

Trust in digital technology will be the internet's next frontier, for 2018 and beyond

January 4 2018, by Bhaskar Chakravorti



Credit: AI-generated image ([disclaimer](#))

After decades of unbridled enthusiasm – bordering on [addiction](#) – about all things digital, the public may be [losing trust in technology](#). [Online information isn't reliable](#), whether it appears in the form of news, search results or user reviews. Social media, in particular, is [vulnerable to manipulation](#) by hackers or foreign powers. Personal data [isn't](#)

[necessarily private](#). And people are increasingly worried about automation and artificial intelligence [taking humans' jobs](#).

Yet, around the world, people are both increasingly dependent on, and distrustful of, [digital technology](#). They don't behave as if they mistrust [technology](#). Instead, people are using technological tools more intensively in all aspects of daily life. In recent research on [digital trust in 42 countries](#) (a collaboration between Tufts University's Fletcher School of Law and Diplomacy, where I work, and Mastercard), my colleagues and I found that this paradox is a global phenomenon.

If today's technology giants don't do anything to address this unease in an environment of growing dependence, people might start looking for more trustworthy companies and systems to use. Then Silicon Valley's powerhouses could see their business boom go bust.

Economic power

Some of the concerns have to do with how big a role the technology companies and their products play in people's lives. [U.S. residents already spend 10 hours a day](#) in front of a screen of some kind. One in 5 Americans say they are online "[almost constantly](#)." The [tech companies](#) have enormous reach and power. [More than 2 billion people](#) use Facebook every month.

[Ninety percent of search queries worldwide](#) go through Google. Chinese e-retailer, Alibaba, organizes the biggest shopping event worldwide every year on Nov. 11, which this year brought in [US\\$25.3 billion in revenue](#), more than twice what U.S. retailers sold between Thanksgiving and Cyber Monday last year.

This results in enormous wealth. All six companies in the world [worth more than \\$500 billion](#) are tech firms. The [top six most sought-after](#)

[companies to work for](#) are also in tech. Tech [stocks are booming](#), in ways reminiscent of the giddy days of the [dot-com bubble](#) of 1997 to 2001. With emerging technologies, including the "[internet of things](#)," [self-driving cars](#), [blockchain](#) systems and [artificial intelligence](#), tempting investors and entrepreneurs, the reach and power of the industry is only likely to grow.

This is particularly true because [half the world's population](#) is still not online. But networking giant Cisco projects that [58 percent of the world](#) will be online by 2021, and the volume of internet traffic per month per user will grow 150 percent from 2016 to 2021.

All these users will be deciding on how much to trust digital technologies.

Data, democracy and the day job

Even now, the reasons for collective unease about technology are piling up. Consumers are learning to be worried about the security of their personal information: News about a data breach involving [57 million](#) Uber accounts follows on top of reports of a breach of [the 145.5 million consumer data records](#) on Equifax and every Yahoo account – [3 billion](#) in all.

[Russia was able to meddle](#) with Facebook, Google and Twitter during the 2016 election campaign. That has raised concerns about whether the openness and reach of digital media is a threat to the functioning of democracies.

Another technological threat to society comes from workplace automation. The management consulting firm, McKinsey, estimates that it could [displace one-third of the U.S. workforce](#) by 2030, even if a different set of technologies create new ["gig" opportunities](#).

The challenge for tech companies is that they operate in global markets and the extent to which these concerns affect behaviors online varies significantly around the world.

Mature markets differ from emerging ones

[Our research](#) uncovers some interesting differences in behaviors across geographies. In areas of the world with smaller digital economies and where technology use is still growing rapidly, users tend to exhibit more trusting behaviors online. These users are more likely to stick with a website even if it loads slowly, is hard to use or requires many steps for making an online purchase. This could be because the experience is still novel and there are fewer convenient alternatives either online or offline.

In the mature digital markets of Western Europe, North America, Japan and South Korea, however, people have been using the internet, mobile phones, [social media](#) and smartphone apps for many years. Users in those locations are less trusting, prone to switching away from sites that don't load rapidly or are hard to use, and abandoning online shopping carts if the purchase process is too complex.

Because people in more mature markets have less trust, I would expect tech companies to invest in trust-building in more mature digital markets. For instance, they might speed up and streamline processing of e-commerce transactions and payments, or more clearly label the sources of information presented on social media sites, as the [Trust Project](#) is doing, helping to identify authenticated and reliable news sources.

Consider Facebook's situation. In response to criticism for allowing fake Russian accounts to distribute fake news on its site, CEO Mark Zuckerberg boldly [declared that](#), "Protecting our community is more important than maximizing our profits." However, according to the company's chief financial officer, Facebook's 2018 operating expenses

could increase by [45 to 60 percent](#) if it were to invest significantly in building trust, such as [hiring more humans to review posts](#) and [developing artificial intelligence systems](#) to help them. Those costs would lower Facebook's profits.

To strike a balance between profitability and trustworthiness, Facebook will have to set priorities and deploy advanced trust-building technologies (e.g. vetting locally generated news and ads) in only some geographic markets.

The future of digital distrust

As the boundaries of the digital world expand, and more people become familiar with internet technologies and systems, their distrust will grow. As a result, companies seeking to enjoy consumer trust will need to invest in becoming more trustworthy more widely around the globe. Those that do will likely see a competitive advantage, winning more loyalty from customers.

This risks creating a new type of digital divide. Even as one global inequality disappears – more people have an opportunity to go online – some countries or regions may have significantly more trustworthy online communities than others. Especially in the less-trustworthy regions, users will need governments to enact strong digital policies to protect people from fake news and fraudulent scams, as well as regulatory oversight to protect consumers' data privacy and human rights.

All consumers will need to remain on guard against overreach by heavy-handed authorities or autocratic governments, particularly in parts of the world where consumers are new to using technology and, therefore, more trusting. And they'll need to keep an eye on companies, to make sure they invest in trust-building more evenly around the world, even in

less mature markets. Fortunately, digital technology makes watchdogs' work easier, and also can serve as a megaphone – such as on social media – to issue alerts, warnings or praise.

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