

The logo for USV, consisting of the letters 'USV' in white, bold, sans-serif font, centered within a solid green square.

USV

Why Trust Matters

CEO Summit 2019



Trust is the cornerstone of Thesis 3.0.



“USV backs trusted brands that broaden access to knowledge, capital, and well-being by leveraging networks, platforms, and protocols.”

Why?

Obviously there has been a lot of discussion around trust recently...

BRUCE SCHNEIER OPINION 02.06.19 09:00 AM

THERE'S NO GOOD REASON TO TRUST BLOCKCHAIN TECHNOLOGY

In his 2008 white paper that first proposed bitcoin, the anonymous Satoshi Nakamoto concluded with: "We have proposed a system for electronic transactions without relying on trust." He was referring to blockchain, the system behind bitcoin cryptocurrency. The circumvention of trust is a great promise, but it's just not true. Yes, bitcoin eliminates certain trusted intermediaries that are inherent in other payment systems like credit cards. But you still have to trust bitcoin—and everything about it.

Much has been written about [blockchains](#) and how they displace, reshape, or eliminate trust. But when you analyze both blockchain and trust,

WIRED

Do You Trust Facebook? Zuckerberg's Leadership Dilemma

1,427 views | Mar 20, 2019, 09:15am

Jason Wingard Contributor @ Leadership Strategy
I write about the intersection of strategy and leadership development

TWEET THIS

- Facebook is not alone in its battle against wavering consumer trust.
- Trust has a measurable impact on the bottom line of businesses — and leaders can no longer relegate it to the realm of "soft" qualities.

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THE VERGE TECH REVIEWS SCIENCE ENTERTAINMENT MORE

Apple wants to be the only tech company you trust

Amid breaches and scandals, the company is positioning itself as a privacy provider

By Russell Brandom | Mar 26, 2019, 9:31am EDT

Apple TECH

Waiting for revee.outbrain.com...

Trust is *offense* as well as *defense*

OFFENSE

**Trust gaps create
startup-sized holes**

*“Your ~~margin~~ trust gap
is my opportunity”*

DEFENSE

**Trust is a moat to be
built and preserved**

*“Pick your promises wisely
and keep them well”*

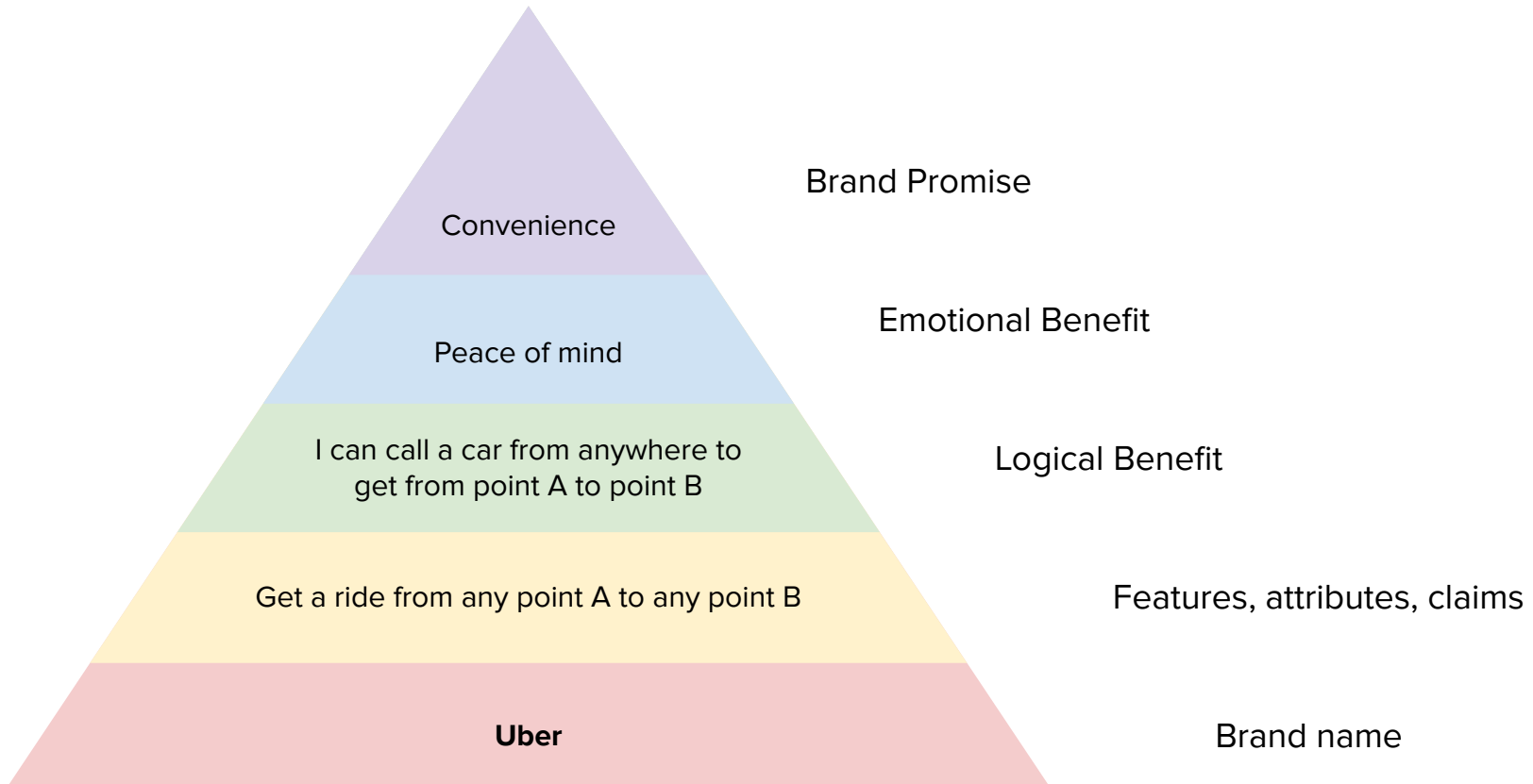


Operationalizing Trust: from Squishy to Actionable

1. Brands make promises to their users.
2. Trusted brands keep those promises.
3. Doing that creates loyalty & longevity. Trust is a moat.

- 1. Brands make promises to users.**
- 2. Trusted Brands keep their promises.**
- 3. Trust is a strategy.**

Every brand has a core promise.



Promises can be about values or experience.

Company	Promise	Promise is about...
Nike	Inspiration	← values
Facebook	Belonging	← values
NYTimes	Truth	← values
Amazon	Convenience	← experience
Apple	Quality	← experience
Verizon	Connectivity	← experience

“Promise Market Fit”

- You get to choose what promises you make to users
- But getting the promise right is an important part of product market fit
- And promises should adapt over time based on what users want

Brand	Starting Promise:	Later Added Promise:
Uber	Luxe	Convenience
Etsy	Handmade	People
Apple	Quality	Privacy

Brands communicate promises in multiple ways.

For example, Nike communicates inspiration:

Method	Example	Communicated Message
User Experience	The clothes fit well, feel like quality	We want to help everyone be an athlete
Messaging & Marketing	Colin Kaepernick ad	We get that we are about inspiration
Business Model	If they deliver, you buy more clothes	We want to help you be your best athlete
Mission Statement	“to bring inspiration and innovation to every athlete in the world.”	We want to inspire you as an athlete.



Brands communicate promises in multiple ways.

For example, Ethereum communicates Unstoppable:

Method	Example	Communicated Message
Technology	Built in a p2p unstoppable way	This is unstoppable
Messaging	"Build unstoppable applications"	This is unstoppable
Governance	Committees & Foundations	This is about the long term

1. Brands make promises to users.
2. **Trusted Brands keep their promises.**
3. Trust is a strategy.

Breaking the Core Promise is the biggest risk

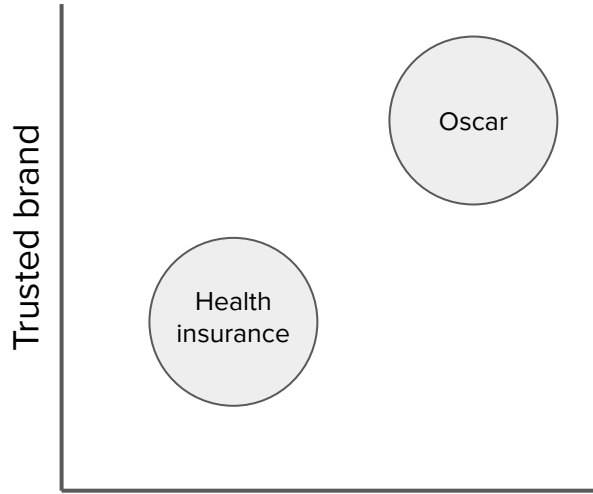
Brand	Promise	Broken Promise	Just Disappointing
Facebook	Belonging	You don't belong, you are the product.	Facebook is offline.
Uber	Convenience	Uber is offline, you can't get a ride.	Treating drivers poorly.
Apple	Quality	Degrading batteries on purpose.	Phone is unaffordable.
NFL	Sport	Bans your favorite player or team.	Hides links to concussions.
NYTimes	Truth	Publishes false information.	NYT is offline.
Wells Fargo	Security	Opening fraudulent accounts.	Lower savings interest rates.
Ethereum	Unstoppable	Transactions are censored.	Transactions are slow.

Choose your core promise wisely, and keep it.

	Core Promise	Other Promise
Fulfilled	Love	Satisfaction
Broken	Betrayal	Disappointment

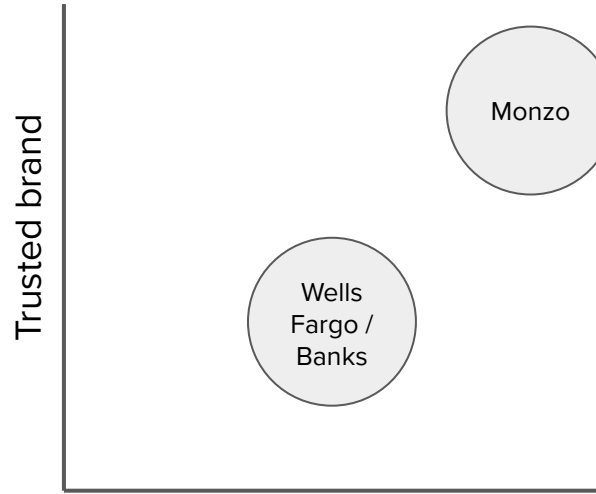
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Offensive: Trust gaps create startup-sized holes.



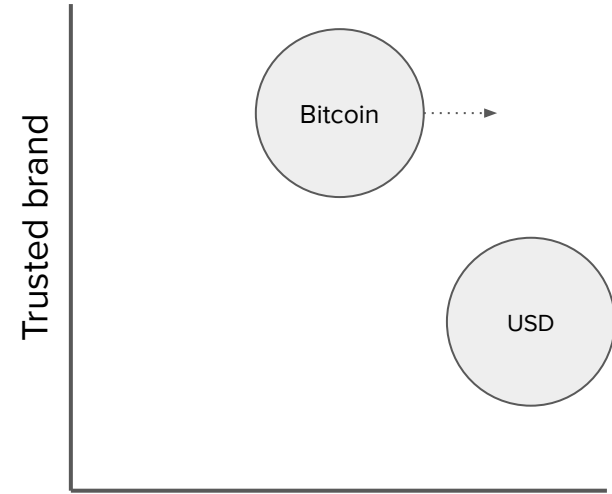
user experience

Broken Promise:
Your physical health.



user experience

Broken Promise:
Your financial health.



user experience

Broken Promise:
Hard money.



Defensive: Trust cultivates loyalty.

- Trust is a reason for users to stay with the brand
- It is a long-term defensible moat
- Cultivates loyalty and longevity when there are alternative options



The question for all of you:

"How do you think about trust in the context of your community, users, or product?"