

# **How Online Services Companies Earn the Trust of Their Customers**

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On my honor as a University Student, I have neither given nor received unauthorized aid on this assignment as defined by the Honor Guidelines for Thesis-Related Assignments

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## **Introduction**

Trust is one of the most important requirements for any kind of relationship, including relationships based on commerce. Businesses and companies depend heavily upon trust, for which it is crucial to maintain a certain amount of trust with their customers in order to thrive and make profits. Trust may be established formally or informally, and socially or digitally. As technology continues to grow, businesses are starting to switch from an in-person presence to an online presence and offer their services over the internet. This change has also recently accelerated due to COVID, with web hosting platform GoDaddy seeing a 48% increase in website URL subscriptions from companies and small businesses (Lobdell, 2020). Therefore, the topic of this paper is to research how online service companies earn, strengthen, and maintain customers' trust.

Companies that lose consumers' trust may lose consumers' market share with it. Therefore, companies strive to earn trust in part by demonstrating that their values are consistent with those of their customers. According to Yeomans (2018), "young people want more sustainable products, services, and experiences. ... They want companies to back up their sustainability claims with evidence of action." Consumers compare products online and read reviews of other consumers before paying for online services, compelling companies to ensure quality.

## **Documentary Research Methods**

Many online methods are used in order to pursue this research question. First, documentary research is collected to find examples of online companies that have 1 or more of the following criteria: grown exponentially in size over a short period of time (a drastic increase in success); been stably relevant for at least a decade (constant trust by customers over time);

been popular (or trending) in the past but are no longer relevant today. The online company chosen and analyzed as a case study for this paper is Zoom, which met the first criteria of growing exponentially in size over a short time period. Additional research is done on Zoom to see the effect of good or bad news coverage on Zoom and on its competitors, and whether a drastic change in the companies' profits occurred around the time period of that news happening. In addition to research on Zoom, research also identifies any articles that the Electronic Frontier Foundation (EFF) or Corporate Advisory Boards (CAB) might have written about certain social media tech companies like Facebook and Twitter. Research is also done on company approval ratings by the public, and the profits of those companies around the time the surveys of the approval ratings are done.

Another indicator of public trust levels was viewed through looking at stock holdings. Company stocks are researched to see if there was any correlation between company trust levels and the trend of their stock.

### **Background Information on Actors of Online Commerce**

The actors of this research paper include online services companies, such as Facebook, Yelp, and Thumbtack. which defend their services (Arlen, 2021), customers who trust the companies (Danville, 2019), and customers who distrust the companies and therefore forego their services (Thumbtack Reviews, 2021).

Corporate Advisory Boards are another actor of the study. They advise companies in customer trust-building efforts (AICD, 2021). According to the Corporate Advisory Boards' Big Tech Health Data Study, in 2019 only 11 percent of patients trust online services with their health data, but 72 percent of patients are willing to share their health data with physicians and health insurance companies (Kilbridge, 2019). Among the 11 percent of respondents willing to

share their health data with some online service companies, Facebook ranked among the companies they were least willing to share data with. Only IBM ranked lower than Facebook; Google and Amazon ranked the highest. According to the Advisory Board of health care, securing user data is essential to trust building (Kilbridge, 2019).

The last actor of the study is the Electronic Frontier Foundation (EFF). The EFF is a nonprofit advocacy that defends consumers' privacy rights through litigation and by demanding transparency from tech companies. For example, in August 2021, the EFF accused Facebook of engaging in a "war on accountability" by thwarting researchers' efforts to track disinformation in paid advertising. The researchers were using ProPublica's Ad Observer project to reveal the sensitive and discriminatory categories that Facebook uses to target advertisements toward specific users (Doctorow, 2021). Facebook has alleged that Ad Observer is misleading and that its use itself is a violation of users' privacy. EFF defends Ad Observer as an open-source project. Consumers can use the actions of the EFF (and the respective actions online companies take in response to the EFF) as gauges for how trustworthy an online service provider is, and use that to influence their decisions when purchasing.

### **Actor Network Theory, Privacy, and Security**

Within the field of science and technology in society (STS), there are many previously studied frameworks that relate to the topic of this research question. The first and most related framework to identify is the actor-network theory (ANT). Semiotic, conceptual relationships in the ANT can be discovered between the relationships that consumers share with online businesses and companies. The concept of trust between consumers and the companies indicate that using online services is part of the ANT and is a shifting network of relationships built on trust. The ANT has been studied in many contexts, such as in terms of using IT in order to

implement developments in healthcare (Cresswell, 2010). Cresswell's paper suggests that although ANT is a radical approach to conceptualizing relationships between humans, objects, and ideas, "the increasing scale of computerization of modern healthcare highlights the need for a more sophisticated view of relationships between humans and objects." As computerization is becoming more complex in general (and not just in the context of healthcare), ANT has the potential to be utilized by online services companies in order to help establish the company's "relationship" and "trust" with its customers.

However, there have been other scholars that criticize ANT and question the benefits of visualizing non-human objects as actors. Unnamed critics of the ANT argue that every actor in a network has equal impact/value on that network (Sheldon, 2010) because of ANT's principle of general symmetry, which treats all actors the same before considering any connections those actors have in the network. The criticism of the ANT means that a top-performing manager at a company would not be considered more impactful than an underperforming engineer, depending on how the connections in the respective actor-network (in this case, the actor-network of the company) are decided. Another downside of the ANT is introduced as the "six degrees of separation" theory. The theory states that every entity is all networked to one another within at most six different connections with other entities. If the ANT can be classified as a network where every actor is connected within six degrees, the importance of the connections within the ANT become obsolete

Another important STS framework related to trust establishment between ecommerce companies and consumers was previously mentioned when describing Facebook's low trust levels and the disagreement between the EFF and Facebook. Trust is extremely dependent on high levels of security and privacy, which are both STS frameworks. Facebook's highly

publicized failures to protect user data and privacy likely eroded trust. For example, in 2018, following the Cambridge Analytica scandal, Facebook usage declined 8 percent (Baer, 2018), reversing a decade long growth trend. Some stayed on Facebook just to persuade others to stop using it (Cheng, 2020). The EFF continues to support digital transparency by organizing lobbies to educate the public on online rights. Understanding and properly utilizing the framework of privacy and security is essential for online services to maintain their customers' trust.

## **Results and Discussion**

The research conducted on Zoom, Twitter, and other companies indicate that the element of customer service most important for building trust is communication. The research on Zoom highlights the importance of listening to what customers want and accommodating their needs. When digital companies design their online services, they must design them with the desires of the customer in mind, which lets customers know that that company is listening to their demands, giving the customer a strong sense of communication from the company. Company blog posts are another outlet for establishing a strong sense of communication between digital companies and customers, and corporate blogs were a way for companies to establish themselves as actors in the Actor-Network Theory (ANT). Finally, research on the EFF also highlights the importance of tech companies to communicate their stances on political issues such as the anti-LGBTQ bill in Ghana.

### *An Online Service that Outgrew its Long-Time Competitors- The Rise of Zoom*

When research identifying companies that grew popular over a short period of time, and companies that used to be very popular but declined and are no longer relevant today, two companies that were easy to identify were Zoom and Skype. Zoom grew popular very quickly as soon as COVID sent students and employees home and remote learning/working became

mandatory. The company's revenue in 2020 went up by 326%, with a total valuation of \$2.65 billion (Levy, 2021). From 2019 to 2020, Zoom's stock also shot up 191%, indicating that policy makers and ordinary stock traders have faith in Zoom's growth and success in the coming years.

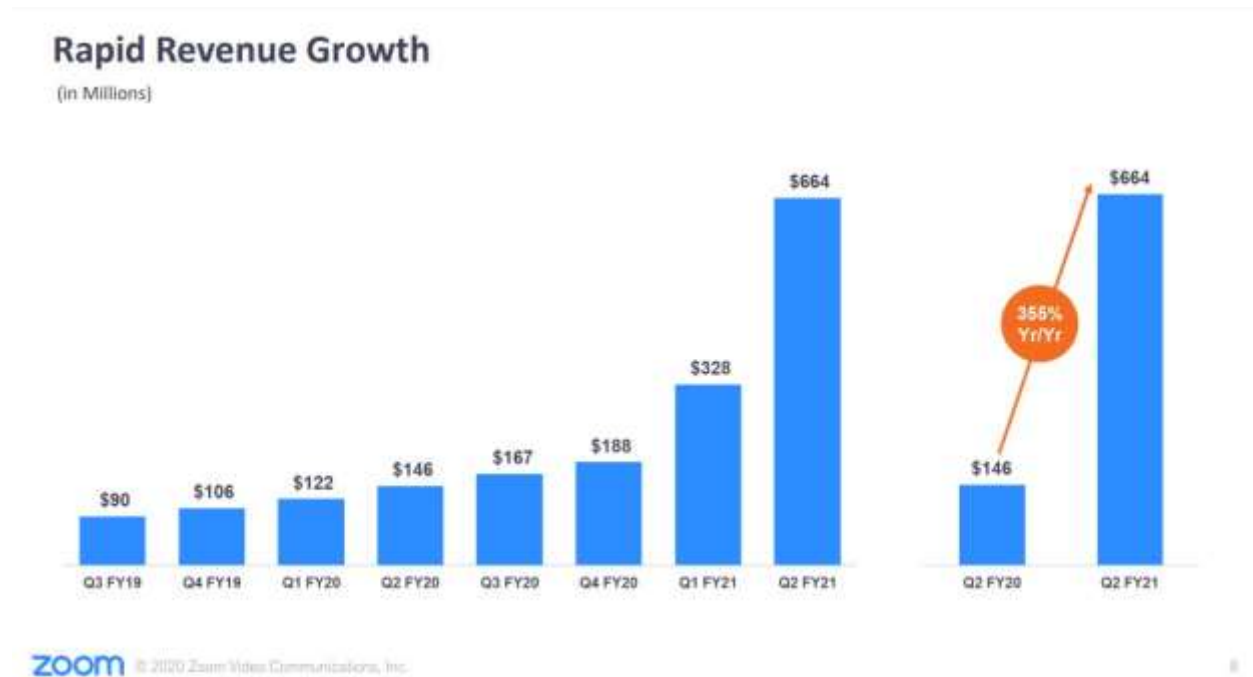


Figure 1 Zoom's Revenue Growth in Millions Over the Past Few Years (Condon, 2020)

The rapid growth of Zoom is impressive, but many would think that this growth is to be expected, since the pandemic's distancing requirements increased the need for a video communication service. However, it is important to consider why Zoom was the video calling service that grew the most demand from consumers, instead of any other video calling company. For instance, Skype, another online telecommunication application, was available to users since 2003. Zoom had only come out in 2011, so Skype had 8 years to get ahead of Zoom and build a loyal consumer pool before Zoom had formed. Over time, Skype did manage to build a big customer base, with 100 million users in 2011 (Chourasia, 2020), the year Zoom was founded. However, when the pandemic began, Skype went from 200 million active users to 40 million, with the lost users switching over to Zoom.

There were multiple aspects of Zoom that made it a much more desirable online service to customers than Skype. The first was that Zoom focused on offering high-quality audio/video calls, which Skype was lacking, according to users. Users had been requesting that Skype needed to improve their call quality, but Microsoft, the company that provided Skype as a service, focused on changing other features on Skype that consumers did not want changed. This included the removal and replacement of Skype's messaging capability, something that users did not ask for, and a transformation of Skype's design entirely in 2017 to resemble Snapchat. Because Microsoft neglected the demands of Skype's users and instead focused on changing features of Skype that users did not have issues with, and because Zoom started focusing on the requests of Skype's users for higher quality video calling, users most likely saw Zoom as a better online service and switched over to Zoom (it was difficult to find evidence, both anecdotal and empirical, that specifically showed users switching from Skype to Zoom, however the data remains that Skype had a serious decline since 2016 while Zoom started gaining popularity since 2016).

Zoom's success did not just stem from the fact that Zoom was more technologically advanced to bring higher quality calls than Skype. What Zoom did correctly was emphasize the importance of putting the customer first, and creating a customer-centered culture in the workplace. As online services, Skype and Zoom both made distinct and handy features that could enhance the nature of users' video calls. However, only Zoom's features and updates accommodated to the taste of the users, which is why Zoom is very popular today, while Skype was terminated by Microsoft in July of 2021.



## *Blogging- A Strong Way of Keeping an Online Presence*

Blogging is the act of keeping informal entries of discussions or information on the internet. Blogs discuss anything that the owner of the blog may choose to write about, and therefore blogs are very often used (going from 23 blogs on the internet in 1999 to 50 million blogs in 2006, according to WebDesignerDepot Staff in 2011) to communicate the blog writer's thoughts, plans, and opinions on any topic. Blogs are informal and are usually updated with daily entries, so the most recent blog posts always appear first in the blog. This is also to make sure blog readers are reading the most up-to-date information/discussion of the writer.

Blogging was originally done by a single individual that would keep a blog for personal reasons. However, online companies are now taking the time to hire blog writers for company-sponsored blogs. These blogs are companies' ways of communicating with consumers on a personal level, due to the informal nature of blogs. The company blog posts usually contain either updates on company plans (such as announcements for technology, changes in company structure, a report of their fiscal year, etc.) or humanitarian/green efforts that company workers/executives are participating in. By 2018, it was reported that more than half of the top 200 Fortune-500 companies owned a corporate blog (James, 2021).

Corporate blogs are desirable to companies because maintaining business blogs have many benefits in regards to building trust with customers. In a blog post written by group 8-Bit Content in 2021, "effective company blogs typically have high-quality content that is updated frequently with fresh information in order to keep it relevant. They maintain good writing skills in order to be both informative and entertaining to their readership." By frequently posting fresh information, corporate blogs are effective ways to build trust with customers by making customers believe that company is a leading brand for their respective online service industry.

Blogging also increases awareness of the company (the blog posts will show up in Google searches), and can convince potential customers to try their online service out.

Another reason why company blogs are so powerful is because blogs have the ability to be shared and interacted with by customers. Many corporate blogs allow readers to comment, react, and share the blog posts. This increases the level of engagement customers feel with the company and can further convince potential customers to switch over to that company's service.

Blogs are a medium for customers to interact with an online service, so blogs are also strong evidence that it is beneficial to view companies as an actor in the Actor-Network Theory (ANT), which states that every phenomenon can be captured as a shifting network of relationships, which can be between people and/or things/concepts/ideas. Even though corporate blog posts are written by individual hired writers (that often are not leaders or high-ranking members of the company's executive team), consumers reading the blog posts read them as if they are personally from the company itself as a whole. This allows companies to enjoy the benefits that the ANT can provide, the main one being that relationships between actors within the networks of the ANT are necessary and cannot be broken, only shifted. In the context of this research paper, the actors of the network can be customers, companies, and the services that the companies provide. Relationships/connections are made between all 3 of these actors to create the ANT network. According to the organization BMC, a medical informatic website, customers that view themselves in a relationship with a company (and/or their online service) view the service/company as something centrally important to their own network, and will start to reach a 'more holistic appreciation of the complexity of technology [in our case, online services]' in their lives (Cresswell, 2010). This holistic appreciation for technology encourages customers to view the service as essential to their everyday lives and depend on the service more.

### *Collaboration with the EFF*

Another way for companies to put the values of the customer first and build a customer-centered culture is to follow the advice of the EFF and CAB, since they focus on “ensuring that technology supports freedom, justice, and innovation for all people of the world” (EFF, 2022). For example, in 2021, the government of Ghana announced a bill that would criminalize and ban anything posted online that was LGBTQ related, including posts from allies of the LGBTQ community or posts that suggest they support LGBTQ rights (Barnett and Maass, 2022). The EFF has taken a stand against the bill and has written to companies Twitter and Facebook to publicly speak out against the bill in order to protect its users if the bill were to be passed. Users have been following the EFF since it was founded 30 years ago, and are looking to Facebook and Twitter to follow the EFF’s recommendations. Whether Facebook and Twitter work with the EFF to speak out against the Ghana anti-LGBTQ bill will have an effect on the perceived trustworthiness of the companies.

The EFF and CAB are effective mediums to represent customer concerns because they deal with the STS frameworks of privacy and security. The Ghana anti-LGBTQ bill is one example, but they have taken on countless stances against other issues in order to protect the data of online service customers, including fighting a Filter Mandate Bill, which would threaten the independence of online creators, and taking stances to support Google, when Google fought back against a Brazilian court order that mandated Google to turn over the data on all users that searched for specific keywords overseas. The EFF even has their own ‘Threat Lab,’ which constantly researches the latest security-breaching malware that exists today and tries to find solutions in order to keep users’ data secure. Privacy and security have long been forefront issues of technology, and the EFF have been leaders of data protection for all users. Companies that

keep the recommendations/efforts of the EFF in mind will establish a strong presence of security/privacy, and will therefore be popular amongst customers.

### *Limitations and Future Research*

Enough research was conducted to reach a significant and evidence-backed answer to how online services companies build and maintain trust with consumers, but other research could have been done to more firmly establish the results of the paper. The first and major limit was the lack of direct anecdotal research, in the form of interviews, with high-ranking members of big tech companies. Being able to interview a manager at Google or a product designer at Intuit would've been beneficial in discovering the different values that online services companies hold, and the values online services companies like Google or Intuit place emphasis on when designing e-products for their customers. Only the experience of a prior internship at Thumbtack, an online services company that matches customers with professionals of a certain niche, was known and used to strengthen the research and conclusions formed in this paper. Another research limitation was collecting sensitive metrics about the studied companies. For example, in the Zoom vs Skype case study, it was difficult to find other metrics of Skype's decline, such as revenue or stock, since Skype was not an individual online service but an online service offered by parent company Microsoft.

Future researchers of this research problem should pursue interviewing the higher-ups of other online services companies to see how their customer-centered focus may have differed from Thumbtack or Zoom. When it comes down to online services, it is ultimately better to interview the service provider rather than the customers using the services in order to discover the intentions that service providers place in their services that customers may feel the effects of, but not necessarily notice. Insider-interviews would also help gather metrics and other sensitive

information that is only internal to companies. Being able to analyze actual data of Skype's decline through revenue or stock would have been helpful in the analysis of the case study.

Another point future researchers should focus on is to include medical companies/websites when researching online trust development. Although the actual practice of medicine is done in person, a lot of legal documents and medical appointments are now scheduled and held virtually. Medical establishments must therefore make a trustworthy online presence just like e-commerce companies do, as patients wouldn't feel safe putting their healthcare in the hands of untrustworthy looking companies. Researching how hospitals display a trustworthy presence online can reveal some techniques that online services companies have yet to implement.

## **Conclusion**

Data, interactions, and services are becoming more and more digital as technology grows stronger. Although it is harder to interact with people through a screen than face-to-face, there are still effective actions that digital companies can do to maintain a healthy and trustworthy presence to customers online. Some of these actions include hosting a corporate blog to establish a personal/informal communication method with customers, designing online services that cater to the desires of the customers in order to give the feeling of a customer-centered culture, and collaborating with groups such as the EFF in order to prioritize humanitarian issues for which customers are closely watching how (and if) companies respond to those issues. Essentially, these three results from the research are all different ways of companies to communicate effectively with their customers. Communication must be utilized by companies in these ways in order for customers to trust in companies' online services.

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