trust their banks¹³ – leading to the entire country being labelled "Bank-xious".

At the same time, advances in technology have paved the way for a fintech revolution that's turned the industry on its head. The surge in tech-based finance companies (and perhaps a lack of consumer trust) is fuelling customers' desire for an alternative to traditional finance services. So much so that FinTech is the fastest-growing component of NZ's technology sector, according to FinTechNZ.¹⁴

Unprecedented choice, coupled with declining consumer confidence, means established financial brands can no longer rely on their name to guarantee success. As a result, many finance businesses are turning to independent review and rating platforms to help them reconnect with digital consumers and win back trust in a sector that's now dominated by technology.

And it's easy to see why. In a Trustpilot survey, 61% of respondents said ratings were either 'important' or 'very important' when choosing financial services and products¹⁵.

...75% of respondents agreed positive consumer ratings would make them more likely to become a customer of a bank...

Meanwhile, 75% of respondents agreed positive consumer ratings would make them more likely to become a customer of a bank¹⁶, compared to only 9% who disagreed.

In a sector where consumer confidence, trust and honesty are paramount, customer reviews have become the go-to solution for finance companies around the globe.

5 Ways that trust-based marketing helps finance brands reconnect

Consumer confidence may still be fragile, but it's not all doom and gloom. Here's how a well-executed trust-based marketing strategy can help finance businesses to increase brand trust and reconnect with consumers.

1. User-content shows openness and transparency

Being transparent about services and business operations is crucial if brands want to earn customers' trust. Showcasing impartial, genuine reviews – both good and bad – is one of the best ways to show customers there is nothing to hide.

2. Reviews create a new channel of dialogue

Engaging in consumer conversations can help to re-establish the personal connection between the brand and the consumer. By responding to reviews, brands can show they're not a faceless corporation but rather one that's actively engaged with their consumers and clients.

3. Highlight strengths (without the marketing hype)

Yes, a financial brand might be able to simplify their customers' monthly payroll, but why should buyers take their word for it? A positive customer review, however, can reinforce a brand's marketing claims without making them appear boastful or deceitful.

4. Consumers favour brands that are willing to listen and improve

Of course, not all reviews and ratings will be positive. But that's not necessarily a bad thing. Displaying negative reviews demonstrates businesses are willing to listen and implement improvements. In a Trustpilot survey of over 1,000 consumers, 25% of people said how well companies respond to criticism can help to transition them from detractors to customer advocates.¹⁷

5. Become more customer-centric

Reviews provide financial brands with valuable real-time insights that they can use to improve customers' experiences and, in turn, foster loyalty. Plus, understanding exactly what makes customers tick will help them to devise more effective marketing campaigns that resonate with their target audience.



CASE STUDY:

TaxSlayer



Cloud-based tax preparation software provider, TaxSlayer, is among the many fintech businesses using online review platforms to connect with consumers and increase their ROI.¹⁶

Partnering with an online review platform has given TaxSlayer access to real customer sentiments, which has enabled them to refine their marketing messaging and deliver more effective ad copy.

According to the team at TaxSlayer,

“our customers are already talking about us exactly the way we want them to”

and that helps them to cut through the noise in an era where consumers see right through slick ad and marketing copy.

But it doesn't stop there. TaxSlayer says user-generated content has also delivered:

50%

Cut in acquisition costs when retargeting ads with review content

60%

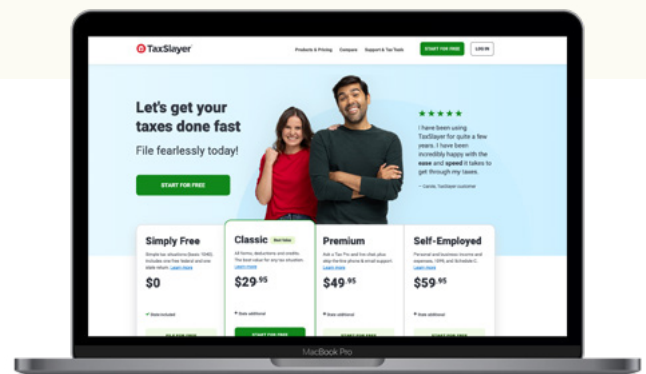
Increase in click-through rates for Google Ads after earning Google Seller Ratings

500%

Increase in referral traffic from its customised review profile page

TaxSlayer is now using reviews to make better operational decisions and enhance customers' experiences.

What began as a marketing initiative has grown into an enterprise customer support initiative that's helping to take customer loyalty to the next level.



Which businesses can benefit the most?

SPOTLIGHT ON UTILITIES

ANZ's energy sector is undergoing rapid change, the pressure is building to deliver reliable, affordable, sustainable and safe energy for their consumers, whilst investing in renewable energy resources.

As the sector grapples with this transition, consumers have been growing increasingly frustrated and distrusting of companies. Transparency and accountability are key for this sector, as is putting the customer at the centre of their strategy.

46% of households are confident the electricity and gas market is working in their long-term interests which is double the number than at the industry low point in December 2017.¹⁹

However, that still leaves more than half the market lacking in confidence .

But trust isn't the only challenge facing modern-day utility companies. From being sustainable, ethical and competitive brands are having to adapt quickly to changing customer expectations in terms of speed, choice and convenience. And then there's the exponential growth of social media and influencer marketing to contend with and the continuing tightening of regulations on pricing and activities.

The most successful brands are those who use these developments and issues as a springboard for customer dialogue, and to drive future growth and expansion, while businesses that fail to adapt to the rapidly changing utilities and energy landscape risk being left behind.

6 Ways that trust-based marketing helps utility brands reconnect

In a world of increasing choice and declining trust, utility businesses need to adapt their marketing if they want to attract and retain modern consumers. For many businesses, user reviews are proving to be one of the best ways of reconnecting with jaded and ad-weary customers – and here's why.

1.

Reviews build trust and credibility

We already know consumers trust user-generated content a lot more than traditional advertising. If utility businesses want to reconnect with customers, building brand trust and confidence through consumer reviews is an ideal place to start. What's more, utility brands that use recognised third-party review platforms are seen as more credible and trustworthy because customers can be confident the reviews haven't been edited, falsified or even deleted by the business.

2.

Reviews allow brands to engage with buyers

Customers don't just leave online feedback for the company to see – they expect brands to respond and engage with them. According to one Trustpilot consumer survey, 61% of consumers expect a company to publicly comment on their feedback.²⁰ Responding to reviews is a great way to engage and collaborate with customers in the digital age.

3.

Feedback can help brands better understand their customers

Online reviews provide valuable insights that can help brands understand their customers' needs, wants and expectations. They can then use this data to identify gaps in their service, improve their business operations and deliver a better overall customer experience. They might even want to use feedback to shape future services, research and development.

6 Ways that trust-based marketing helps utility brands reconnect

4.

Product reviews can address shoppers' wider queries

User reviews can help utility businesses showcase elements of their offering beyond the service description. How responsive is customer service? How flexible are options? How do they deal with issues? Utility brands that don't showcase customer reviews can miss out on conversion opportunities because savvy customers will look for those answers elsewhere.

5.

Reviews enable utility businesses to respond to complaints and fix mistakes

Some utility businesses shy away from negative reviews or immediately go on the defensive. But if they respond to negative feedback in the right way – offering practical solutions rather than just an apology – customers will appreciate their efforts and they'll edge that little bit higher in the trust stakes. In fact, more than two in three people surveyed by Trustpilot said they wouldn't buy from a company again if they weren't satisfied with the company's response to their feedback.²¹

6.

Reviews help to inform marketing campaigns

Utility businesses can't expect to connect with their customers if their marketing isn't striking the right note. Customer insights enable them to adapt and tailor their marketing efforts to their target consumers. Not only will their communications be more effective, but campaigns will deliver better ROI.



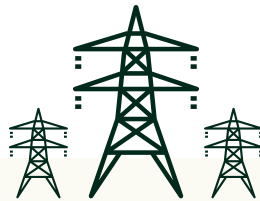
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CASE STUDY:

Utilities

A leading Australian energy brand made a strategic decision to invest in reviews - to build trust online, showcase customer feedback and stand out in a highly competitive industry.



Trustboxes on their website were used to display their TrustScore and latest customer reviews. The result?

100% UPLIFT

The company saw a 100% uplift in conversion in just a couple of months. They turned reviews into revenue and provided important first-party endorsement that helps customers select their utilities provider with confidence.

Conclusion

The exponential growth of digital services has transformed traditional consumer-brand relationships.

The lack of emotional connection between customers and brands, together with ongoing global uncertainty, is contributing to a visible decline in both consumer trust and loyalty. Even established brands can no longer rely on their name to attract and retain new customers.



It's clear that third-party social proof and brand honesty are now key factors in a decision to purchase.

It's no surprise that businesses are increasingly turning to user-generated content like reviews to demonstrate transparency, reassure potential buyers and, ultimately, restore trust in their brand.



Authentic customer reviews not only build trust they provide valuable insights into customers' wants, needs and expectations.

Smart businesses are increasingly using this data to connect with consumers and improve their businesses including services, operations, supply chains and product lines.

They are using them to engage, build relationships and enter into direct customer conversations that enable them to refine their value propositions and rethink their marketing campaigns.



In an age where trust, honesty and transparency have never been more important, reviews are one of the most powerful tools in any marketer's armoury.

With the digital revolution showing no signs of slowing, it's the brands who wholeheartedly embrace trust-based marketing that stand to gain.

The best way to turn transactions into trusted relationships is by capturing and sharing experiences – the good, the bad and the outstanding.



About Trustpilot

Trustpilot was founded in 2007 with a vision to create an independent currency of trust.

A digital platform that brings businesses and consumers together to foster trust and inspire collaboration. We are free to use, open to everybody, and built on transparency.

Trustpilot hosts reviews to help consumers shop with confidence and deliver rich insights to help businesses improve the experience they offer. The more consumers use our platform and share their own opinions, the richer the insights we offer businesses, and the more opportunities they have to earn the trust of consumers, from all around the world.

Over 167 million consumer reviews of businesses and products of over 714,000 domains have been posted on Trustpilot, and those numbers are growing by more than one review per second.

Trustpilot has over 850 employees and is headquartered in Copenhagen, with operations in London, Edinburgh, New York, Denver, Melbourne, Berlin, Vilnius, Milan, and Amsterdam

au.business.trustpilot.com

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