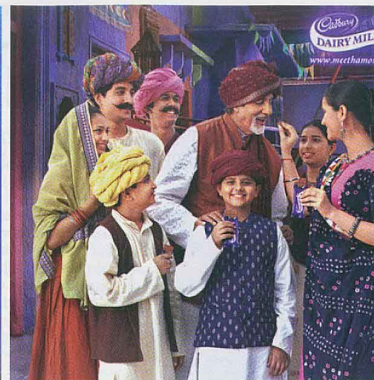
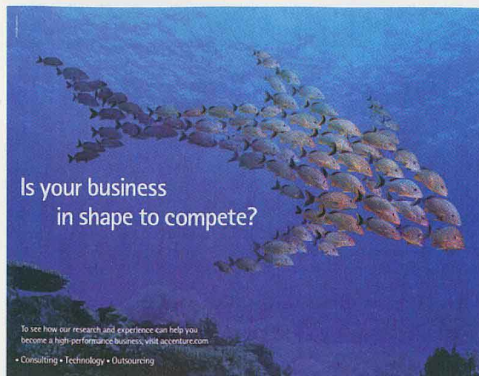


MARKETING JARGON TRUST MARKETING



DO YOU KEEP A TAB ON THAT TRUST METER?

IT'S TYPICAL IN A TARGET-OBSSESSED MARKET TO FOCUS ON SHORT TERM GAINS IN SALES & PROFITS. BUT IF MARKETERS INVEST INTELLIGENTLY IN THE ALL IMPORTANT CURRENCY CALLED TRUST, IT COULD BE THE 'BLUE OCEAN' THEY WERE LOOKING FOR!

Great companies with great marketing budgets and the best of creative minds can certainly generate great visibility and recall for their brands. But when it comes to building that all elusive brand loyalty and recall, and most importantly, the intention for repeat purchase, a lot hinges on that highly underrated and yet 'hard-to-compromise' factor called trust.

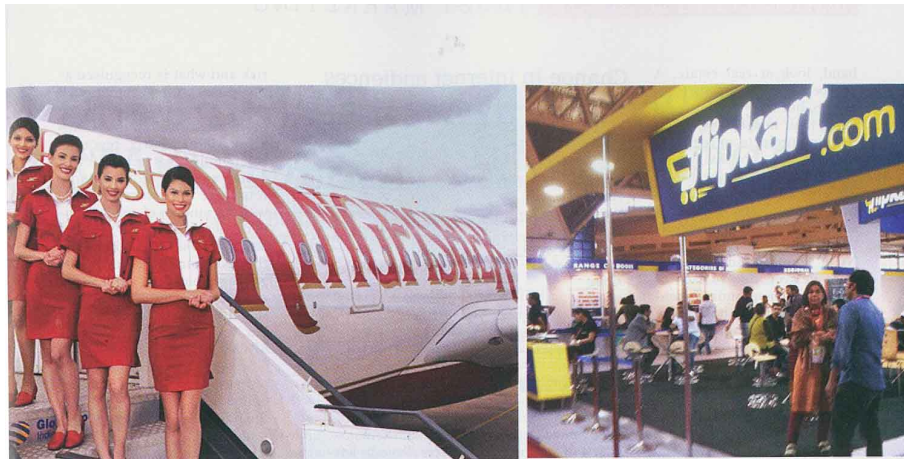
And truly speaking, trust is a highly elusive and tricky aspect of marketing. Being a known brand is not necessarily the same as being a trusted brand. Ask Kingfisher Airlines that! Be it the successive strings of losses, the DGCA's reprimand on safety standards, all the flight cancellations or the unfortunate failure to pay its employees; the

company has got itself into a black hole of sorts. Would you, as a customer, be as willing to fly Kingfisher the next time you are planning an official trip or even with your family? Surely, most of you will be far more comfortable seeing the brand logo on a Rs.70 beer bottle rather than on a \$280 million Boeing! To take it even further, how many millions can be invested in names like Satyam Computers, Enron or Lehman to make these brands even a fraction as powerful as they were at their zenith?

What's in a name? Well, plenty, depending on the context. Take another instance as food for thought. This brand is ranked 49 with a value of \$15.43 billion in the Milward Brown list of the world's top 100 brands for 2011. It was originally the consulting arm of

one of the erstwhile 'Big 5' in the accounting world – Arthur Andersen – and was then known as Anderson Consulting. It split acrimoniously with the parent firm due to a dispute over transfer payments. When the court approved the split, the judge ruled that Andersen Consulting could not use the Andersen name anymore, a blessing in disguise ultimately! Now we know that consulting company as Accenture. Arthur Andersen is all but dissolved post the Enron scandal, and Accenture would understandably not touch the Andersen name with a barge pole.

Coming to more of the real marketing world on a daily basis, trust is an essential part of any brand's arsenal, especially as the stakes for the consumer in terms of making a right



(L-R) Accenture fared extremely well post its break up with the ill-fated Arthur Andersen; Cadbury India leveraged Amitabh Bachchan heavily to rebuild trust in its brand and products; No amount of smiles (or moolah) may be enough to revive the battered brand image of Kingfisher Airlines and e-commerce sites like Flipkart must be wary of being complacent in an information-rich online world

choice go up. A lot of companies present the trust proposition in their communication. Of late, we can recall the Thomas Cook advertisements. One of them shows a group of girls caught up in a God forsaken land and being cheated by a forex teller. The punchline says, "Don't just exchange it. Thomas Cook it!" The ads talk about the cost of making the wrong choices for your holiday, and why Thomas Cook is the best choice. For Maruti Suzuki, trust is arguably the major asset that has kept it so decisively ahead in India all these years. Its ads, like the one which says, "India comes home in a Maruti Suzuki", often tend to assert that a majority of India still drives a Maruti; and by that logic (*in essence saying that you should go with the majority view*), you should too! Tata Docomo seeks to leverage on trust with its ads that are being showcased in the current IPL season. The ads are talking about how the company's services have "no fine-print, no hidden conditions and no unwarranted balance deductions". An ICICI Prudential advertisement of late promises instant settlements for life insurance claims.

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The stake for a consumer is not just with respect to money. Pepsi and Coke faced the immense challenge of handling the pesticide issue, and Cadbury's India faced criticism for worms in a particular batch of chocolates. Once trust is lost, regaining it takes a lot of time and investment. Cadbury's resorted to the familiar face of Amitabh Bachchan in its advertisements that talked about the strict quality standards that the product maintains at its facilities. Once the trust is strong,

a lot of factors like price can be overlooked.

Trust is not just about advertisements, of course. What is built over the years through a sustained communication strategy can be destroyed in days when your execution on the ground fails to impress. Companies have been used to the philosophy of 'overpromise and underdeliver', but the smart ones today realise that their approach has to be the other way round. Customers will notice this in some of their transactions on a regular basis. For instance, you would find at your service centres that companies give an estimate of your service bill when you leave the car. And in most cases, they tend to charge you lower than that estimate, giving you the impression that you have been given a good deal. When a brand has a relatively weaker standing in a particular market, it has to invest in trust before it sees returns. GM India offers its customers the option of a one time subsidised payment to avail free maintenance for three years or 45000 km., whichever is earlier (*starting from Rs.14,499 for the Spark petrol to Rs.39,999 for the Cruze*). On the other

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hand, look at real estate. A number of new brands are coming up, but they are not really doing their image any good by delaying projects so regularly and carelessly; not that the established brands are necessarily better. A report by research firm PropEquity says that around 45% of the 1920 projects that were launched in Delhi NCR, Mumbai and Bangalore were delayed due to lack of skilled workers, funding problems and slothful attitude of the developers. Moreover, developers are very poor at communicating the delays to home buyers, a large proportion of whom are paying off hefty loans and living in rented accommodations at the same time. Compensations are also pretty low for delays, at around Rs.10-15 per sq. month. This typically happens when realty players announce a lot of projects and fail to really plan their work in the interest of buyers.

Neeraj Gulati, MD, Assotech Realty, comments, "Building trust is not a function of one day. Many players make tall claims, but when it comes to deliver the same service, they are nowhere." It is a blatant ignorance of the tenets of trust marketing and most such companies are digging their own graves.

You do not need to be a technology analyst to predict how customers will swoon over the next Apple product launch. But the name Apple now implicitly means a lot of promise, and the company has to ensure that it delivers responsibly. But Apple's products are increasingly being reported for a number of critical technical issues. Problems with its iOS 5, which led the iPad 2 to crash quite frequently, have led to hundreds of complaints on discussion forums and Apple's own consumer pages. The recently launched iPad 3 is being criticised for heating problems, and the Apple iPhone has faced issues with its antenna in the past. The larger issue, however, as per customers, is the company's reluctance to own up and take action in time. So far, Apple hasn't seen a major impact on its sales, but the company should desist from being too overconfident.

Change in internet audiences

Coupon sites have witnessed a massive surge

	Total unique visitors ('000)		
	Nov-10	Nov-11	% Change
Total internet : Total audience	41,169	46,390	13
Retail	23,021	27,171	18
Coupons	1,048	7,647	629
Consumer electronics	6,334	7,122	12
Comparison shopping	4,611	5,775	25
Computer hardware	5,079	5,708	12
Apparel	1,735	4,609	166
Movies	2,587	3,076	19
Books	2,559	2,494	-3
Flowers/Gifts/Greetings	2,132	2,323	9
Jewelry/Luxury goods/Accessories	1,575	2,134	36
Home	1,605	1,966	22

Source: comScore Media Matrix

Sony faced the same issue when customers complained of its allegedly late action over the security breach of its Playstation network in 2011 that compromised sensitive information of around 77 million users.

Trust has also got a lot to do with who is the face of your company, and not just the brand ambassador. In fact, the salesman/delivery person/service engineer on the ground, are really the last mile in the equation to gain customer trust. Consider two well discussed and debated projects in the last ten years to penetrate rural India - Project Shakti from HUL and eChoupal from ITC. The best part about both is that they realised the importance of local people of a particular area for their success. Any woman in a village would comfortably buy products from a *Shaktiamma* (name given to the HUL sales agent) who she knew and trusted rather than from a local store.

Trust does take years of painstaking effort to build, but once built, it's like a virtually impregnable fortress around your brand that will shield it from attacks from competitors. Otherwise what would explain the fact that generations in some families would go to the same jeweller every time there is a wedding, when there is a burgeoning organised retail set up for the same in the metros? The online retail sector in India, though, is still in relative infancy. Initially, people were too reluctant to buy anything online due to the security

risk and what is recognised as the Indian preference for touch and feel. The times are changing, though. According to ComScore Media Matrix report, it was founded that nearly 60% of online users in India visited a retail site in November 2011, with the number of online shoppers increasing by 18% in the past year. The report also found that coupon sites are rapidly gaining in popularity, with 16.5% of the Indian online population visiting the category in November, led by Snapdeal.com and Mydala.com (they saw a jump of 629% yoy). Nearly 3 out of 5 internet users in India now shop online. Coupon companies like Snapdeal have played a major role in building online purchase habits through highly attractive group buying deals. Now they have to ensure that they deliver consistently. With regard to building trust online, Pankaj Jain, CEO, Saholic.com (a Spice group venture) comments to 4Ps B&M, "More than just marketing, it is about delivering on the promise of excellent service to the consumers that will help any major player to stay in the market that creates auto-filter mechanism in the market... The consumer's fear of online shopping does not lie in the payment procedure but in fulfilment of the order." Considering how democratic and information rich the web is, these players must realise that their margin for error is extremely low with this medium.

Value propositions in marketing are typically identified in terms of products, but in a world where product features get duplicated rather fast, trust is a massive source of competitive advantage. That is why marketers, rather than just obsessing with sales figures, must see themselves as accountable for the trust that the market retains in the brand they represent. Trust needs to be built, nurtured and even leveraged when required in your communications strategy (as in the Maruti Suzuki case) as a potent marketing tool. And conversely, they must be extremely proactive in their approach whenever they see that trust meter dipping. ■

With inputs from Deepanshu Taumar

DEEP RELATIONSHIPS WITH STAKEHOLDERS ARE CRITICAL

TRUST TAKES TIME TO BUILD, BUT ONCE BROKEN, IT IS VERY DIFFICULT TO REGAIN. HENCE BUSINESSES MUST SAFEGUARD BELIEFS ABOUT THEIR OFFERINGS



SHARMILA C. CHATTERJEE
SENIOR LECTURER
MIT

"Brand trust has been found to relate positively to desired outcomes such as customer loyalty, market share and advertising efficiency"

The criticality of trust in marketing pervades discussions among business professionals. Cognizance of the power of interpersonal relationships and its potential for positive business outcomes has been known since ancient times – be it Guanxi in China, Dignitas in Rome or the Good ol' boy network in more recent times in US. As long as humans are involved, relationships will continue to dominate business practice. Faced with increasing competition, proliferation of social networks, and an explosion in the number of connections via social media, trust will play an ever increasing role in business relationships. This is because despite a surge in the number of interpersonal links, ironically we are much less relationally connected than ever before. What we have are a large number of links, a limited number of weak ties, a few strong ties and a handful of true relationships. This is where trust comes in as our saviour. It can be a potent mechanism to convert "links" to "ties" and "ties" to "relationships." Extensive research in the domain of "relationship marketing" in general and "trust" in particular reflects this.

The positive implications of trust are extensively documented in literature. Trust between entities within and between organizations is seen not only to affect relational outcomes, such as increased commitment, cooperation and reduced conflict, but also performance outcomes, such as success in joint ventures, new product development and joint learning. Brand trust has been found to relate positively to outcomes such as customer loyalty, market share and advertising efficiency. Thus, trust transcends the interpersonal realm with beneficial effects observed in the intra-organizational, inter-organizational and brand domains.

Trust develops over time and is a function of experience, a notion well accepted

by researchers. For instance, McAllister (1995, p. 26) states that "The amount of knowledge necessary for trust is somewhere between total knowledge and total ignorance. Given total knowledge, there is no need for trust and given total ignorance, there is no basis upon which to rationally trust. Available knowledge, and "good reasons" serve as foundations for trust decisions, the platform from which people make leaps of faith, like those involved in trusting."

Given that experience forms trust, delivering on the business promise becomes essential. This implies not only effectively communicating the promise but delivering on it with utmost reliability and integrity. Yet, as with everything, there is also the other side of trust, where one party may be tempted to betray trust. However, since trust is a function of experience, though a business may initially be given the benefit of the doubt, soon trust will be broken. Once broken, it's very difficult, if not impossible, to regain trust. Trust is fragile and should be handled with care, as although built over the long term, it can be broken in an instant.

The best way for businesses to safeguard beliefs about their offering is not only to meet but to exceed on their business promise in all spheres of marketing, be it product and service quality, value based pricing, supply chain optimization or effective & truthful communication. Major businesses like Coca Cola, General Electric, IBM, Infosys, Johnson & Johnson, Reliance and Tata know this and strive to deliver on their business promise time and again. Today's competitive world is not a numbers game based on a count of "links." What will help differentiate businesses and allow them to thrive in the long-term are deep relationships with stakeholders based on trust in their business promise, delivered across the marketing spectrum. **MS**