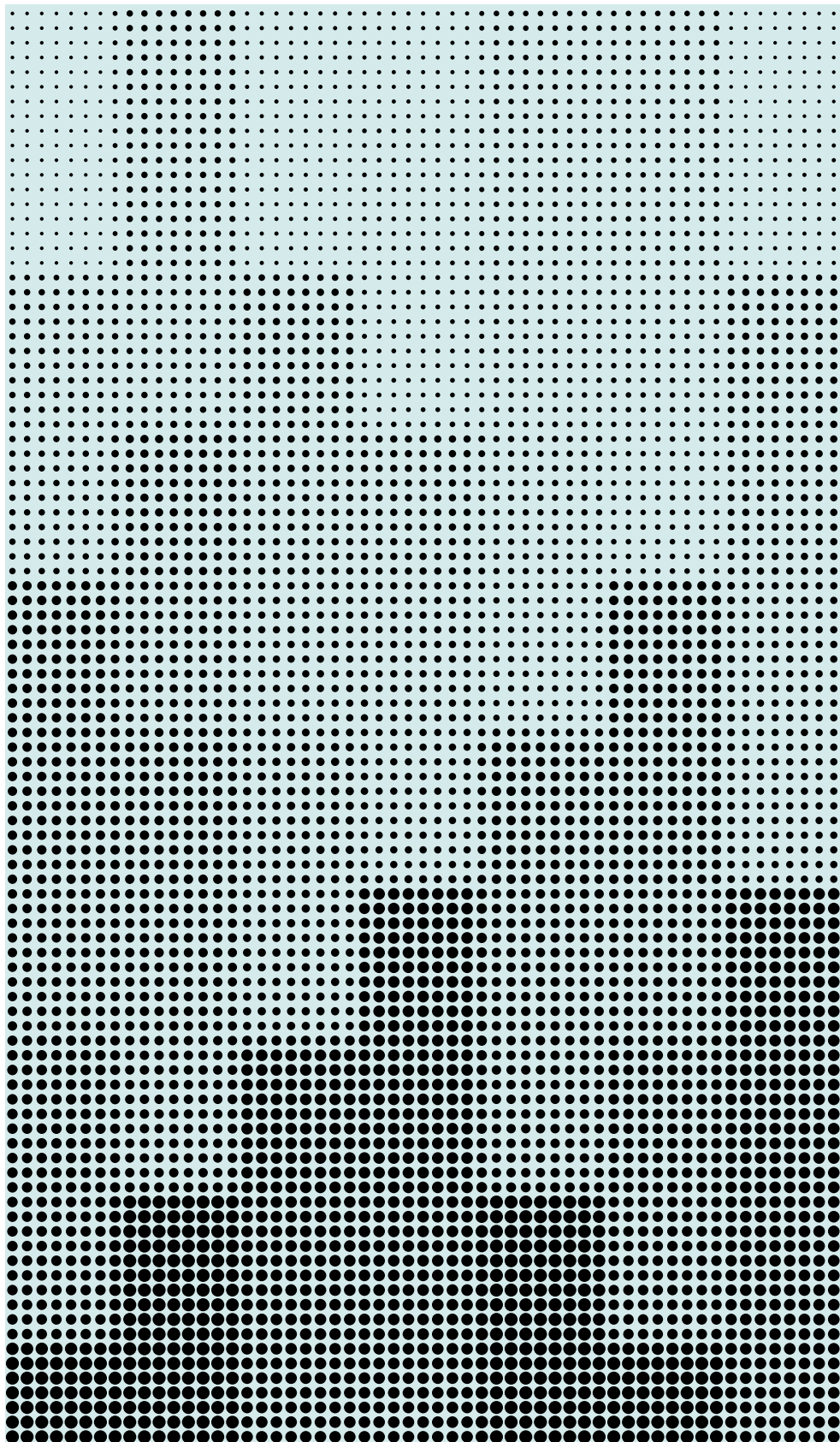


The State of Digital Trust

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Introduction

The COVID-19 pandemic has exposed just how critical trust is for consumers and businesses alike. Organizations had to trust their employees to work from home, and consumers had to trust businesses with their information amidst an increase of cybersecurity threats. As a society, we had to trust each other to make the right decisions around health and safety, trust the scientific community to create life-saving vaccines, and trust the government to support constituents during a time of economic uncertainty and political upheaval.

At Okta, we wanted to know what trust looks like in this increasingly digital world, so we worked with [YouGov](#) to survey more than 4,000 US workers and 15,000 total office workers total around the world (US, UK, Netherlands, Italy, France, Sweden, Australia, Germany, Japan, and Spain). We set out to see how much we trust when we only engage online, if brands have done enough in the eyes of consumers to build trust, and what factors impact the way we interact with digital services.

We found that when it comes to building trust, consumers care most about the core competencies: service reliability, strong security, and good data handling practices. Survey respondents also made it clear that trust in our digital world directly impacts purchase decisions, and many cut ties with untrusted brands altogether.

As consumers have come to embrace all kinds of digital experiences — from online grocery shopping to virtual doctor's appointments to Zoom social gatherings — many expect the digital habits we've picked up over the past year to continue after the pandemic ends. This shift to digital has made Americans more aware of cybersecurity threats, and organizations have stepped up to put enhanced security measures in place.

While the definition of trust will evolve as the digital landscape matures in 2021, it's important for businesses to keep a strong pulse on consumer concerns and what it takes to build and keep trust today.

What does brand trust mean today?

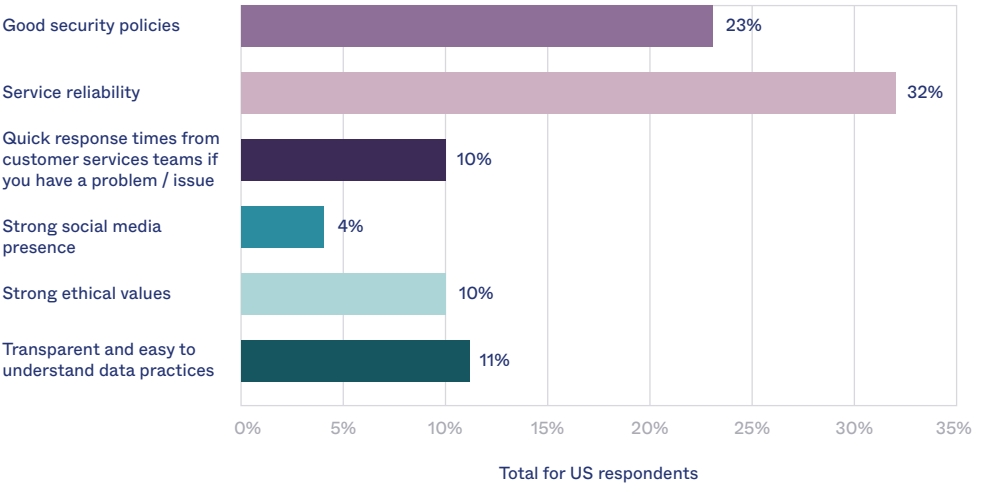
Getting the basics right

To gain and maintain consumer trust, brands need to go back to basics. People care most about brands doing what they say they're going to do: 32% of Americans say service reliability — meaning products are as expected, items arriving on time and in good condition — is the most important attribute for a digital brand (any brand that has an online presence through websites, apps, social media, video, etc.) to be trusted, and this sentiment is consistent across countries.

Website reliability and product legitimacy also matter. Americans' biggest concerns when purchasing something online include not knowing if a website is legitimate (54%) and poor product images (43%). After brands meet those basic requirements, consumers care most about security and data privacy — 23% of Americans say good security (e.g. MFA offerings, secure log-in options) is critical to brand trust.

61% of Americans believe strong online security is the most important part of an app or website, while 52% say good privacy protections are the most critical.

What is Most Important for Consumers When it Comes to Trusting a Digital Brand?



Trust in a world of increased threats

We all know brands collect our personal data, but to what extent do we care and how does it impact which brands we choose to trust?

In looking at how the numbers shake out across the globe, we found that countries are split when it comes to the value they place on data privacy. For example, 42% of Americans and 47% of UK respondents say data mishandling or selling would cause them to lose trust in a brand — far more than respondents in Italy (29%), France (23%), Japan (29%), and Spain (28%). Older Americans have a lower tolerance for poor data handling: 50% of 55+ year-olds, compared to 26% of 18-24-year-olds, rank intentional misuse or selling of personal data as enough to make them not trust a brand.

The pandemic has also created an atmosphere of mistrust due to the rising number of security threats as hackers took advantage of the increase in remote workers. Phishing incidents **rose 220%** during the height of the pandemic, and over **86,600+ domain names were classified as high-risk or malicious domains** between last March and April. We saw a **2,000% increase in malicious files** with “Zoom” in the name along with a **massive ransomware spike** in the first half of 2020.

Given the increase in threats, it isn't surprising that 47% of Americans have become more cautious about sharing their information online since the pandemic began. Of this group, 37% say their caution is due to increased online interactions with people they haven't met before. Another 37% point to media coverage on the topic of providing your digital data to anyone online since COVID, and 24% say they've further researched data collection terms and conditions during the pandemic. When asked which threats Americans feel most at risk of, identity theft ranks the highest (26%), followed by data breaches (20%), malware (15%), and deep fakes (4%).

Americans feel most at risk of being exposed to identity theft (26%) and data breaches (20%) across personal/work devices in the future.

Social responsibility barely impacts brand trust

While people care about working for socially responsible companies — and purpose-driven companies have **40% higher levels** of workforce retention than competitors – CSR isn't the most important factor impacting trust. 10% of American respondents think championing environmental initiatives and demonstrating support of social issues is the most important attribute for gaining trust.

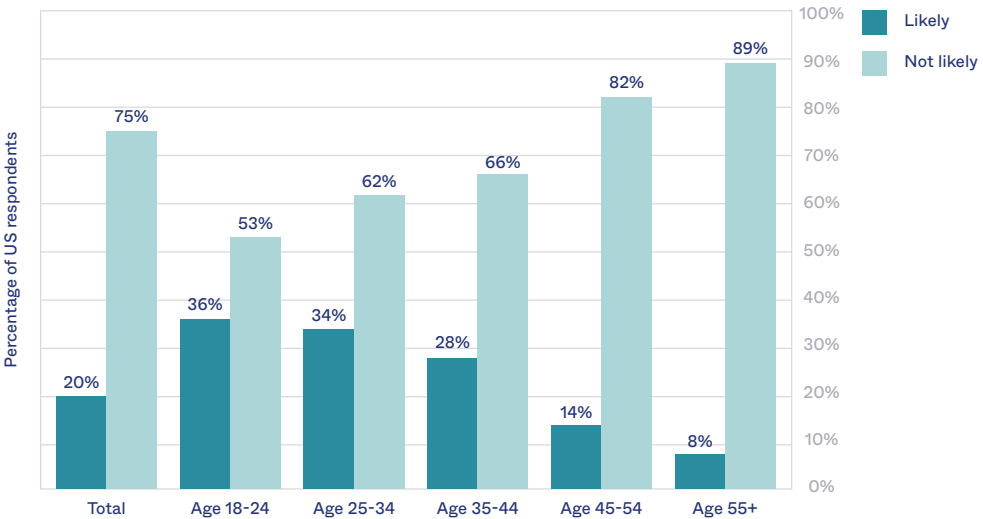
We saw a substantial rise in brands speaking out about social issues in 2020, and while many companies agree they have a responsibility to use their influence for good, consumers aren't too concerned. In fact, only 3% of Americans say a brand not taking a stand on a social issue would cause them to lose trust. Similarly, a robust social presence doesn't make Americans more likely to trust brands — only 4% of respondents say this is the most important factor for building trust. While American millennials and Gen Z care slightly more about a brand's social media pages when building trust with them, the numbers are still very low at 11% (ages 18-24) and 7% (ages 25-34).

The repercussions of losing trust

Trust is big business

Loss of consumer trust can wreak havoc on a brand's reputation and overall business success. Our data found that trust in our digital world directly correlates to consumer purchase decisions, with three in four US respondents unlikely to purchase from a digital brand they don't trust. This percentage increases as age increases: 53% of 18-24 year olds are unlikely to buy something from a brand they don't trust, compared to 89% of 55+ year olds. Why? Millennials and Gen Z have grown up dependent on technology, and early exposure to handing over data means they may be more comfortable taking chances now. American women are also more cautious: 53% say they're not at all likely to buy from a brand they don't trust compared to 45% of men.

How likely are Americans to purchase from digital brands they do not trust?



The cost of losing trust

Losing trust in a digital brand looks different for everyone, but many consumers take drastic measures after a data breach or misuse of data.

For more than half Americans (55%), changing user settings (changing a password, account email address, etc.) is enough. Others go much further and cut ties with the company completely — nearly half (47%) permanently stop using the company's services, 37% delete their account with the company, and 37% delete the app from their device. Only 3% don't take any action. The repercussions of brands requiring consumers to hand over too much personal information to sign up for their services is also high — 74% of US respondents say they'd be likely to abandon the sign-up process for a website or app if it had a time-consuming onboarding process and required lots of personal information and security details. In general, respondents in the US take more actions after a data breach than other countries in almost every category.

47% of US respondents permanently stop using an organizations' services following a data breach or misuse of data.

The key takeaway: people value convenience, but security and a trusted brand reputation is even more important.

The digital economy index

Online everything is in

Most of us took part in more digital experiences this year, and respondents think this trend is here to stay. 78% of Americans believe that organizations — from doctor's offices to grocery delivery services — will continue to offer their services online either instead of or in addition to face-to-face services post-pandemic.

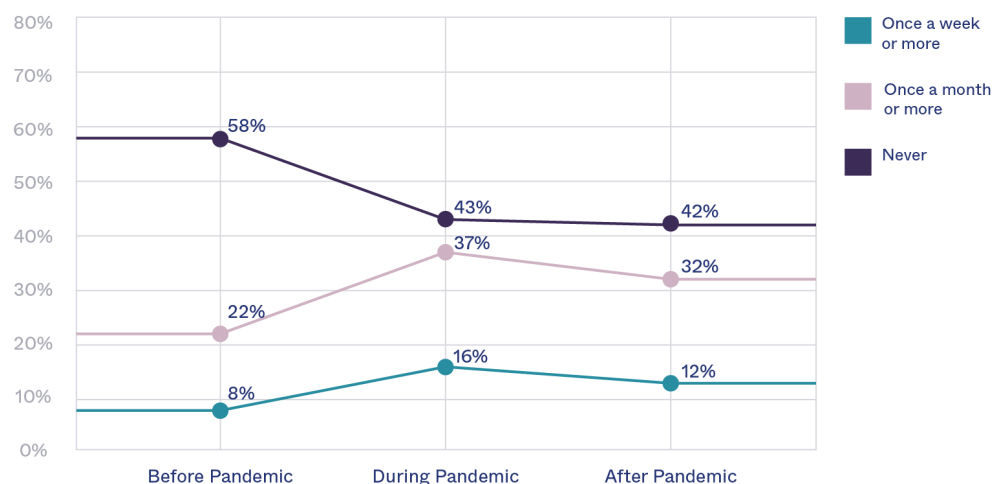
This expectation is reflected in Americans' spending habits over the last year. Overall, 58% of US respondents say their online spending has increased since the pandemic began. And many don't expect it to decrease after the pandemic: 20% say their online spending will continue to increase, and 43% say online spending will remain about the same.

20% of Americans say their online spending will increase after the pandemic, and 43% say online spending will remain the same.

The 2020 online experience winners

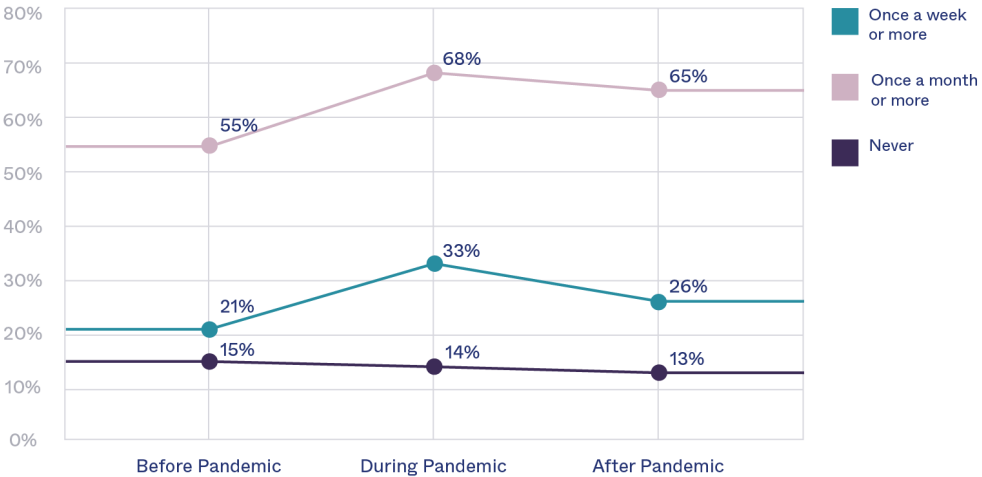
Some online experiences grew in popularity during COVID and will stay popular even when it's over, while others didn't catch on with consumers. Grocery delivery services **like Instacart** have seen a massive uptick in users looking to avoid in-person crowds during the pandemic, and our data confirms this growth: 16% of Americans say they're ordering groceries online once a week or more, compared to 8% before the pandemic, and 37% ordering once a month or more, compared to 22% before. After COVID, consumers expect to continue grocery shopping online, but not as frequently — 12% will order once a week or more, and 32% will order once a month or more.

Ordering groceries online [WINNER]



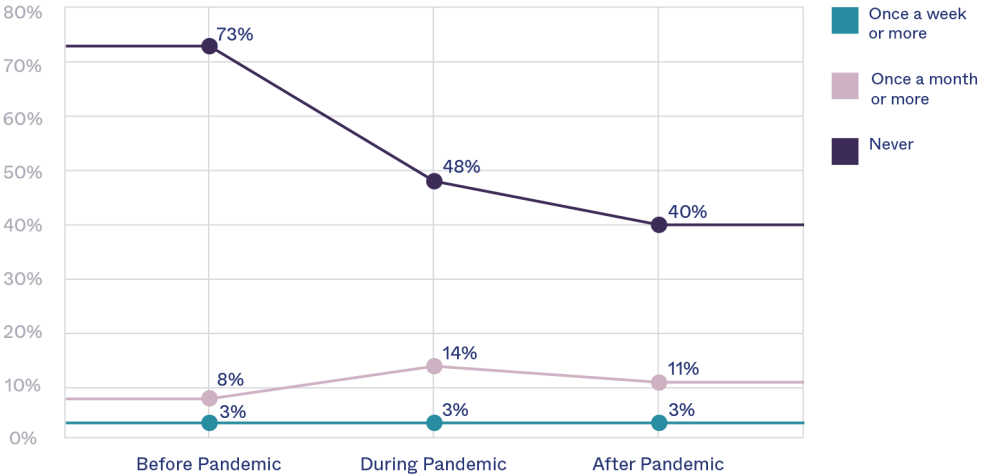
Ordering takeout is another online service that experienced a substantial uptick after the pandemic hit. Whether looking to support local businesses or just sick of cooking at home every day, American consumers supported restaurants with an increased volume of takeout orders. Before the pandemic, 21% ordered takeout once a week or more, and 55% ordered once a month or more. During, the numbers crept up to 33% and 68% respectively.

Ordering takout online [WINNER]



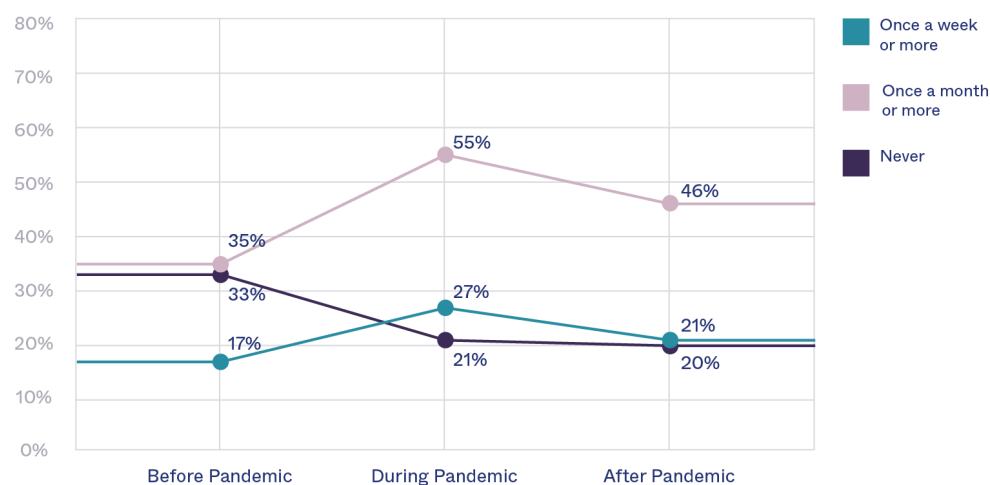
Virtual doctor’s appointments also spiked during the pandemic. 73% of US consumers had never seen the doctor virtually before COVID, which fell to only 48% of consumers never attending doctor’s appointments online. Only 40% say they’ll exclusively stick to in-person appointments post-pandemic.

Attending virtual doctor’s appointment [WINNER]



And this year's begrudged winner: video conferencing with family and friends. While this one saw a massive spike during the pandemic, people are less enthusiastic about continuing virtual get-togethers after COVID. 55% of Americans socialized via video conference at least once a month during the pandemic, but only 46% expect this to continue. Despite how much consumers want to return to in-person coffee dates, **analysts predict** Zoom's popularity and massive growth will continue once COVID ends — there are untapped opportunities to address even more use cases for industries like healthcare, and office reopenings could provide more momentum due to competitive displacements.

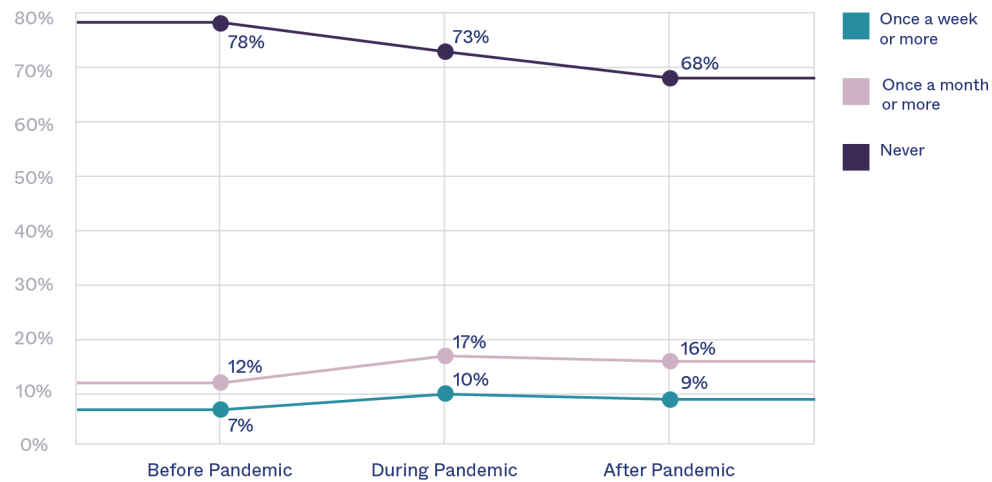
Video conferencing with friends or family [BEGRUDGED WINNER]



Just a fad: digital experiences that didn't stick

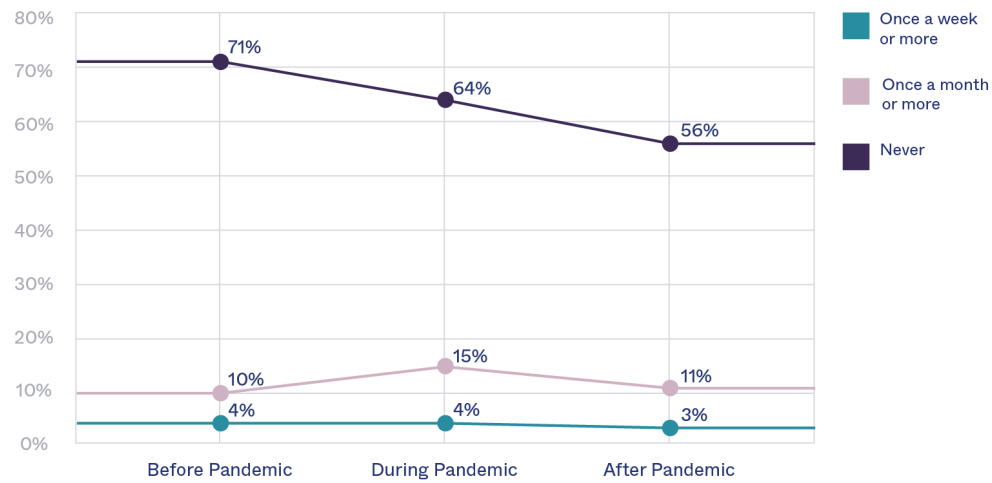
While fitness studios quickly pivoted to Zoom offerings, our data shows the market for online exercise may be limited to Peloton. 78% of Americans never attended an online exercise class before the pandemic, and 73% still don't despite many fitness centers shutting down during the pandemic.

Attending an online exercise class [LOSER]



Virtual leisure experiences never took off either: the percentage of consumers who participated in one weekly stayed at 4% before and during the pandemic, while monthly users increased slightly from 10% to 15%. With so much time behind the screen already during COVID, virtual leisure experiences didn’t provide the escape many needed.

Enjoying a virtual leisure experience [LOSER]



How did specific industries do?

Beyond looking at which online experiences took off and which will go with the pandemic, we also tracked success by industry and asked American consumers which industries successfully moved their services online. Technology companies handled the transition best (32%), followed by retail (29%) and food and beverage (21%). Businesses in these industries likely already had an online presence before COVID and were able to expand or pivot some of their offerings rather than start from scratch. Respondents say industries that hinge on face-to-face communication and physical services lag, like tourism (7%) and real estate (12%).

Securing a remote work world

Work app trust > personal app trust

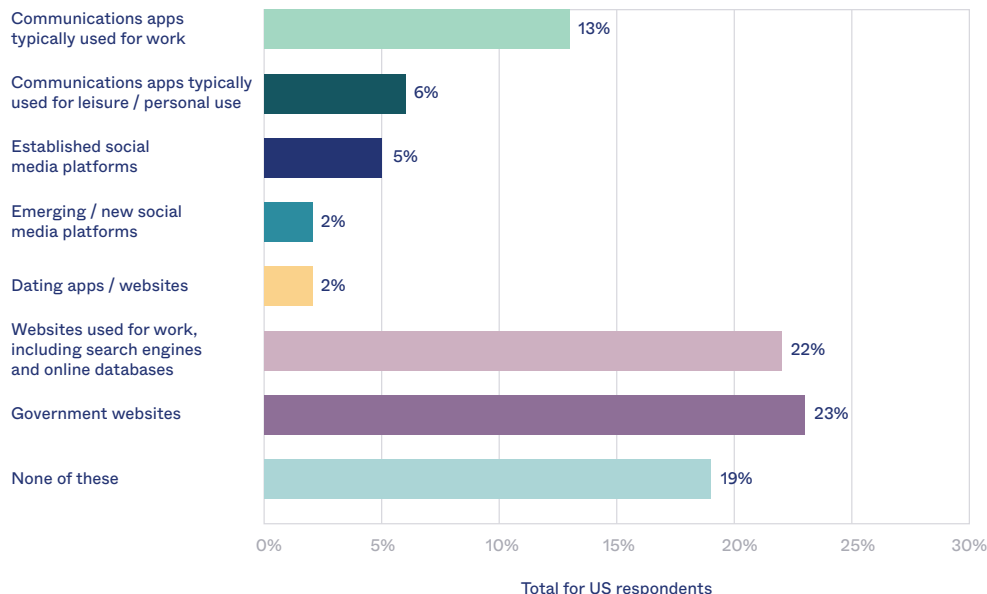
Remote work is the new normal for many Americans. As of December 2020, 25% reported always working from home, 20% often do, and 19% sometimes do. According to a recent study, at least 16% of employees will remain at-home workers after COVID is over.

Adjusting to a new home office and new coworkers (hello pandemic puppies!) in 2020 meant getting used to a new set of collaboration and work tools to stay connected to colleagues while dispersed. Even though some workers may have never used certain work tools before, our data shows many of these tools met their security expectations. When asked which digital channels US respondents considered most trustworthy, work apps come in at number two. While government websites were named the most trusted in the US at 23%, trust levels are still far behind other countries. 41% of respondents in the UK and Australia rank government websites as the most trusted, and 37% in the Netherlands do.

Government websites were named the most trustworthy digital channel in the US at 23%, still far behind other countries.

With so many work apps coming onto the scene to support productivity and connectedness, we wanted to know which ones consumers trust most with their data. 22% of Americans say websites used for work, including search engines and online databases (like Google) are most secure, while 13% select communication apps used for work (Zoom, Slack). These companies have worked hard to build and maintain trust — and this data shows that focus made a positive impact.

Which digital channels are most trustworthy and secure when it comes to handling data?



Consumers' trust in work apps may be due to organizations stepping up and adopting the right tools to keep their workforces secure. Since the pandemic, 37% of American consumers say the organizations they work for have implemented new security applications and technology, 30% say they added more internal security training, and 14% brought in third-party security measures.

37% of organizations have implemented new security applications and technology to tackle a rise in cybersecurity threats since the pandemic.

And what about personal apps? American consumers are skeptical of dating apps and emerging social media platforms like TikTok — only 2% rank both dating apps and emerging social media as the most trustworthy and secure. Established social brands like Facebook, Twitter, and Instagram are slightly more trustworthy at 5%. Trust in social media is higher among 18-24-year-olds likely because they use it more and grew up with it, which is consistent across all countries.

Conclusion

What's next

In a world where both our personal and professional lives unfold online, building trust with consumers is more important than ever. Everyone is more aware of how their data is being used and protected — and brands will not succeed with poor security practices or if they mishandle consumer data. Such careless practices can damage brand loyalty, which can be challenging, if not impossible, to win back.

Many organizations have risen to the challenge of securing remote workforces, but businesses across all industries must continuously evaluate the evolving definition of trust in our digital era. Digital-first is here to stay, and trust is the cornerstone of building secure, customer-first experiences.

Methodology:

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 15,169 office workers from the US, the UK, Australia, Germany, France, Italy, Spain, Sweden, the Netherlands and Japan. This included 4,022 office workers from the US. Fieldwork was undertaken between December 1 - December 27, 2020. The survey was carried out online.

About Okta

Okta is the leading independent provider of identity for the enterprise. The Okta Identity Cloud enables organizations to securely connect the right people to the right technologies at the right time. With over 6,500 application integrations, Okta customers can easily and securely use the best technologies for their business. To learn more, visit okta.com.

