

## How to Improve Trust: Top 10 Investor Trust Drivers, Trust Builders & Busters

### Understanding is Key; No Impact from Pricing Mechanisms

(November 19, 2019, Rye, NY) – Understanding is key to improve customer trust of financial services firms, as identified in a new report that features the top 10 drivers, trust builders and busters, and action steps within firm control, according to [Hearts & Wallets](#), the data and analytics company specializing in retail saving and investing.

The **Trust Drivers 2019: Building Retail Investor Trust in the New Choice-Driven Marketplace** Report identifies today’s top drivers of customer trust in specific saving, investing and advice relationships through a regression analysis of over 90 variables, which measure personal characteristics of the consumer and satisfaction metrics for over 7,800 consumer responses. This report provides a roadmap to enhance trust and reveals broad strategic issues surrounding trust, the role for financial professionals, and questions about offerings in the workplace vs. retail. Trust drivers have changed over the past decade in a marketplace experiencing pricing disruptions and an explosion of choice of different service models.

Written by Hearts & Wallets subject matter experts with decades of operating experience in retail finance, consumer packaged goods and technology development, and acumen honed at the nation’s finest business schools, this report is drawn from the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with 80 million data points on consumer buying patterns from over 50,000 U.S. households.

#### Top 10 Trust Drivers

The Hearts & Wallets analysis finds the following variables have the most impact on investor trust. The full report quantifies the impact of each:

	Top 10 Trust Drivers
#1	Satisfaction with “is unbiased, puts my interests first”
#2	Satisfaction with “understands me and shares my values”
#3	Satisfaction with “explains things in understandable terms”
#4	Understanding of “how firm earns money”
#4	Satisfaction with “has low fees”
#6	Satisfaction with “provides clear and useful statements”
#7	Satisfaction with “has well-trained staff” (with home office oversight)
#8	Position of service model on Inside Advice® Grid
#8	Satisfaction with “has made me money”
#10	Well-known leader; not too innovative

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Trust has a measurable positive benefit for both firms and consumers. This report demonstrates how improved execution on key drivers can be quantified in potential points of increase in trust.

“The trust formula varies by firm based on the business model, existing strengths and areas for improvement,” Laura Varas, founder and CEO of Hearts & Wallets, said. “The steps individual firms should take depends on their starting point. The main takeaway is that today’s consumers want to understand and be understood. Consumers are crying out for solutions that are easier to understand. Improving your firm’s understanding of consumer segments will help people to feel firms recognize their needs.”

### How the Trust Drivers Work

Each of the top 10 trust drivers has a different potential impact, with “is unbiased, puts my interests first” having the most potential to impact firm-specific customer trust. In contrast to earlier trust analyses conducted by Hearts & Wallets, characteristics within the control of firms, or relationship characteristics, have become more important than consumer demographic or attitudinal characteristics. Consumer characteristics, such as whether the person is a self-directed investor, matter less today.

Strikingly, the type of pricing mechanism – fees, percentage of assets under management, commission – is found to have no impact on trust at this time.

### Trust Builders & Busters

The top trust driver, “is unbiased, puts my interests first” can either be a trust builder, or with poor firm performance, can be a potent trust buster. Poor performance on “having low fees” is a trust buster with only a moderate reward for excellent execution. “Explain things in understandable terms” is specifically a trust buster with no lift in trust for good execution.

“Trust is a complex recipe,” Beth Krettecoc, subject matter expert and co-author of the report, said. “Consumers are getting better at demanding and perceiving differences in saving, investing and advice solutions. Drivers such as well-trained staff are emerging as important factors that can have more impact on consumer trust than having low fees.”

#### Methodology

The *Timely Topic Building Retail Investor Trust in the New Choice-Driven Marketplace* is drawn from the Hearts & Wallets Investor Quantitative™ Database (IQ™ Database). This report analyzes firm-specific consumer trust using a regression analysis with over 90 variables, which measure personal characteristics of the consumer and satisfaction metrics for over 7,800 consumer responses. The analysis builds upon quantitative and qualitative trust work conducted in 2010 and 2012.

#### About Hearts & Wallets

Hearts & Wallets is a data and analytics firm that specializing on retail saving and investing. Leading firms use Hearts & Wallets software-as-a-service subscription and technology-enabled benchmarking to make their saving, investing and advice solutions more consumer-centric. For more information visit [www.heartsandwallets.com](http://www.heartsandwallets.com).

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