Trust The Most Important Marketing Ingredient.

You've heard me say it before; "Lack of trust causes hesitation and hesitation kills sales." I believe that trust is the most important ingredient in marketing. If clients and prospects don't trust you, it is impossible to sell anything. Trust is undermined and eroded by many small and seemingly unimportant issues, and yet these issues can prevent you from reaching the success you deserve.

It has nothing to do with honour or honesty. More often its because we haven't understood something that's important to our prospect.

Join us for a one-hour conference call with Alex Todd, one of Canada's leading authorities on building trust. Alex will spend an hour with us at 2.00pm on June 23rd, discussing trust, how fragile it is and what we need to do as business builders to ensure we keep it at as high a level as possible, so we don't undermine our hard work and loose customers and prospects unnecessarily.

Your clients won’t tell you, but they definitely will vote with their feet if you don't continuously work on building trust. Alex will share his secrets for building and maintaining trust on this call.

The cost to participate is only $25.00 per line, and you can have as many people listen as you wish. Rapid Growth Network Members participate free. To register visit our website and click on the registration link for Insight and Action: Trust Enabled Marketing on our calendar page.

Kind regards

Michael Hepworth
Revenue Growth Strategist

Street-Smart lead generation strategies for growing entrepreneurial businesses.

Conference Call Transcript

Michael Hepworth (MH): First of all let me welcome all of you here. I am not sure how many people we have here today, and hopefully, because of the wrong number problem we [still hope to] have a reasonable turnout here today. What we are going to be talking about here today is trust-based marketing and my guest is Alex Todd [AlexTodd@TrustEnablement.com], who is the founder of Trust Enabling Strategies [www.trustenablement.com], which is a management consulting services firm that specializes in helping organizations achieve objectives by building a more trusting kind of environment. He has a strategic approach, which he calls Trust Enablement™. I am not going to say too much more about Alex and that. I am going to let him introduce himself in a couple of minutes. What I really want to do today is look at trust as it applies to marketing. My whole view about marketing is that in order for it to be effective, marketing has to be based on trust. And if it is not based on trust, then marketing breaks down. One of the big problems is that most people think their problems lie around cost, but actually cost is not the problem. People will buy expensive products if they know there is no risk. So, for example, most people don't worry about buying a Mercedes-Benz, because they know they are going to get a good product. The reason people don't buy a Mercedes-Benz is, is: 1. Maybe they can't afford it; or 2. They don't believe they need a car of that stature or they want a different kind of car and that kind of thing. One of the reasons, I think why people don't buy expensive products is that often cost is associated with risk and risk is the other side of trust. So if the risk is high, people don't buy and risk has causes hesitation, or lack of trust causes hesitation, and hesitation kills all sales. So with that Alex, why don't I hand over to you, for you to just introduce the topic? If you want to say just a little bit more about yourself, do so, and then you and I will just have a chat and talk about these things and ask each other questions, and we go from there. And then, at the end, if anybody wants to ask any questions, we will provide that opportunity.

Alex Todd (AT): Sounds good Michael. Thanks so much for inviting me today. It is a pleasure to be here. I want to start off by saying fist of all that I am not a marketing expert. I am a Trust Enablement™ expert. I can take any best practice, or any business process that is stakeholder facing, and a customer is a stakeholder of an organization, and assess and determine to what extent it helps to either establish a required level of trust or protect from a loss or deficiency of trust. I do this with marketing strategies and marketing tactics. I can also apply this framework to developing marketing strategies, which I am working on a client with right now. It is a very highly effective, targeted way to develop these strategies. So, having said that, I have been taking a close look at what marketers are doing from a Trust Enablement™ lens. A Trust Enablement™ lens is essentially, it says two things: 1. The paradigm shift in thinking, first of all, is "trust the information despite its source", which is very counter-intuitive. Normally when we think about trust, we think about I trust you, you trust me and relationship and that kind of stuff.

MH: Say that again Alex. Trust the information despite its source?

AT: Despite its source.

MH: That does need explanation.

AT: Yes it does. Think about buying something on eBay. You go online and you want to buy something from someone have never heard of before. You have no idea where they are in the world. And somehow, lo and behold, millions of people are doing it. They have sufficient trust and confidence in the information that they are relying on about the value proposition of buying a product from that vendor, without ever having met them, without knowing them, without trusting the source of that information.

MH: Is eBay the source in that particular case?

AT: No. They are the enabler of trust.

MH: Thank you.

AT: So eBay provides, what I would call a Trust Enabling™ Infrastructure that makes it possible to rely on critical information to make consequential decisions or take consequential actions, such as making a purchase, because you don't trust the source. The source is the vendor [and] you have never heard of the vendor before. So, it is a very important paradigm shift, because what it does is it allows you, it empowers you to start thinking about the information independently from the source of the information, in trying to determine "How can I have sufficient confidence in that value proposition in order to be able to accept it?" OK?

MH: That's a very interesting thing, because you are actually saying that customers need to change their paradigm. That's a huge challenge. I mean, people either trust or they don't trust.

AT: Good point Michael. I would say customers have changed their paradigm already. It is the vendors who haven't. Think about trust in your doctor. It used to be that whatever your doctor told you about your symptoms and the treatment was god's word, it was infallible. Today, we will ask for a second opinion, we will go on the Internet and corroborate that information. We will ask our friends for their experiences, and so on and so forth; the same thing with accountants; the same thing with lawyers; the same thing with all our traditional pillars of trust. So, I would say that what has happened is that the customer has become empowered and the power has shifted and the customer is demanding, is no longer relying on one source of trust. They are seeking multiple sources of trust in order to attain the levels of confidence they need.

MH: OK. So you are really saying that most people when they are buying something, they will seek out information independent of the source.

AT: Absolutely. You are seeing it everywhere. If you can talk to car sales people, the will tell you that customers are coming in better informed about the features of the car and benefits of the car, about the sales process, about the kind of price they ought to expect to have to pay for it. They are essentially telling the sales person, this is what I expect.

MH: So, what are the implications of this for marketers then?

AT: The implication is to recognize the fact that the customer is empowered and to not resist that. To actually help them, help the customer, treat them with respect, and help them to establish the levels of trust that they require by leveraging their own sources of trust, the sources of trust that they trust, not that the vendor trusts. If you think of these concentric circles of trust, we trust ourselves the most, then the people that are closest to us like family, the people that are further away, and so on and so forth. Right? So studies have shown that people tend to trust their friends more then they tend to trust authoritative and official sources on various consumer issues. They tend to trust blogs more than they trust public relations initiatives and articles and so on. So, the dynamic is changing. Marketers have to understand what the customer's expectations are and what it takes in the customer's mind for them to establish in their own mind the levels of trust and confidence they need to accept the value proposition.

MH: So, the issue is that we have to find ways to provide them with ways of getting the independent information, is I think what you are saying.

AT: Yes.

MH: That can verify the value proposition.

AT: Absolutely.

MH: So how do you suggest. Let's use an example, and it may not be fair that for you not being a marketer for you to come up with an answer, but for example, I know one of the listeners here sells sort of strategic plans for your life, in terms of investments and that kind of thing, in terms of achieving your life goals. This is probably a really bad description of what she does, but how would you [go about] helping someone like that develop trust around what she does.

AT: OK. As I said, our traditional pillars of trust are eroding. People no longer trust them in the way they used to. Financial advisors are no different. The model of having a financial advisor was that they were an authoritative source of trust. That is no longer the case. Let me give you a personal example of why that is not the case, from personal experience. I wanted to visit a company, Davis & Henderson, in this case it was. They print cheques for the banks. Before I went to see them, I just coincidentally read an article in Business Week that said that the cheque printing business is in decline at about 10-15% a year. And then, in that context, I asked my investment advisor to provide me with an analyst's report on Davis & Henderson. The Davis & Henderson report was glowing. And they were saying how the revenues are going up, and there was one line at the bottom of the whole analysis that was saying that said despite the fact that the industry is in decline 3 or 4 percent a year. And then the last page was the page was a page of disclosures. It was an entire, full page of disclosures. And disclosures are conflict of interest disclosures. So that analyst's report that they sent me wasn't worth the paper it was written on. It was inconsistent with what I had read in the press and even standing on its own, it had actually no value. The only thing it told me is this is what we think, but we have a vested interest in this opinion.

MH: Right.

AT: So, what was the value that that investment advisor just gave me? What was the value of that relationship I had with that investment advisor?

MH: I guess, pretty much zero.

AT: Zero. Exactly. They essentially neutralized. They were honest, in that they had disclosures, but they didn't add any value. So what would a Trust Enabled™, as I would call them, investment advisor look like? Well, a Trust Enabled™ investment advisor would have provided me with the Business Week article, potentially; would have provided me with their competitor's analysis, who have fewer conflict to interest issues; other opinions; and would say hey look here are other perspectives for you and here is our own analysis, but clearly you can't really rely on it that much, so here are some other perspectives. You choose the sources of trust that you want to rely on.

MH: So in a business environment, like we are in now. I mean, I think you know one of my strategies, I believe in educating, in teaching your market how to buy, in providing them with information, and in fact giving out valuable information as part of the relationship-building exercise, but if that is the case, that that information cannot be trusted because of vested interest, how do I actually provide that kind of value? How do I generate trust with that kind of information?

AT: I am not sure I understand the question. From whose perspective are you asking the question? As a consumer?

MH: I supply a lot of information to people as part of my marketing strategy.

AT: Right. OK. Well the way you do it is by showing how you came up with your conclusions or your recommendations. Essentially you could do it, think of it as a study. You can say, look this book says this, this book says this, this paper says this, this study says that and that supports my point of view. What also helps is if you can make yourself vulnerable. You know a scientific principle of trust is that trust begets trust or trusting begets trust. And if you want to unravel the layers of the onion there, what it really means is that by making yourself vulnerable to somebody else they will actually trust you more.

MH: OK. Let's get back to our investment example. How would someone in that business make themselves vulnerable?

AT: They would say that I am not the worlds authority on this subject. We have our methods. We have our approaches. And here is why we have selected them. There are some other approaches as well. Here is what they are and you can find out more about them and decide for yourself. We feel that this is most valuable for this profile of customer, so if you have this kind of risk profile or if you have this kind of financial situation, etcetera, etcetera, the approach that we have is best suited for you. However, if it's not, if for example you do not fit that exact profile, you may want to consider other approaches. OK? And you may qualify it and so on. The point is that you are making yourself vulnerable. Say, well I am on the cusp there of fully fitting your criteria, but I come pretty close. They might still decide to do business with you because you are open and are making yourself vulnerable, they will trust you to inform them and advise them in their best interest. Right? If they don't fit your criteria, if it's not the best product for them, not the best solution, then tell them that. I'll give you an example, I was listening to a panel of financial services marketing experts. They are all kind of VP level, and they were talking about their marketing initiatives, and this all brand name financial institutions in Canada. And one of the things they mentioned was for maintaining trust is not to sell any proprietary products.

MH: Right. Interesting. So what is says is that you are going to sell everything the same as everyone else then, undifferentiated products.

AT: No, but your service is going to be different.

MH: OK. So the service would be differentiated, but the product would be generic.

AT: The service is the product.

MH: Yea. In the financial services area that is actually the case. No one actually buys a savings account or a mutual fund. They buy the service that goes around it.

AT: Exactly.

MH: Right. But that's actually very interesting, because what I think it says is, as a marketer, I need to be very clear about my target audience, and I need to be very clear about the criteria of the people that I am selling to. So, in fact, if I am selling consulting services, I need to say, well if you are a business of this nature, of this size, in this location, with this kind of problem, then this might be of interest to you. If not, then this probably doesn't suite your needs. Is that what you are saying?

AT: That's exactly what I am saying.

MH: OK.

AT: And, you can take it a step further, by saying can I recommend that you look at this or that or take this approach.

MH: OK. You need to suggest alternative ways of solving that problem for people?

AT: Exactly. You want to become a trusted advisor. You want to show that you have the customer's best interests at heart.

MH: OK, so it goes back to your intent, making sure that your intent is to solve the customer's problem and leave the customer in a better condition, not simply to do business with the customer.

AT: Exactly.

MH: OK. Which is interesting. Which brings me to a construct that I learnt many years ago. And I'd like to come back to what we just discussed, but this construct is important because trust is one of those very soft issues. It's kind of like, I can't describe it, but I'll know it when I see it. At Wilson Learning, many years ago, used to have a definition of trust, and they used to talk about competence, commonality, propriety and intent. Competence, of course, your ability to do what it is you say you are going to do. Commonality is your ability to be like me or rapport-building. Propriety, is behaving as though I would expect somebody in your position to behave. And intent is exactly the issue that you had just spoken about. Is there another definition that perhaps you use, as scientific definition, a construct for understanding trust a little better?

AT: Yes. I have a very, very, very simple definition for trust. Trust equals acceptable uncertainty. Essentially what that means is that there is no such thing as absolute trust. We don't even trust ourselves absolutely. After a few drink, if we are tired, hormones, whatever, we don't event trust ourselves. So there is no such think as absolute trust in the practical, in the real world. So it's only a matter of degrees of trust. So the question is, what level of confidence? Trust and confidence, I use them interchangeably by the way. I see them in a business context. They really are interchangeable terms. So I often say trust and confidence. So, as I said, trust equals acceptable uncertainty. Uncertainty - and I use that term purposely instead of risk, because risk colloquially has a negative connotation, even though it technically doesn't – uncertainty means that there is an upside potential and that there is a downside potential, so I like to use the term uncertainty. So, when you have absolute trust, you have no uncertainty. When you have total uncertainty, you have zero trust. So those are kind of opposites. The reason we put acceptable uncertainty in there is that you can actually live with - everybody has a different a threshold of uncertainty that they are willing to live with, a risk aversion profile, if you will. So you can actually make certain level of uncertainty acceptable, such that the person will be willing to take the consequential action; accept the information and take the consequential action based on that information. So what you want to do is reduce uncertainty and make the residual uncertainty sufficiently acceptable to have the person take the consequential action. That's trust.

MH: And you are saying that providing information about alternative solutions is one way of building trust. Are there other ways of building trust?

AT: Yes. There is actually only two ways of building trust. To establish a required level of trust, you have to leverage sources of trust. And ideally, in the ideal world, you would trust the source of the information, absolutely. That's the perfect scenario.

MH: So that's why testimonials are important for people?

AT: Let me get to that. Can you hold that thought for just a second? I'll get to it.

MH: Yea, sure.

AT: So there are only two types of sources of trust you can leverage. One is authoritative sources of trust. Those are expert opinions. Think of Siskel & Ebert for movies. Think of a passport. Think of a driver's license, or a certification mark. Or think of a designation, or a quality standard. Or think of a brand. It is a self-assertion. It's also an authoritative source of trust. So is a testimonial. It is a subjective opinion about the quality of the experience or the product, or whatever it is.

MH: So a testimonial is authoritative then?

AT: It is an authoritative source of trust, and I'll explain to you that there is a fine line between the next category and this one, especially as it relates to a testimonial. So authoritative sources of trust are leveraged to get you fast trust. They can sometimes also give you high trust, if you think of Harley Davidson with certain markets. Just the brand itself conveys a great deal of trust. Or you mentioned Mercedes earlier. But generally speaking, those are mechanisms for establishing fast trust.

MH: And most small business, the businesses on this call, will not have a brand that they can leverage, generally speaking.

AT: Exactly. And also products tend to – for certain kinds of products, or many kinds of products fast trust may be sufficient sometimes to actually make the purchase, for them to have confidence. Depending on the product and so on. But in services, the more intangible the product is, such as in a service, you require higher levels of trust, even from the start. And so the way you achieve high levels of trust is through experiential sources of trust. Now, experiential sources of trust are things like your own personal experiences with a product, or a service, or a vendor. Or the experiences of other people who you trust to objectively relate to you what they experienced. From a technical perspective, an audit log or a video surveillance camera, or the recording of this call are examples of experiential sources of trust.

MH: OK.

AT: OK? Now bringing it back to a testimonial, the difference between a testimonial and an experiential source of trust; certainly a testimonial generally comes from an experiential source of trust. However, whose source of trust is it?

MH: What's the quality of the individual who's giving it, you mean?

AT: Not only that, but who trusts that individual? Does your customer know that individual and trust them to objectively relate what they said, or is that your brother giving you your testimonial?

MH: Interesting. So this is why endorsements are so powerful then. Because that's somebody's experience so that, if you have somebody that you know and like and trust, and they endorse the product, then that's a very powerful form of trust-building.

AT: Absolutely. That's a great example.

MH: OK. Interesting. So how can we leverage both of these? Do we need both of these types of trust?

AT: Actually, yes. Generally, you need both. It is generally not sufficient to have one or the other. The balance, strategically, will vary depending on what it is that you are selling and the profile of the customer, obviously.

MH: Right.

AT: There is a concept of aggregation of sources of trust. Remember I mentioned Siskel and I mentioned Ebert. Having Siskel give a thumbs up on a movie might be a good think, but certainly if both Siskel & Ebert like it, I am much more likely to go see the movie. So you can aggregate both authoritative sources of trust and experiential sources of trust.

MH: So now, as a consultant, how do you go about building authoritative trust for your services and experiential trust for your services?

AT: OK. Great question. Remember, I am not a marketer. However, I have researched what marketers suggest. One of the people I trust most to be an authority on this subject is David Maister. David Maister is a well-known consultant and author to professional services companies.

MH: Right.

AT: And so I actually asked him a few weeks ago, for some advice about how to market my services. And then I did a Trust Enablement™ Assessment, if you will, of his recommendations. And also he has a book that actually goes into more detail into these things, "Managing the Professional Services Firm", I believe it is called.

MH: It's worth reading; by the way, if any of you, any listeners are in the professional services world, that is a very good book to read. I think it is called, "Managing the Professional Services Firm", David Maister.

AT: And so what he said – he breaks down marketing initiatives, marketing tactics, as he calls them, into three different categories, from kind of, most effective to least effective. And interestingly enough, they map very, very closely to what I just told you about authoritative and experiential sources of trust. So you asked me explicitly, how do I establish fast trust as a consultant, in the professional services business? Well, first of all let me say that it is not sufficient – fast trust is not sufficient for converting prospects into customers in professional services. You need high trust. And most of the emphasis needs to be placed on high trust. So the things that give you fast trust tend to the least effective. In fact, they are identified as such in David Maister's book. Now I'll tell you what they are: video brochures, advertising, sponsorship of cultural and sports events, cold calls, direct marketing prior to direct mail, brochures, publicity, all fall into the category of least effective means for marketing professional services. OK? Now the middle category - and many of us fit into that, including me, where we spend most of our time – are things like newsletters, networking with potential referral sources, community civic activities. Those have, kind of, medium effect; medium effectiveness. And then the things that have the most effectiveness are things like seminars on a small scale, speeches at client industry meetings, proprietary research, and articles in client-oriented trade press. So those are the kinds of things that he suggests that are the things that you ought to do to be, from a marketing tactics perspective, to be most effective. Interestingly enough, seminars, speeches, proprietary research, are all experiential sources of trust.

MH: Very interesting. If there is anyone in the professional services field on this call, there are some useful things that you can do: seminars, speeches, some of your own research and writing articles.

AT: Exactly.

MH: OK. Interesting.

AT: Now what is important to mention also is that marketing is a very confusing – this is as an outsider observing this and studying it – I can tell you that marketing is a confusing discipline and marketers themselves are extremely confused people. They are currently suffering a crisis of credibility and are trying to figure out what their role is in their organizations.

MH: Tell us a bit more about that.

AT: The reason is that what's been happening is, essentially what they are doing is that they are not addressing customer conversion explicitly. They are say, you know we are doing all the things that create demand then we toss it over the fence and expect the sales people to affect the conversion of the customer. In reality, so they are abdicating their responsibility for really where the rubber meats the road. And as a result they have drifted farther and farther away from being directly connected with business objectives. Let me give you an example of the divergence in thinking about what marketing is. I am going to read you a couple of definitions of what marketing is. Here is the first one:

"Marketing is the process of planning and executing conception, pricing, promotion and distribution of goods, ideas and services to create exchanges that satisfy individual and organizational goals."

MH: Say that again, because that's kind of a mouthful?

AT: Sure is. "Marketing is the process of planning and executing conception, pricing, promotion and distribution of goods, ideas and services to create exchanges that satisfy individual and organizational goals."

MH: That's very interesting. So…

AT: Before you actually comment on it, let me read you another – let me first tell you that that is a definition that the American Marketing Association provided for marketers in 1985. That definition stood up until last year. Now I am going to read to you this year's definition: "Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders."

MH: The second one is certainly much closer to what I believe marketing is than the first one.

AT: Yeah, and I would totally agree with you. Let me now give you a third definition, which is really a derivation of the one I just read, but from a Trust Enablement™ perspective. This is how I would define marketing: "Marketing is an organizational function and a set of processes for defining, attaining and maintaining customer acceptance in and delivering the value customers expect in ways that benefit the organization and its stakeholders (including the customer, of course)." The main difference between my definition and the most recent AMA definition they use the term "communicating" and I use the term "attaining and maintaining customer acceptance". And here is the crux of the problem, from my perspective, in the marketing profession. They are fixated on the term "communicating". That's why you have marketing communications. Everything is a broadcast or advertising. When you think of marketing, you think of a one-way push of information and try to influence opinion.

MH: Right.

AT: And that's why semantics is extremely important sometimes. And by using the term communicating we fall into this trap. I can tell you that there is one client I am working with right now. They invited me to help them with their marketing strategy as I mentioned earlier. And I started to read their existing marketing strategy documents. And the very first document I read talked about an audience analysis. And then they talked about their primary audience and their secondary audience. They talked about marketing communications initiatives - nothing to do with the primary objectives of marketing. Here is my two primary objectives of marketing. I think there are only two things marketing does. Marketing should one, match up the value that the company can provide with the value expectations of the customer. That's number one. And number two, should help the customer to have sufficient confidence that they will get expected value. Two things. When you talk about communications, communications is a way of building trust and confidence. But it's a subset of the entire solution, of the entire process. It's only one piece. And it tends to fall, quite frankly, more into the authoritative sources of trust category than the experiential sources of trust category that we talked about earlier.

MH: Right.

AT: So, from my perspective, marketing has missed the boat for several reasons, as I said before, because they were punting stuff over to – they weren't focused on conversion – they were expecting sales to do that. It's not their responsibility. And secondly, because they got caught up in this quagmire of semantics. Let me give you an example of some words marketers use that actually have nothing to do with those two primary objectives that I just mentioned. Where are they? I actually have them listed here. Ah, here they are. OK. Think of these. This is common terms. When you listen to marketing people, this is what you hear them talking about: Branding, promotion, mind share, top of mind, market share, share of wallet, audience, communications, loyalty, buzz, and so on. And all kinds of others. None of these things have anything to do with customer conversion rates.

MH: So not only they are not creating trust with their customers, they are not creating trust with their constituency either, the stakeholders back in the firm.

AT: Absolutely.

MH: Hmm. So, as a marketer, now that you've told me that marketing only has two pieces. One is matching value with customer expectations or value expectations, and helping the customer to have confidence in the value that they will receive, what do you think as marketers we need to do more of, first of all. What do you then think we need stop doing, and maybe what we need to do less of.

AT: Well, I think the first thing is to stop thinking of marketing as some kind of push strategy. I think we have to think of marketing as a pull strategy, and thinking about the respect we have of the customer; so the entire philosophy of thinking about our relationship with that customer needs to change. This might be a good time to explain that there are – if I can give you some context – my approach, the Trust Enablement™ approach tries to do two specific things – two objectives: One is to establish a required level of trust; and the other is to protect from a loss or deficiency of trust. Where we start is, as Y2Marketing puts it, from the internal reality, what I call ensuring trust. You start off from a core set of values, or an attitude or belief system. I like the way they phrase it, "The attitude to do whatever it takes to make my business as valuable as possible in pursuit of wow." OK? "Commit to gaining market share by dominating competitors. Build a business about which you can be evangelical." Those are Motivational things. The way you protect from a loss or deficiency of trust in the long term is through Motivation. And motivation is much broader than what I just talked about. It is everything, such as laws, regulations, policies, ethics, reward systems, penalties, etcetera, etcetera, and recourse mechanisms. All these things fall into Motivation. But here are some specifics for marketing, and I pulled these out of Y2Marketing and their concept of "Monopolizing your Market". They say, start off with that. That's your core. Then they say, "Have something good to say." And I'd put that in the second category. There are only two ways to protect from a loss or deficiency of trust. That is Motivation and Ability. Whereas Motivation protects from a loss of trust in the long term - it helps you to predict how decisions will be made in the future, Ability are all the business processes and controls and IT and knowledge and capabilities that we have in the resources that we have to deliver expected value at the transaction level. So "have something good to say" is what they say, is the other thing you have to have. So once you have those two, then you can start matching your internal reality to creating an external reality that matches it. OK? And that's from my perspective, where you establish trust. That's the external reality. OK? And, what they talk about is: "educate the customer about what to look for"; "say it in a way that they will believe it"…

MH: That's the key to this thing, in terms of saying something in a way that it's believable.

AT: Exactly. And then prove beyond a reasonable doubt that you are going to deliver expected value.

MH: So, we've got about ten minutes left on this call Alex. How would you summarize? Because what I'd like to do is I'd like to summarize this then open it up for questions from people. So how would you summarize the most important things if you wanted to leave people with one or two messages about trust, in order to build more trust with their clients, because I believe that trust, like loyalty, is a two way street. Not only must you trust your customers if you want to be trusted. I should say that again. If you want to be trusted, you have to trust your customers first. And then they will begin to trust you, so that you deal with them that they are a trusted part of your organization.

AT: I guess closing words. Before I do that, let me just say two more things and then I'll close. One of the things I wanted to give you credit for an article you wrote in the Globe & Mail in March of this year, and it was all about guarantees and the value of guarantees. We haven't talked about guarantees so far, but think what you said is extremely important. It is the second most overlooked aspect of trust. And it falls into the protecting from a loss or deficiency of trust. And there is another category I have when you don't have sufficient trust, I call it Risk Transfer, and that where guarantees, warrantees, contracts fit in. They are extremely important to either allow somebody to make the residual uncertainty acceptable. In other words, allow somebody to take some action before they have attained the level of trust that they need.

MH: Is that fast trust or high trust?

AT: That is not trust. That is making a lack of trust acceptable.

MH: Ok. Because there is a certain amount of lack of trust always, so you mitigate that?

AT: That's exactly right. That's what you are doing. You are just making the uncertainty acceptable. And it is a very powerful mechanism that you talk about in the article and you are absolutely correct. That's another piece of the equation. The final piece of the equation is Trust Management, which is actually on the Establishing Trust side of the equation. It is the empowerment that gives the customer the choice. It is the ability for the customer to determine which source of trust they want to rely on. Think about eBay and their customer feedback forum. You don't have to rely on any particular customer feedback. You can actually choose those who you think are being most balanced in their assessments of vendors, based on their previous comments. So to have that ability to empower customers to choose the sources of trust they want is a piece of the Trust Management equation. And that completes the picture. So, getting back to your question, the parting thoughts I would have are you really want your customers thinking that they've got to be a fool not to do business with you. It's got to be such a compelling – you've got to think about giving them the confidence, being so sure how good your products and services are or how valuable they will be to them that they will feel stupid to go with anybody else – it just makes no sense to do anything other than to do business with you. Focus on that and take their perspective, "What are all the things I can do to give them the confidence they need?" And I know that some of them are going to be uncomfortable because it means revealing more about my vulnerabilities than I am accustomed to doing, but nobody is perfect and I think that people understand that nobody is perfect. And I am not say that you should stand out bare naked when nobody else is. I think you just have to be a little bit more transparent, a little bit more open, a little bit more vulnerable than the next guy to achieve higher levels of trust and confidence.

MH: So the key that I am hearing you say here is the notion of developing a mind-set of I'd be foolish to do business with anybody else, is that you have to be open and communicate with people: the flaws in your product, if there are any; other options that they have; that kind of thing.

AT: Exactly.

MH: Ok. Good. We've got five minutes left. Has anybody got any questions they'd like to ask about trust, because this is obviously a very deep subject, and there is a huge amount to learn here. That's like any subject, the more you peal back the onion the more there is to know. But I am sure there are people with questions out there, so let's open the lines and anybody who's got a question please feel free to ask.

Audience Member #1 (AM1): You know, I think there is two kinds of trust. There is trust that you try to get at the beginning and then there is trust you earn, and I think trust is something that has to be earned through these different sources that you have. I don't know if I have a question to this, other than it's a way of being and doing what you do every day. It's the same thing.

AT: Absolutely. I totally agree with you. That's an experiential source of trust. When we talk about relationships, when we talk about earning trust, those fall under the category of experiential sources of trust, and they take time.

MH: Alex, from that point of view, you earn trust experientially, but you can also undermine trust experientially.

AT: Absolutely.

MH: What is it that marketers do that undermines trust?

AT: Well, great question. First of all, if they screw up, that undermines trust. Then what compounds it, when they screw up and deny they screwed up, or try to bury it. If for example, I can give you a couple of examples. Intel's math co-processor chip some years ago, back in the 90s, made a slight error, very, very minor error. And on the Internet technical guys found the flaw and started discussing it and it became a really big issue. Intel tried to suppress it. Saying hey, it's minor, it's nothing. It had a huge impact on them. Then they had a hard time recovering from it. So they did the wrong thing. Another example of somebody who did the wrong thing was Bridgestone, with the Ford Explorer, in 2000 I believe it was. A number of people died before they actually admitted to the flaw in the tires, when they were under-inflated. An example of doing the right thing, is Audi back in the 90s apparently the car went into gear by itself and ran over some people. And so it was considered to be a very poor quality car with a lot of risk associated with buying the car, and their sales plummeted. Their response was an incredible warranty that covered all your expenses for I don't know how many years, and so on. That was a good strategy. And a really recent example, the jury is still out as to whether this is the right move or the wrong move. Even the experts don't agree. I don't know if any of you are Formula One fans, but this very weekend there was a Formula One race in Indianapolis. And there are only two tire manufacturers that support Formula One racing. And the preponderance of the teams uses Michelin. And only three teams use Bridgestone. And it turned out that Michelin tires failed under the high g-force banked turns that are unique at Indianapolis don't exist at any of the other Formula One circuits. And every single team, except for three teams pulled out of the race. There were only six cars in the race. Now the jury is out among marketing experts, who are debating as to whether Michelin teams made the right decision or the wrong decision by pulling out of the race, because the race was a farce. There were only six cars and Ferrari were two of those six cars and they kind of dominated the race. So it was really a non-race. And I can read to you an article that come out in the Globe & Mail this week about this very thing. A professor from the University of Western Ontario, Richard Ivey School of Business says "It was a safety decision not to run the cars." And one consultant says, he was a brand strategy consultant, said "Michelin's move to pull the tires" said, they are saying essentially "it shows customers the company puts safety above profit. And in the long run it's all about safety. That's what their brand is all about." Richard Powers, a marketing professor at the University of Toronto's Rotman School of Business says, "Their brand is safety, and these tires were unsafe. Would you want to pay a premium when you are not getting that safety?" He says, "I don't think so." So two experts in marketing have totally contrary opinions as to whether this particular incident was handled properly from a marketing perspective. And when you look at it from a Trust Enablement™ approach, from that lens, the answer is actually quite clear. If the Michelin brand is all about safety, and I think we would all agree that it is, then how do you actually, as a marketer, how do you actually prove safety? Now it is very difficult to actually prove security or safety. You certainly see it when it is not safe or secure, but it is really hard to prove safety. And in this case, by actually have a very high profile and visible event that millions of people saw, demonstrating, giving them an opportunity to actually experience your decision-making that is consistent and in support of your core, primary value proposition, which is safety, is the right decision. In other words, by pulling out they are actually directly supporting their value proposition and showing safety above all. And so even though we are not perfect, even though we make mistakes, we will not allow anybody to die or get hurt. And that is our overriding, that is how we make decisions. So, I disagree with Richard Powers from the University of Toronto and think that the other consultants have a better understanding of what it takes to protect the brand. And Trust Enablement™ actually helps you to see more clearly which is the right decision. Michael does that answer your question?

AM1: Can I ask you a question, while Michael is not on the phone?

AT: Sure.

AM1: Best effectiveness: small seminars, speeches, proprietary research, writing articles, anything you found in there, pointers on how to do those the best?

AT: How to do those the best?

AM1: Any specific, I mean, when you are working with individuals in creating trust and trying to obtain more business from people you don't know, in your seminars, you help them build in a trusted element into each of those areas?

AT: Here is what David Maister would have said. Here is what he told me, anyways. He said, never, ever sell. Do the research study. Get it published in the Globe & Mail. Go out and do seminars for free, and help people to understand what the issues are, what you found in your study. And eventually, some of them, some of those people who attend will become your customers. But never, ever sell. That undermines credibility.

AM1: Absolutely.

AT: And from a Trust Enablement™ perspective, that makes all the sense in the world, because, think about it, as soon as you get into sales mode, you motivation is your own, not your customer's.

AM2: The purpose, I suppose, is in terms of customer finding their need and feeling their need, and your point is to help the customer find their need, feel the need and therefore come to you with whatever the services that you are offering?

AT: That's right. That's right. You know there is a book called SPIN Selling. I don't know whether you are familiar with it. And essentially what they talk about in that book is the process of helping to uncover the real needs that customers have through a series of question, by probing and drilling down on any kind of issue that the customer comes up with and saying what is the impact of that? And when they tell you the answer, then what are the implications to you and to your family and to the organization, and so on, if that were to happen? Now those become the real needs, the things that really matter. So, even in that book, it's a sales approach, but even there they are saying that you are not actually ever selling; you are engaging in a discussion and uncovering, or helping the customer to get a better understanding of their needs.

AM2: Good point.

AT: Are there any other questions or comments?

AM2: I'm good.

AT: Let me ask you guys. Has what I have said been very different from what you had heard before?

AM3: There has been some new perspectives, new ideas on some things, certainly from my point of view.

AT: What did you find most valuable or most interesting?

AM3: Unfortunately, I missed the first half of the [call], because I had the wrong pin. I only got in half way through. But just the context of marketing and the perspective of the ability to focus your direction toward the bent of the customer, finding what their perspectives are and what their points are, and building on that in terms of the services that, in my case, I am a financial services consultant.

AT: How do you find that currently the financial services industry is addressing these customer needs?

AM3: It is a lot of the same kinds of ideas that you are talking about, and people are focusing on that. Obviously, when it comes to financial services, inspiring trust is paramount, because if they don't trust you, they are not going to use your services, for sure.

AT: Do you think they are doing enough?

AM3: I think you can always do more.

AT: I think so too. I am actually writing a proposal to speak at the e-FinancialWorld Expo, coming up in October, and I am just debating about the subject I am going to propose on, to speak on, should be, and am really thinking about the Trust Enabled™ Advisor, what it takes to be a Trust Enabled™ advisor.

AM3: That would be an interesting topic, because there are so many advisors out there, and I think a lot of the would not be considered by their clients to be Trust Enabled™.

AM2: Good comment.

AM4: Alex, this is Phil Douglas. Do you distinguish between trust and trustworthy? Or are they sort of the same thing?

AT: Trust is a generic term. Trustworthy is somebody that you can rely on, as a source of trust. So, the sources of trust are trustworthy. So, by being, say a Trust Enabled™ advisor or Trust Enabled™ salesperson, you will then, by extension, become trustworthy.

AM4: Trust is sort of the thing, and trustworthy is the person who can do it.

AT: Trustworthy is the source of trust, yes.

AM4: The other question I had was, to what degree are – and I missed some of the conversation at the beginning of the conversation as well, but I don't know if you talked about this or not - are ethics and trust sort of cousins?

AT: Actually, that's an excellent, excellent question. I have a real beef with people who elevate the value of ethics to what, I believe, are disproportionate levels. From a Trust Enablement™ perspective, ethics is just one of many, many tactics, or line items under the Motivation category. I talk about Motivation as being one of two ways to protect from a loss or deficiency of trust. And within the Motivation category you have all kinds of stuff that includes laws, regulations, policies, ethics are in there, culture, reward systems, penalties, recourse mechanisms, dispute resolution, all kinds of stuff like that are in there. As you know, ethics or even a code of conduct are just single line items in a very large category, and when you put it in perspective, you realize that you can actually have high levels of trust, maintain high levels of trust, with or without ethics. Ok. Now ethics is a best practice. I am not saying you shouldn't have good ethics. The problem with ethics is that not everybody has the same ethics. And there is all kinds of different perspectives on ethics. I am not an ethicist, but ethicists will tell you that two people can be equally ethical and answer ethical questions differently. So, those people who focus on ethics as being the backbone for trust are misguided, I believe. And I think you need to have a strategic Trust Enablement™ approach to trust, and then you realize that ethics is a best practice, you should have it in there, but certainly you have a lot of mistrust, even with ethics.

AM5: How does Motivation fit into that?

AT: Motivation is the parent category to ethics. In other words, whereas…

AM5: Motivation isn't ethics. They are two different things.

AT: Ethics are a component to motivation. How you will behave. What motivates you to do something, is a function of a lot of different things, as I said, laws, regulations, disposition, culture, how your are compensated or rewarded, how you are penalized, how you are policed, what the recourse mechanisms are, your own policies, your own beliefs, all those things affect your behaviour. Those are all motivators.

AM3: Ethics is just one of them.

AM5: I don't think ethics and motivation go together, but anyway.

AT: How would you see it?

AM5: Well, ethics is a principle that you run by. Motivation is either something you got or haven't got.

AT: Oh. Ok. So, the term motivation is the difference. I totally agree with you. The only thing is I use the term motivation differently. It's what drives you.

AM5: It's a driver. You can be driven. Whatever it is that makes you different for someone else. That's part of ethics, I guess. See that's the problem today's and business people's ethics are so wide apart.

AT: I agree completely with the essence of what you are saying. I think the word motivation was throwing you off. That's where the miscommunication was. But I agree in principle with what you are saying.

AM6: To what degree do you think trust and risk are related then?

AT: They are very highly related. They are really opposites in many ways.

AM6: Ah. Ok.

AM5: Trust and risk?

AT: Uncertainty. I call it uncertainty. Technically risk and uncertainty mean exactly the same thing. Technically. But in colloquial language, risk is kind of the negative half of uncertainty. It's a subset of uncertainty, but the negative side of it. So, trust and uncertainty are opposites. In other words, when you have absolute trust there is no uncertainty. When you have absolute uncertainty, there is not trust.

AM5: Say that again? Sorry?

AT: When you have absolute trust, there is no uncertainty. And where you have absolute uncertainty, total uncertainty, there is no trust.

AM5: If somebody is trusted, they can give you the wrong information. There is a risk there.

AT: Right. Absolutely. But…

AM5: Risk is a separate topic in itself, because it is a quantitative thing. What's your risk in doing something?

AT: Right. There is no such thing as absolute trust. That's why I said earlier. There is no such thing as absolute trust. I define trust as being acceptable uncertainty. So what you have is always a residual uncertainty, no matter what you do. Then the question is whether the relying party, the trusting party, finds that level of uncertainty acceptable or not. And then you can do certain things to make it acceptable. One things is you can reduce the uncertainty. Another thing is you can take the residual uncertainty and make it more acceptable. And one way to do that is by, for example, providing a warranty or guarantee or something.

AM5: Little risk in that.

AM6: Risk transference then?

AT: Yea. Risk transference. That's right.

AM6: I am going to sign off now Alex. Thank you very much.

AT: You are very welcome. Thank you for attending. Maybe we should wrap up, if there are no other questions.