

## **IBM Study: C-Suite Leaders Who Value Trust in Data are Positioned to Outperform Peers**

### **Market leadership is gained or lost by level of trust an organization can create**

ARMONK, N.Y., Nov. 12, 2019 /[PRNewswire](#)/ -- IBM's 20<sup>th</sup> edition of its bi-annual C-Suite Study (NYSE: [IBM](#)), "Build Your Trust Advantage," polled nearly 13,500 C-level executives across the globe to examine how companies are achieving market leadership by emphasizing trust in their use and sharing of data.

The study, conducted by IBM Institute for Business Value (IBV) in cooperation with Oxford Economics, surveyed C-Suite executives who oversee leading brands across 98 countries and 20 industries in today's increasingly complex, data-driven world. The study found that market leadership is most frequently attained when an organization establishes a high level of trust in the data from its customers, its own business processes, and across its partner ecosystem.

Through the quantitative and qualitative surveys issued, it became clear there was a set of leaders, just 9 percent of the total respondents – dubbed "Torchbearers" – that stood out as understanding that transparency, reciprocity and accountability are critical ingredients for earning trust among key stakeholders. These leaders leverage data to build customer trust, create cultures of data-based decision makers and are adept at sharing data with ecosystem partners without giving away competitive edge. This group was found to outperform peers in revenue growth and profitability – delivering 165 percent higher results – as well as in innovation and managing change.

These leaders have a deep understanding that building trust in customer relationships is a strategic imperative and work hard to earn and maintain it. In fact:

- 82 percent of leaders strongly believe data helps create a strategic advantage in strengthening their level of customer trust as well as their bottom lines.
- Leaders also outpace their peers by 22 percent in their capacity to respect customers' data privacy as a core competitive advantage.

This is critically important at a time when consumers report more concerns than ever before in their willingness to share personal information. A related IBM study on data privacy found that 81 percent of global consumers say that in the past year they have become more concerned with how companies are using

their data.

Fortunately, the same study found that there is also greater willingness to share information with companies who are transparent in how their data is used – 81 percent said they actively support companies that are transparent about how they use their data, and they avoid doing business with companies that don't. As a result, organizations that have earned customer trust are more likely to keep the data they have. They find their customers won't ask them to purge it because they understand there's value in collecting data to deliver new kinds of services in the future. In turn, leaders report much greater success with 71 percent using data to identify and deliver on unmet customer needs, compared to 28 percent of peers.

"Leading organizations that have put trust at the core of the way they use data with their customers are creating massive opportunities for greater success," said Mark Foster, Senior Vice President, IBM Services and Global Business Services. "Today's businesses need to be able to earn trust from their customers while also trusting the data from their own processes and ecosystems, or they will quickly fall behind their peers."

While the study focuses on the need for transparency on how companies handle customer data, it also highlights the importance of trusting data that's *within* an organization. Leaders were found to take great pains to ensure that the data within its own walls is accurate and clean so they can leverage it to make the best-informed decisions on important business ventures, such as developing new business models and entering new or emerging markets.

- Eight in ten leaders say they and their C-Suite colleagues have deep trust in data to perfect the quality and speed of the decisions they make.
- 70 percent already extensively use data to develop new business models (112 percent more their peers), while 66 percent already use data to make informed decisions on entering new markets.
- 65 percent of C-suite executives believe that automation of decision-making processes will increase in their business landscape over the next 2-3 years.

The study also revealed an emphasis on the importance of creating trustworthy ecosystems. Data that simply stays within the organization is more likely to drift out of date than to grow in value. Leading organizations are liberating their data while simultaneously de-risking data exchanges in a shared ecosystem – allowing it to circulate widely, without sacrificing their responsibility to secure permissions and safeguard it. Deciding what data to share for win-win propositions— and what data to maintain as a proprietary advantage—is one of the most difficult decisions organizations have to make. Torchbearers are ahead of their peers:

- 56 percent of leaders are already acquiring and sharing data extensively with network partners, and 85 percent expect their partner networks will expand in next few years.
- Leaders expect the evolution of digital business platforms will necessitate a new approach to data sharing. For example, respondents from the most visionary banks shared that they expect to earn an average of 58 percent of their revenues from platform initiatives in the next three years.
- 62 percent of leaders are already integrating new modes of monetization into their data strategies.

While the study provides the guidance that companies should always practice transparency, reciprocity and accountability when handling data and engaging customers and business partners, other recommendations include:

- Strengthen relationships with customers by becoming trusted custodians of personal data, demonstrating transparency by revealing data about offerings and workflows, and using the trust advantage they've earned to create differentiating business models.
- Build confidence in data and AI models enterprise wide. Stimulate a culture of true data believers and data-based decision makers, and in turn, elevate experiences for customers and partners along their value chains.
- Learn how to share data on business platforms without giving away competitive edge. Turn the corner from amassing data to determining how best to monetize it, including how to build ecosystems to create new exponential value.

Access the full study findings here: <https://ibm.co/c-suite-study>

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