



**Building Trust  
Should Be a Top  
Priority for Tech  
Companies —  
Here's Why**

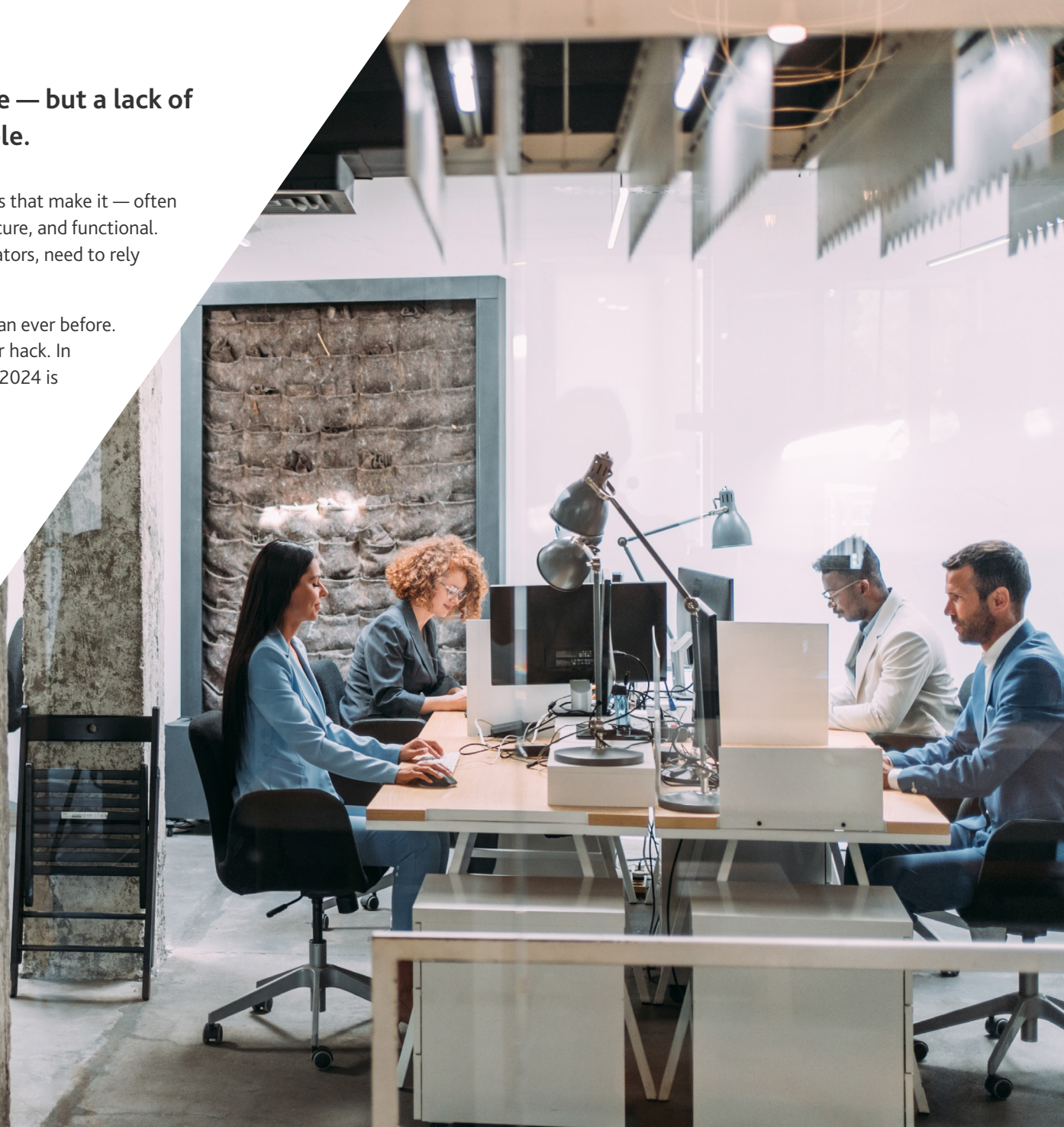


## Technology underpins almost all daily life — but a lack of trust can cause that foundation to crumble.

Customers need to trust the tech they use and the companies that make it — often leveraging their personal data in the process — to be safe, secure, and functional. Other tech stakeholders, like shareholders, clients, and regulators, need to rely on tech companies to be responsible, ethical, and resilient.

At the same time, tech companies are handling more data than ever before. That means they're also facing greater risk of a data breach or hack. In fact, 64% of tech CFOs say that their risk of a data breach in 2024 is greater or at least the same as it was in 2023, according to [BDO's 2024 Technology CFO Outlook Survey](#).

In order to gain customer loyalty, attract investors, and accelerate growth, tech companies need to prioritize building trust. If they can prove themselves worthy of the trust of key stakeholders, they'll have a significant competitive advantage — one that will only become more important as more data floods the industry.

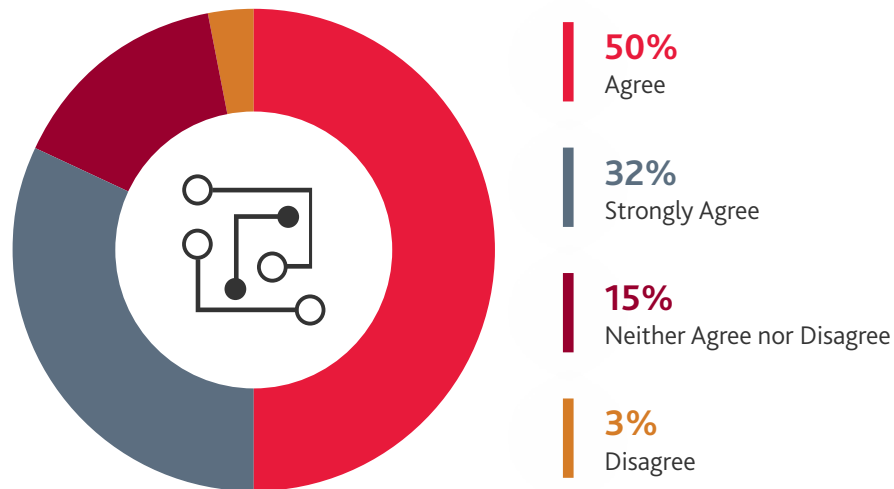




# Trust as a Top Priority

Tech companies are taking trust seriously. According to our survey, 72% of tech CFOs agree that their companies only use consumer data in ways that fully adhere to their data privacy policies.

**Consumer data is only used in ways that fully adhere to data privacy policies\***



However, not all customers are convinced. According to a recent [American Institutional](#) Confidence Poll, only 26% of people have confidence in large tech companies. The good news is that tech companies can regain and build trust by proactively demonstrating their commitment to protecting their customers' data. For example, seeking certifications and reports like ISO 27001 can show customers that the company is taking data protection seriously. Additionally, companies should focus on transparency and consumer rights. Offering privacy-first features like preference centers, where individuals can exercise control of their information, will establish deeper trust.

\*Source: BDO's 2024 Technology CFO Outlook Survey

# Trust Drives Growth

## Trust can positively influence customer loyalty and support a holistic growth strategy.

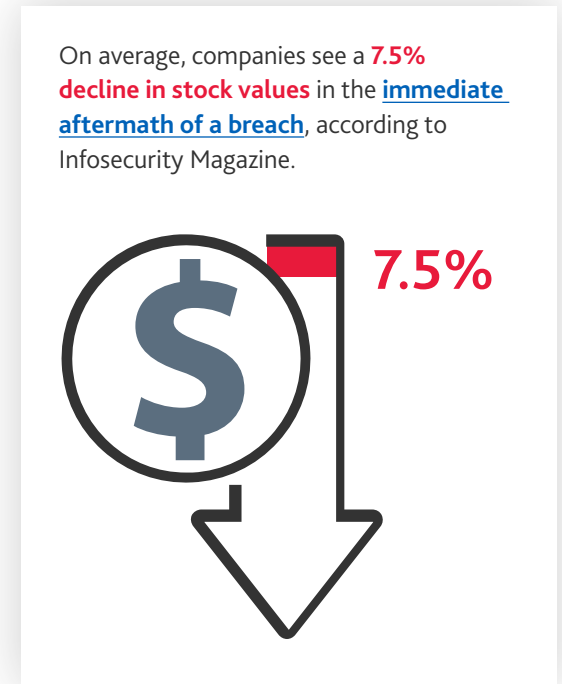
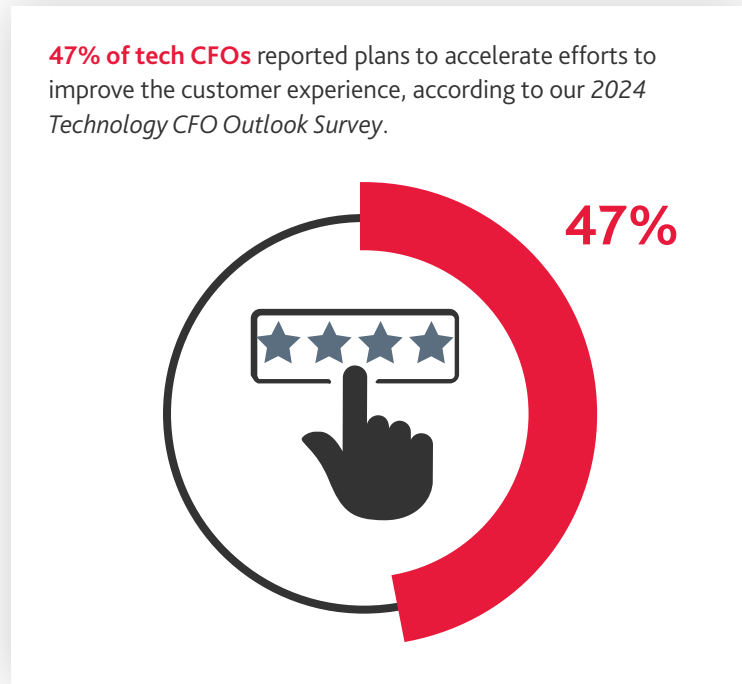
As the dealmaking environment remains challenging, many tech companies are relying on expanding and retaining customer bases to drive growth. For this approach to work, tech companies need to build trust with their existing and prospective customers.

According to research from Edelman, about two-thirds of consumers (67%) are more likely to stay [loyal to a brand they trust](#). A significant majority of Gen Z consumers (79%) say it's more important to trust the brands they buy from now than it was in the past. Winning the trust of increasingly vocal and discerning customers will enable growth — and offer tech companies a competitive advantage.

Trust can also influence shareholders, attracting or curtailing the vital investments that tech companies need to grow. Take cybersecurity, for example. In 2022, 83% of organizations experienced more than one data breach. In 2023, incidents of [data breaches increased](#) by 20%. These events can prove devastating for investor confidence.

Reputational damage, stock price hits, lowered investor confidence, and heightened regulatory and public scrutiny will continue to compound without a timely and effective breach response. Cybercrime is not going away, and companies that can stand out from the pack with robust security and privacy measures will be better positioned to attract valuable investments.

On average, companies see a **7.5% decline in stock values** in the [immediate aftermath of a breach](#), according to Infosecurity Magazine.

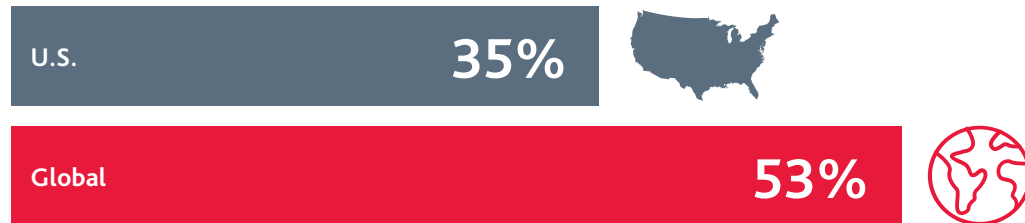


# Trust as the Foundation for Innovation

When companies build trust with customers and stakeholders, they can also gain the support necessary to explore new and sometimes intimidating innovations, like AI. Unfortunately, a lack of trust can have the opposite effect, creating new barriers to tech adoption and advancement.

Customer trust is currently low concerning AI, especially in the U.S. Just 35% of U.S. [customers trust AI](#) companies — well below the global level.

## Trust in AI Companies\*



Persistent mistrust could have negative implications for both AI companies and their products, including accelerating pushes to limit AI usage. The EU recently passed its [Artificial Intelligence Act](#), which bans some AI functions and attaches specific legal requirements to “high risk” activities, such as job applicant screening. Similar legislation could follow within the U.S., potentially restricting access to data available for training AI and limiting model effectiveness.

## WINNING TRUST WITH ISO 42001

Taking steps to build trust with customers and stakeholders can help AI companies get one step ahead of their competitors. In December 2023, the International Organization for Standardization (ISO) released [ISO 42001](#), a new standard outlining requirements for responsible AI use. Among other areas, ISO 42001 comprises controls designed to address data quality and protection, AI bias, and AI cybersecurity. Rather than simply asking stakeholders and customers to take their word for it, AI companies can opt to apply for ISO 42001 to demonstrate their seriousness around AI ethics, responsibility, and security. The ISO 42001 certification process is likely to launch later in 2024. It is still uncertain whether the new standard will gain widespread adoption, but AI companies and companies offering AI products should proactively explore their options.

\*Source: 2024 Edelman Trust Barometer



# Trust and Resilience Go Hand in Hand

As they work to win back or build trust with customers and stakeholders, tech companies should remember that trust is not an isolated attribute. Proactive steps to build trust can also pay off in other areas of the business.

Adopting [strong data governance](#), instituting transparent privacy policies, championing responsible AI, and obtaining reports or certifications like [SOC 2](#), ISO 27001, ISO 27701, and ISO 42001 can all help protect the business from risk. Upgrading cybersecurity tools and protocols, for example, affects more than risk perceptions. It can reduce the risk or severity of harmful breaches. Shoring up internal controls can lower the likelihood of reporting errors or misstatements that would otherwise have resulted in costly penalties. In this respect, the benefits of trust are twofold.

For an increasingly fast-moving and competitive industry like tech, trust must be a constant.







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**HANK GALLIGAN**

National Technology Industry Leader

[hgalligan@bdo.com](mailto:hgalligan@bdo.com)

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