

Don't Trust Me Trust Martin, Sophie, Terry and my sons

Before reading this, please do me a favour. Think about the last three memorable purchases you've made: (in my case a holiday, an iPod and a fridge) and then ask yourself in each case - who or what influenced your purchase?

For me it goes like this. Holiday to Ibiza - Martin and Sophie. iPod - my sons and Terry at Teamspirit (avid reader of MacUser). Fridge - Froogle, close friend of Google.

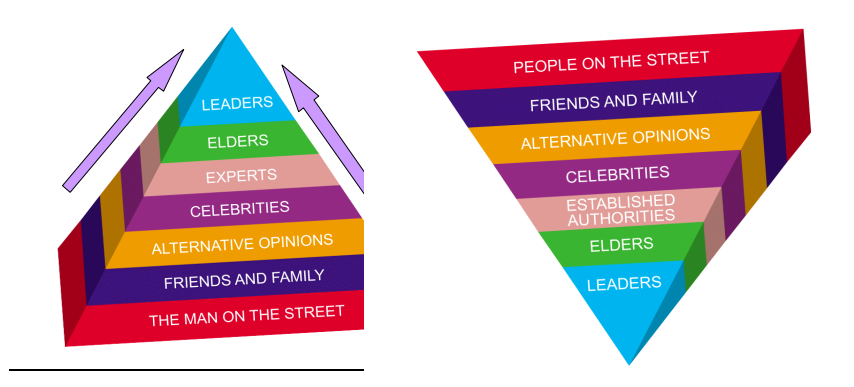
Now ask yourself, who do you trust? To which I answer based on the evidence above, - myself, my family, close friends, well known editorial sources and organisations I feel I know eg Froogle / Google.

The issue of "trusted communication" be it from brands, government or individuals is the central issue facing anyone with a message, nowadays.

"18% of the general public trust the General Medical Council on MMR whereas 34% trust Richard & Judy" was one of the more surprising of Opinion Leaders Research findings on trust in October 2002.

It had a profound effect on my thinking. Advertising and modern communication thinking were founded in an era when people generally trusted what they were told. They deferred to the teller.

"Preparedness to defer" has been replaced in our minds by "preparedness to refer" i.e. confronted by information, a proposition or most of all persuasion, our first instinct is to 'check-out' the message with other trusted sources. At Chime, we captioned this change as the transition from "The Age of Deference, to the Age of Reference."

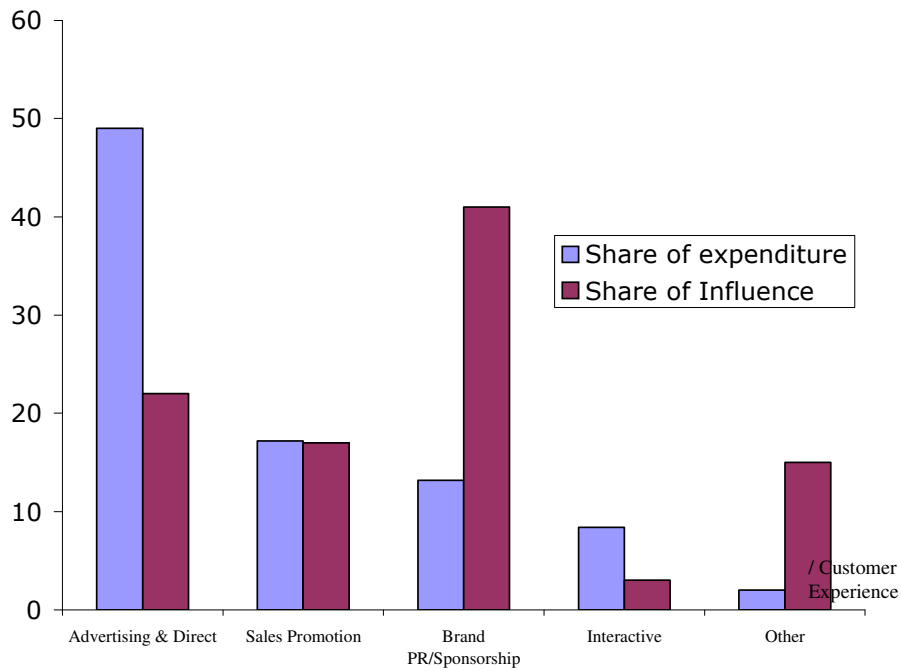


Target audiences, 'preparedness to refer' is changing the communications model and should be changing the way companies invest their marketing communication spend.

Take the Automotive Sector. Our research of what influences consumer selection can be mapped against LBS / Marketing Expenditure trends to demonstrate considerable "credibility gaps."

Source: Chime Research / LBS MET Report 2004

EXPENDITURE VERSUS INFLUENCE - AUTOMOTIVE MARKET

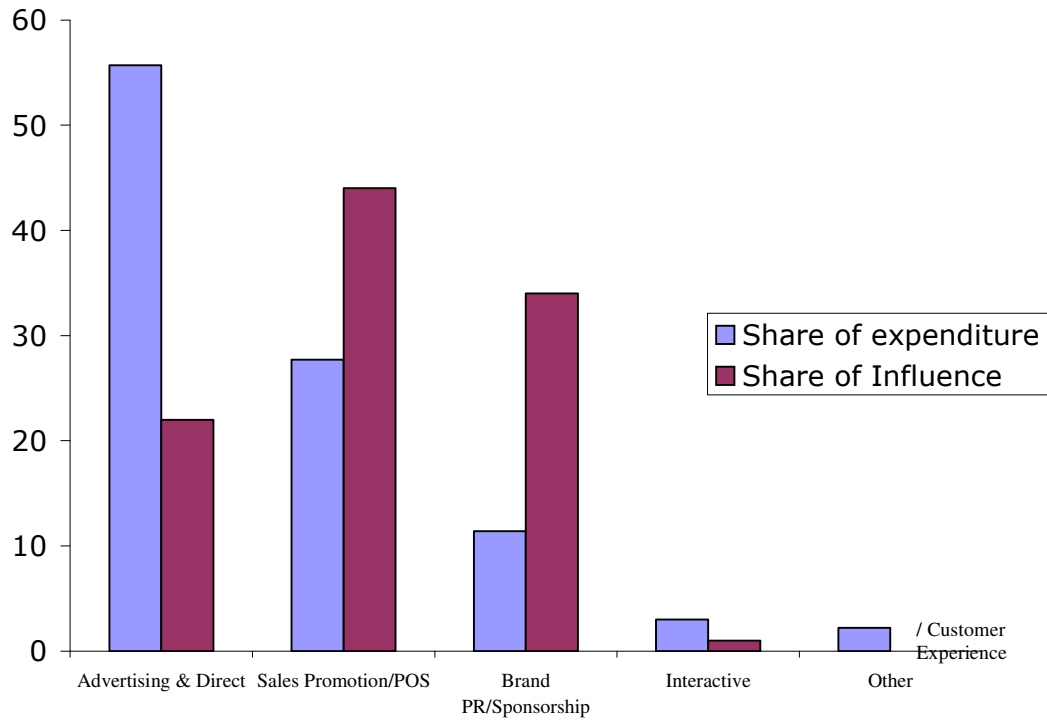


Advertising is over spent by more than x2. Sales promotion, about right. Brand / PR / Sponsorship (a category including social, media and third party influences), is underspent by x3, likewise interactive. Finally, our research would suggest a large slice should be dedicated to improving the overall customer experience (the other column).

If you look at packaged goods, one sees too much expenditure on Awareness: not enough on point of purchase.

Source: Chime Research / LBS MET Report 2004

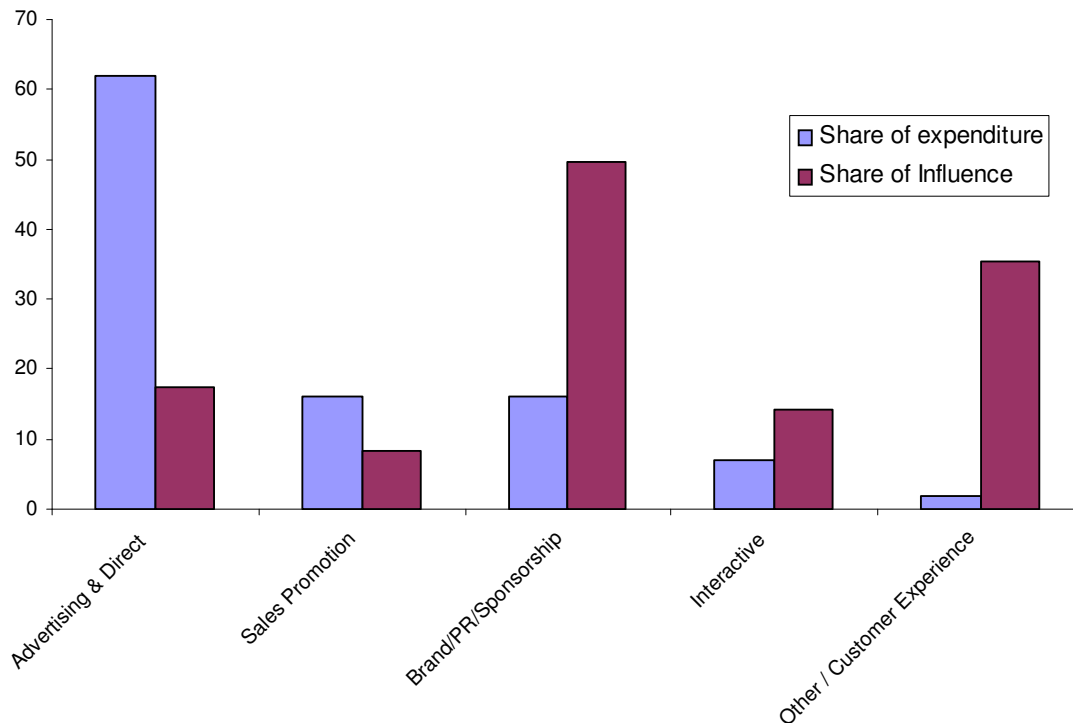
EXPENDITURE VERSUS INFLUENCE - CONSUMER PACKAGED GOODS



In Financial Services spend on intermediaries and public relations is woefully out of kilter with expenditure on Awareness.

EXPENDITURE VERSUS INFLUENCE - MARKET SPEND

Source: Chime Research / LBS MET Report 2004



These analyses of spend / influence suggest a number of conclusions.

Our view is that, money is being spent in the wrong places. The reason for this is that the 'Awareness Model' of communication which underpins most of marcoms thinking and training, has not been reformed to include "Influence". Awareness alone does not work in the age of reference. 'Preparedness to refer' rather than "Preparedness to defer" means influence has to be treated with equal importance.

Furthermore, customer experience of brands is not being developed in a trustworthy way. Back to Opinion Leader Research. Their updated 2004 conclusions on trust are beautifully simple. It's not that we don't trust anymore. It's that we trust differently and to be a trusted communicator, you need to consider the following: Involve target audiences and stakeholders so that people gain personal experience. We generally trust ourselves. Be open and transparent. And, understand that people turn to people they know or people they feel they know, so in your communications factor in the personal networks people rely on. 'Social Search Engines' are as powerful as web based search engines and in social web based network engines like 'Ciao', you of course have both operating together.

In our minds "trusted communication" is based on building outstanding customer experiences and then building communications plans that involve trusted social, media and web based networks. If this is the case, why does the industry continue to invest in an Awareness led model of communication and whose fault is it?

Our view is that there is a passive conspiracy. No single vested interest is at fault - we're all contributing. Creative agencies are not at fault because competitive advertising gives the basis on which customers will 'refer' to trusted sources be they social, media or web based; however, creative agencies could be less ad centric and appreciate that more money spent on 'reference' points through public relations would pay client dividends. Media agencies are not at fault as they pursue 'media neutral planning'; but if the ad is good enough to prompt response or talking points, can anyone explain to me the point of a frequency tail in media plans? DM & SP Agencies have been demanding a re-appraisal of media spend for as long as I can remember; but their attitude has been too megalomaniac to be believable. Public Relations agencies have a deep understanding of the power of third party endorsement and referral; but they haven't proposed a serious alternative to the awareness based model of communication that remains in place. Finally, clients have been demanding innovation and new thinking; but too often clients impose budget profiles based on LY and the previous LY which make a new approach mighty difficult. And they insist on departmental management and budgeting that makes a new 'reference' model a nightmare: how can public relations, advertising and research be kept so separate in a customer led business?

In conclusion, an understanding that people have a 'preparedness to refer' when confronted by communication, changes the marcoms investment map. 'Influence' should become an equal partner with 'awareness' because influence is communication through trusted third parties, to whom we all "refer" in the Age of Reference. Thank you Martin, Sophie, Terry, Jamie, Henry and Froogle. And of course, me.