

The Debating Group



A Parliamentary forum for Media and Marketing Debate

Has marketing little part to play in rebuilding trust in business, charities or public institutions?

“Marketing will have interests in trust – building trust in offerings, in responsiveness to customer needs, in brands...but not so much in broader questions of trust in organisations, or how to restore levels of trust”. These were the words of Dr Jon White, Chartered Practitioner and Visiting Professor, Henley Business School and Cardiff University. He was speaking at the Debating Group debate, “Marketing has little part to play in rebuilding trust in business, charities or public institutions”, held on 28 November 2016 at the House of Commons. The debate was sponsored by The Chartered Institute of Public Relations and chaired by The Rt Hon the Lord McNally, Chairman of the Youth Justice Board and a former Liberal Democratic Minister of State for Justice.

Dr White conceded that marketing has an obvious interest in trust. It would find it hard to pursue its objectives without contributing to building a relationship involving trust between organisations and customers and consumers for their goods, services and ideas. He highlighted two key words in the proposition: ‘marketing has *little* part to play in *rebuilding* trust’ and focused on the limitations of marketing on the assumption that trust has been lost.

Dr White went on to enumerate three parts to the argument: management responsibilities; marketing – its strengths and limitations – and how these limitations are addressed; and the illusion of trust.

Leadership – management at its highest levels – involves trying to make sense about what is to be done, for a commercial company to survive in the marketplace, a charity to win support for its cause or public institutions to serve the public. You can see this process at work at the highest levels of the British government at the present time as it tries to make sense of what ‘Brexit means Brexit’ means. It is not easy for leaders and senior management to make sense of the problems, so that they can make progress. A solution is to mark off areas of complexity for specialist attention – these areas are delegated within leadership management teams i.e. how shall we find and use the resources we need? How can we recruit the best people? How can we develop plans and strategies for an uncertain future?

One among these areas for attention is how can any organisation relate to and succeed in the marketplace for its goods, services and ideas. This has come to be known as marketing. By the 1990s, Regis McKenna was writing in the *Harvard Business Review* that ‘marketing is everything’ and that ‘it defines the way companies do business’. Dr White acknowledged the importance of marketing: it provides what seems to be a precise focus on customer needs and how these can be met through the capabilities available to the organisation. However, he suggested that its very focus is its limitation –

it provides too narrow a view of a bigger picture. Regis McKenna talked in the early 1990s of ‘developing an infrastructure of suppliers, vendors, partners and users whose relationships will help sustain and support the company’s reputation and technological edge’.

Dr White argued that marketing can be, as suggested by Theodore Levitt in the 1960s, potentially myopic – dangerous in a management function which in the 1990s was accused, partly because of views expressed by writers such as Regis McKenna, of being imperialistic – making a claim, for example, in the late 1990s for control over all communication activities, through integrated marketing communications.

Marketing and the marketing perspective have their limitations. These are partly addressed through public relations and its perspective, which is broader and does have a concern with the quality of relationships and with questions such as how can trust be built between an organisation and the groups on which it depends to make progress. According to Dr White, public relations is complementary and corrective to the marketing approach rather than an inherent part of it.

Marketing will have interests in trust – building trust in offerings in response to customer needs, in brands for example, but not so much in broader questions of trust in organisations, or how to restore levels of trust e.g. the BBC and Jimmy Saville affair. It is hard to see how marketing would have much of a contribution to make in re-establishing levels of trust in this context.

The late Sir Harvey Jones, former Chairman of ICI, believed that the board of an organisation has two main tasks – strategy and public relations. – setting direction and ensuring that relationships are attended to in order for the organisation to succeed. Marketing’s focus is narrow and is built on a small number of relationships around goods, products, services and ideas, while public relations looks more widely at all relationships, assessing their state, quality and importance, including whether or not they are characterised by lower or higher levels of trust.

Absolute trust is rare, perhaps an illusion. The evidence for a decline of trust in business and other organisations is patchy and it is uncertain whether or not it shows a long-term decline. Against current questions about the value of opinion polls, evidence of decline may be a creation of the survey questions asked rather than evidence of a real decline in trust.

We are wise to distrust those with whom we might wish to do business (*caveat emptor*). There have been too many examples in recent years of organisations behaving in ways which create good reasons for scepticism, e.g. Audi and its claims; statements of politicians like Trump.

We need to look at the best ways to work to build trust, and restore it when it is damaged. Trust is earned through competence; performance; meeting commitments; treating people well; honesty in communications and the delivery of value in goods, services and ideas. Trust is restored through a return to these simple principles and gaining recognition for following them.

"Marketing", concluded Dr White “has little part alongside other management functions, to play in these broader efforts to restore trust once it has been lost”.

Promise, meaning and truth

Opposing the motion, **Sharon Johnson, Former CEO Havas Media Re:Purpose**, argued that, in an age of radical transparency, three things define leadership, forming a virtual triangle of great marketing: promise, meaning and truth. These are the three reasons why people trust institutions.

Trust in all institutions has been eroded by a huge range of factors over many decades, rather than a recent phenomenon related to a specific event. Whilst institutional behaviour or that of specific individuals representing institutions can be criticised with numerous examples, the question before us

is this: can marketing play a meaningful role in the long-term rebuilding of trust? The answer to that, according to Sharon Johnson, is yes.

If not, we, the marketing community are missing the whole point. We are not paid to find the minutiae of product differentiation, to tap into the latest category trend, or to chase celebrity endorsement. Those may fit the daily task bill, just as cleaning up is a daily task of parenting, but these tasks are not our remit. Trust, instantly lost, takes a long time to build – and even longer and harder to rebuild. To rebuild trust we must first prove the institutions, brands, commercial and public services that we are marketing are *trustworthy* – and that is where promise, meaning and truth come in. Sharon Johnson put forward two definitions, one for marketing and one for trustworthiness, as the backdrop to this argument:

Marketing She found 75 definitions in under an hour, all of which make sense. For brevity, The Board of the American Marketing Association defines marketing as ‘the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that *have value* for customers, clients, partners and – hugely important – *society at large*’.

Trustworthiness is defined by Merriam Webster as: ‘able to be relied on to do or provide what is needed or right’.

These definitions offer the key to the wider, often forgotten context for marketing: to begin with, who we are marketing to, not just as consumers, not just as citizens, but as both, as whole humans.

Sharon Johnson provided three key points to qualify that statement.

1. People in rich economies do not just want better products, they want better lives.
2. Overwhelmingly, people believe their quality of life is unlikely to improve in the foreseeable future – in fact in the UK only 4 in 10 people surveyed in 2014 believed their quality of life would improve in the next five years.
3. The same study found that people thought business – the brands they buy – are as responsible as governments for helping us to attain that better life. The expectation of business’s accountability had grown by 15% in four years.

Marketing has the power to make it clear how your business, your brand, your service is helping people – providing what is needed or right – offering *promise* to the optimists, as well as the 20%+ of the population who are feeling let down or left behind.

If we are clear on the benefits to quality of life – not just how our product makes people skinnier, richer, safer, but also better, we have the power to deliver the value exchange that marketing exists to achieve. It is *promise* that is key to rebuilding trust in our institutions, brands and charities. For what are we without hope, without vision, without promise?

The second premise for the role of marketing is *meaning*. This goes well beyond corporate or institutional responsibility, this goes to demand creation for a better world – surely, at its simplest, the job of the marketing department?

A strategy for marketing has one eye on today’s tactics, but the other on the future, tapping into what people need, but also their values and concerns. This meaning comes from the organisation’s *purpose*, and it is the role of marketing to be ever vigilant that the organisation has a clear purpose – including but also beyond profit – and that this is well articulated and embraced in every action of the organisation, especially through marketing. By *purpose* we mean what Simon Sinek calls *the why*. A clear purpose is essential to sustainability, financial and otherwise. It is critical to engage all stakeholders, from shareholders to customers, from investors to service recipients.

Purpose sets the direction and the context. All people will act on their needs – but they will be heavily influenced by their values (issues they see as pertinent to their country or city) and their concerns (issues that affect the world, but which individuals may see as too large for the individual to tackle).

Marketing builds trust when we address needs – why buy/use now – alongside clear demonstration that the organisations – charitable, public or otherwise – delivers contributions that address people’s core values and concerns in the world in which they live. There is no other department in the organisation that is better placed to ensure it faces the world in a way that is *meaningful*. *Meaningful* companies have enduring brands, through technology changes. *Meaningful* charities create progress for the vulnerable and connect other parts of society with the act of resolving challenges. *Meaningful* public service institutions solve our challenges, give us access to opportunity and preserve our rights and culture. “So”, Sharon Johnson emphasised, “a *promise* that benefits our quality of life and a *meaningful* purpose we can deliver, are at the core of marketing. Marketing owns that”.

What marketing does not own, but must at all costs promote and preserve is *truth*, the third angle in the triangle of trust. The whole organisation must own its truth. Truth is the unavoidable essence of what the organisation does and how it delivers. It is fallible. It is in the hands of humans. We can stumble off our truth, but we must get back on. And that is where marketing comes to the fore in difficult times, provided the whole organisation sits behind it.

Sharon Johnson presented examples where truth was lacking. “BP never told the truth – its whole essence was false. Donald Trump doesn’t tell the truth – but he may learn to. Recently our own Chancellor backtracked on the truth with regard to student loans, by failing to raise the repayment income threshold. When Amazon didn’t pay its tax in the UK, it failed on an assumed truth, yet it was forgiven. Because Amazon offers promise and meaning as a retailer. It has made mistakes before, but has been honest about them and fixes the problem, whether it is compensating an individual for a missed delivery, a 6p overcharge, it proactively owns up to and credits back. In short, we trust Amazon to rectify a blip on its truth, because it does”.

People are not looking for utopian institutions. Marketers do not have to be the arbiters of trends, spin and big data solutions. Marketers can and must play a huge role in rebuilding trust in all of our institutions by going back to three simple rules:

1. Offering *promise* – tapping into a vision for the future, benefitting people’s quality of life today.
2. Delivering *meaning* – sharing, communicating and acting on a higher purpose.
3. Ruthlessly defending and protecting the organisation’s *truth*.

Sharon Johnson presented a stark warning: the biggest single impediment to marketer’s ability to play its rightful role in rebuilding trust lies in the contradiction between *promise*, *meaning* and *truth*, and the way incentives and remuneration work. We cannot expect someone who is bonused on reducing email unsubscribe rates or tasked with reducing input costs to prioritise rebuilding trust. People will rebuild trust; people make organisations trustworthy. And marketing people should have the right mix of KPIs to enable them to play this most important role.

Managing reputation

Seconding the motion, **Bridget Aherne, Head of Communications, Greater Manchester Combined Authority**, argued that PR, not marketing, has a role in rebuilding trust. Organisations have common relationships that develop, and PR is vital in building trust in these mutually beneficial relationships. She cited examples such as the financial crisis and the Hillsborough disaster, where failings were exposed, but there was an absence of PR and people’s needs were not put at the heart of decision-making.

In the case of Hillsborough, she described the campaign run by 91 individuals. These were families whose cause about finding the truth of what happened, united them. They used the tools of PR, public affairs, stakeholder influences and the media to bring their message to the relevant audiences.

Bridget Aherne stressed that truth, based on accurate facts, is the basis of trust. If you get it wrong, say so. This is the role of PR, which puts people first, not marketing. There is no empire to protect.

The traditional channel of choice for PR is media, including social media, where people can share their views. PR is about creating connections.

Bridget Aherne described her work as Head of Communications and Administration, Nottingham Fire and Rescue Service, and as Senior Communications Officer, Greater London Fire and Rescue Service. She demonstrated, how through PR, the rescue services have moved from a response mode, to pro-active organisations. People did not understand this change, and Bridget Aherne helped to rebuild this relationship through the very same channels that people used. She was able to manage reputation through a number of crises including large incidents and industrial action. She described how a fire in a science laboratory at the University of Nottingham had meant a funeral parlour had to be destroyed. This was a decision to save people, which was understood, because the services had made a sustained effort to rebuild community relationships. A building was destroyed but no lives were lost.

She believes that PR cannot be tagged on to the end of a programme: the discipline has to be part of the management team, so that everybody's reality is recognised and people are treated equally.

Marketing has little part to play in this kind of operation.

Marketing mix

Seconding the opposition, **Professor Ian Bruce CBE, FCIM, Life President, Centre for Charity Effectiveness and Chair, CIM Charities Group**, stressed that in his current world of charities, trust is absolutely fundamental. How do you maintain and, if necessary, rebuild it? He argued that marketing is at core of trust.

Looking at 15 records of research on rebuilding trust, every case has emphasised the centrality of meeting people's needs and wishes, and the business discipline that puts people's needs and wishes at the heart of the organisation, is marketing. Marketing has a powerful set of tools, including market segmentation, market research and the three Ps. These combine to make a good product, but they are also powerful in building and maintaining trust. Professor Bruce acknowledged the role of PR in rebuilding trust, but pointed out that the motion suggests that marketing has *little* part to play. On the contrary it has the tools to rectify the situation when trust has been lost. Rebuilding trust requires deeds and actions not words. The marketing mix provides a framework and tools for action.

Dr Bruce cited examples from the charity and commercial sectors. Age UK had been criticised for list swapping and cold calling, but it used marketing mix tools to ensure that in future there was no hard sell and no door-to-door selling and its people were properly trained. VW lost trust after the emissions scandal in autumn 2015, when devices which reduced emissions under test conditions, were not viable in real-time driving. VW have used marketing mix approaches to rebuild trust by rectifying their cars, training their personnel, providing additional distribution capacity and so on. VW is rapidly regaining its reputation, because it has been a strong brand, underpinned by marketing.

Discussion from the floor

The following contributions came from the floor:

Against the motion

- The contributor, who is engaged in strategic PR for schools, stressed that PR is just one of the tools of marketing.
- The contributor cited successful marketing campaigns that have rebuilt trust in organisations, after they became tarnished e.g. Coca Cola, Gerald Ratner, Disney, Persil.

- Marketing encompasses all aspects of business, including strategy. PR is part of marketing. One definition of marketing is that ‘it delivers goods and services that don’t come back to people who do.’ The reason for scepticism is that people do not realise that the world is changing. You can now see where false claims have been made. These can only be tackled with marketing.

Neutral

- The contributor queried the reputation of Amazon and whether the company could be trusted to deliver, as well as sustain its responsibility to wider society issues.

Summing up

Summing up for the opposition, **Sharon Johnson** argued that PR is a function of marketing. Marketing has a clear role to play but it is not at the expense of PR. Marketing is about deeds not words. PR puts the right message in the hands of journalists, but it is actions which show the proof in rebuilding trust. Marketing has the essential tools to understand the needs and wishes of individuals which it serves.

Sharon Johnson stressed that Amazon did make reparations about its tax position.

Summing up for the motion **Dr Jon White** cited the views of Sir Harvey Jones, who isolated two main responsibilities of company boards: strategy and PR. Marketing has moved to greater importance to management, and Dr White suggested it has tried to claim too much territory. He believes that the time of marketing’s ascendancy coincided with a decline of trust in companies and institutions. In an age of radical transparency, promises and trust can be questioned. What is the truth of the situation? E.g. Brexit.

In trying to understand these problems, managers need to draw on various sectors. Many disciplines make a contribution to management decisions. Marketing is good at making promises and presenting realities. When trust has been eroded, several disciplines will play a part in rebuilding trust, but marketing has little part to play.

The result

The motion was defeated.

Next debate

The next debate will take place on **Monday 30th January 2017** sponsored by The Chartered Institute of Marketing. For more details contact Doreen Blythe, Debating Group Secretary, e-mail: doreen.blythe22@btinternet.com