



sume media, and form opinions. It's also transforming how marketers divvy up an estimated \$145 billion to \$279 billion in U.S. ad dollars among an exponentially growing field of media options.

Once upon a time, brands and their slogans meant something to consumers. Now Ford Tough, Cingular's "Raising the bar," and Avis' "We try harder" are merely white noise. Consumers now cast a jaundiced eye on marketing; they view it as manipulative spin. For-profit companies hurt themselves by treating most anything as a stop-the-presses innovation, like product placement, packaging innovations, strategic shelf placement, prices that end in .99, products that scream "new and improved," line extensions, and celebrity endorsements.

For example, how many people actually believe "Sex and the City's" Sarah Jessica Parker bends over the tub with L'Oreal's Garnier Nutrisse to color those cascading locks?

"The history of American advertising is all about inflated claims, and 90 percent of people are unconscious about how it works. If you listen to the average person on the street, you come to [believe] advertising doesn't work," says Bob Thompson, professor of popular culture and director of the Center for the Study of Popular Television at Syracuse University. "But we know that's not true."

Business leaders have been victimized by the mistrust that infuses modern society from Madison Avenue to Hollywood and back again. Corporate America has suffered a wave of Enron-like accounting scandals and white-collar perp walks. The Catholic Church is under siege amid revelations that, for decades, it protected priests who molested young boys. The Bush administration's rationale for invading Iraq (that the country

Ann Clontz used to place her loyalties in brands like Fab, Cheer, and Hellman's Mayonnaise. But the past few years, the retired grandmother from North Carolina is more likely to be put off by corporate posturing and exaggerated ad claims than be won over by them.

"All they are trying to do is sell something, whether it's good for the consumer or not. It's so they can make a profit," says the Monroe-based skeptic. "That's just their way of trying to make an extra dollar."

With skepticism about business, government, brands, and other icons the rule rather than the exception, marketing resistance hovers near an all-time high. Brand stewards, who take for granted the com-

pact between themselves and consumers, fail to realize the arrangement actually began unraveling before many of those stewards were even born.

Amid an avalanche of media options and advertising just about everywhere they go, consumers are tuning out media, are increasingly cynical of authority, skeptical of authenticity, and basically don't know what to believe. This lack of trust affects how they shop, con-

had weapons of mass destruction) turned rotten when inspectors found no such weapons. Death row exonerations have become commonplace, as have performance-enhancing drugs for sports heroes. The sight of entertainers lip-synching, and companies giving million-dollar payouts to executives while filing for Chapter 11, has also become the norm.

Phat Chance

Before selling his Phat Farm clothing line last year, hip-hop promoter Russell Simmons had said sales for 2003 were on track for \$350 million when, in fact, he needed to knock off the zero and then divide. In a court deposition this year, he admitted inflating the estimate to mislead the public, then later recanted the recanting, saying he had misspoken.

And these are only the headlines, which may or may not be problematic given that no one believes what they read anymore, anyway. The Fourth Estate's outing of *The New York Times'* Jayson Blair was only the beginning. Readers routinely see sloppy journalists who plagiarize and fabricate.

"The myth is that there ever was trust," says Jonathan Field, a cultural strategist at the consultancy Fieldwork. "Since its creation, there have been tensions in this country around defining what's authentic and inauthentic — and, by extension, what constitutes 'truth.' ...Advertising isn't any less truthful than it ever was. It's just that there is a more sober audience who digests its claims," Field explains.

Trust is finite. Americans may trust many imprints with a skin-deep infatuation or trust fewer names but with deep devotion, buying into hype only after a brand has proven itself. Clontz bears this out. She says she has become less trusting over the past generation as products have repeatedly disappointed her. "It's always been like that," she says. "You get the same product a lot of times with a different name [and a different price], and it serves the purpose just as well. Marketing has a lot to do with it."

Though an optimistic lot, Americans are tired of being oversold, overpromised, disappointed, and smothered in fine print. It's why they are more open to rumors

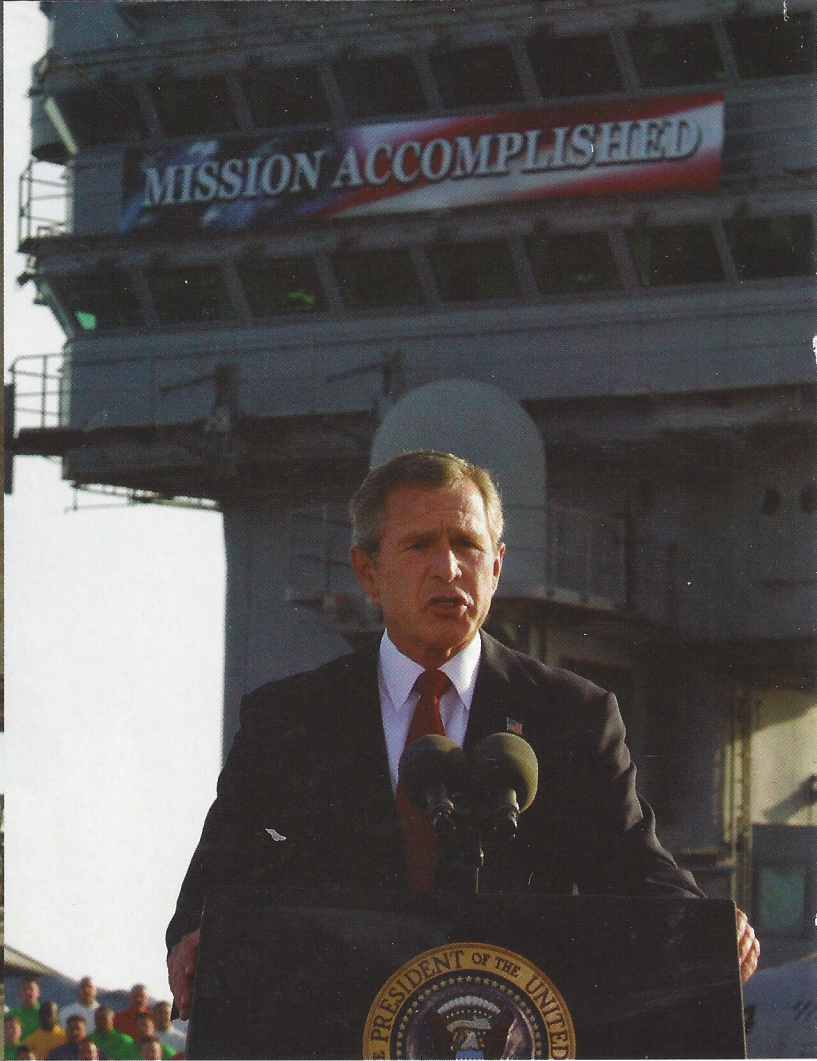
How many people actually believe "Sex and the City's" Sarah Jessica Parker bends over the tub, L'Oreal's Garnier Nutrisse in hand, to color those cascading locks?



Hard Sell: Sarah Jessica Parker's Garnier Nutrisse ad; Avis' "We try harder" button; independent-minded Ann Clontz (opposite).

— like diet sodas' making them hungry or NutraSweet 's causing lupus — than they are to company denials of the bad news. According to Edelman Public Relations' 2005 Annual Trust Barometer of opinion leaders around the world, company Web sites rank as the least reliable source of information, ahead of information conveyed by the executive suite or by advertising.

It's tough going for business, considering the increased time, effort, and money it takes to provide information previously taken at face



Once More From the Top: President Clinton shakes his finger and declares, "I did not have sexual relations with that woman, Ms. Lewinsky"; President Bush: "Mission accomplished."

value. Though this newfound honesty is a survival technique, business continues to be victimized by its paranoia.

"Companies can't divulge everything they do all the time, so people get suspicious," notes Eric Webber, vice president and communications director at Omnicom Group's GSD&M. "It's like 'if you're keeping something from me, it must be bad, and I'm not going to trust the next thing you tell me.'"

Marketers, agencies, and consultants maintain that transparency is the only way out of the morass. But many consumers feel business

is giving the concept lip service or has come to the openness revelation after obfuscation fell flat.

"The Internet is providing a wonderful auditorium where we can watch as one marketer after another gets outed for bad customer service, defrauding people, and not keeping their promises," observes Seth Godin, author of *All Marketers are Liars: The Power of Telling Authentic Stories in a Low-Trust World* (Penguin, 2005).

Advertising agencies and their clients say that trust is improving because consumers have more venues to verify information. Yet shop-

pers may eventually realize they're being played again by anonymous buzz agents, orchestrated spin-meisters, and paid endorsements masquerading as unbiased analysis.

Product placement is dangerous because it's appealing to marketers who need to recapture lost eyeballs, according to Steve Farella, CEO of independent media agency Target-Cast TMC. Farella says that while consumers expect advertising between television shows or even before a movie, they can retaliate when their country clubs, restaurants, resorts, and other formerly ad-free oases are invaded.

PHOTOS: CLINTON, AP PHOTO/GREG GIBSON; BUSH, AP PHOTO/J. SCOTT APPLEWHITE

Broken Trust: A Timeline

1940s

Cigarette ads celebrate smoking as a glamorous, healthy activity. No one questions the veracity of the claims.



1964

Surgeon General Luther L. Terry releases reports concluding that smoking causes cancer.

1965

Federal Cigarette Labeling and Advertising Act requires the surgeon general's warnings on cigarette packs.

1971

The Defense Department's top-secret study of the escalation of U.S. military involvement in Vietnam, known as "The Pentagon Papers," is leaked by a government official to *The New York Times*. The paper goes on to publish a series of articles based on the documents.

behind-the-scenes look at Southwest's operations.

But for every Southwest or Starbucks, there are light beers that get you lucky and miracle cosmetics that cost the equivalent of \$5,700 a gallon and promise to give your skin the elasticity of a toddler's.

Thompson, the Syracuse profes-

brand icons, and old packaging that invoke a less pessimistic era.

Technology

Technological innovations designed to lure consumers often end up frustrating them.

"We are now smart enough to measure the effectiveness of advertising, so [if] it then becomes less effective, we run another cycle of more advertising, and it's even less effective," Farella explains. "When an initiative fails, the first reaction is to tweak it or run it a little more, [to think consumers] are not hearing it enough."

The strategy may have worked before Baby Boomer values, attitudes, and life-

styles ruled the roost, but it most certainly will fail as America shifts to the culture of Gen X'ers — 20-, 30-, and early 40-somethings, according to Ann Fishman, president of Generational Targeted Marketing Corp. These estimated 60 million people have been shopping almost since they were born and are huge influencers, she says. So marketers must tweak their messages to become relevant to this group.

"If you don't understand your customer, don't develop the right product, don't have the right marketing, don't talk to them in marketing language that means something to them, don't train your service people right and you don't sell in their language, you don't make a good match in the whole process of buying and selling," Fishman says. "Marketers who don't get it — it will affect their bottom line."

BrainReserve's von Jan says companies are rethinking their business strategies and have gone into stealth mode while they figure out new methods for building relationships with consumers. She says the advertising industry must radically transform itself to remain relevant, and the media industry also needs to address shifts in consumer behavior. "In the meantime, companies are moving forward with alternatives that will replace traditional advertising in the future and set new standards for marketing," von Jan notes.

Consumers have changed how they view businesses and institutions, with marketing resistance at an all-time high, according to the Yankelovich State of Consumer Trust Report from 2004. Though the report is a year old, mistrust has grown slightly worse because there has been little to stem the tide, says Craig Wood, group president of Yankelovich Partners.

Nearly 70 percent of the 2,606 respondents from last year's survey say that corporate America would take advantage of the public if it



Enron End Run: Former Enron CEO Kenneth Lay is sworn in at a Senate Commerce Committee hearing, Feb. 12, 2002. He takes the Fifth.

sor, says that the time is right for frank marketing, like "a headache medicine that comes out and says 'most headache medicines are similar. We guarantee [ours] does what it claims. We're not telling you it is better. Since we're not making all these ridiculous claims that everyone else is making, you should trust us and should trust our product,'" he notes. Another option is to bring back warm and familiar childhood jingles,

1988	1994	1995	1998	1998
First-ever financial award in a product liability suit against a tobacco company. The award is later overturned on a technicality.	Seven tobacco company executives testify in Congressional hearings.	The American Medical Association blasts the tobacco industry over "massive, detailed and damning evidence" that "for more than 30 years, the tobacco industry concealed evidence that nicotine is addictive and tobacco smoke causes cancer."	President Bill Clinton shakes his finger and declares, "I did not have sexual relations with that woman, Ms. Lewinsky." He later admits to the affair, and is impeached and charged with perjury and obstruction of justice. He is eventually acquitted of all charges.	<i>New Republic</i> editor Charles Lane fires associate editor Stephen Glass, calling an article by Glass about computer hackers "a hoax." An investigation reveals that Glass fabricated all of six and parts of 21 articles published by the magazine.

PHOTOS: AP PHOTO/RON EDMONDS

DISTRUST BETWEEN CLIENTS AND AGENCIES

Tighter budgets after the salad days of the 1990s have left advertisers and agencies increasingly mistrustful of one another. Under their own internal pressures, marketers see circulation scandals at newspapers and overbilling from both government and commercial offices. They suspect bloated hourly time sheets at ad agencies and media shops and increasingly doubt agencies' ability to solve complex problems. Marketers believe their agency partners want to sell ads regardless of what is best for a brand.

Because technology has enabled marketers to better measure the behavioral impact of their efforts, they no longer have to take an agency's word and often hold them accountable for campaign failures. With advertisers complaining that media companies oversell the impact of their media mix, the advertisers thus feel the need to do their own negotiating. They resent inheriting agency choices mandated by corporate headquarters, see agency offerings as commodities, and want agencies to modify their business processes so they can present better solutions.

For their part, agencies have become mistrustful of clients and their consultants, who are often procurement specialists. Agencies are unwilling to reveal sensitive information for fear of how it will be used, and they doubt that the questions are necessary to strike a fair compensation agreement. They see marketers flirting outside their relationship, involving auditors, pressing them on money, and devaluing their creativity.

Stephen Broderick, CEO at FirmDecisions, an international consultancy for advertisers, says the

abbreviated nature of the agency-marketer relationship has agencies needing to make their margins from day one in case there is no second year to make a profit.

Author and marketing expert Seth Godin suggested agencies could gain trust by, rather than producing spam or landfill-destined direct mail, helping to invent a client's next moneymaker. One financial services marketer says agency leaders know they must overhaul the way agencies do business, but they are too wrapped up in the daily grind of getting ads out the door — essentially doing the urgent rather than the important.

"The bottom line importance of shaving the average margin or overhead rate a couple of points might save some money, but it's not nearly as much as the upside... that a productive agency can bring a client," says David Beals, president and CEO at Jones Lundin Beals, an agency search consultancy.

"You need to court your agency just as your agency needs to court you. You need to learn about each other, care about each other, be friends with each other so that there is more invested. That's where trust comes from — when people are invested with each other — with time, emotions, and intelligence," says Joyce Rogge, senior vice president of marketing at Southwest Airlines Co.

Agencies can help instill that trust by showing some backbone. Rather than dressing up a bad idea, they should tell clients they are misguided and then venture solutions. "If you're not telling me at least once a week that I'm full of [BS]," says Kipp Kreutzberg, team leader and senior director at Theravance, "you're not paying attention." ■

could get away with it, while 80 percent believe business is too fixated on profit and not sufficiently concerned with employees, consumers, or the

environment.

"Everywhere you look, people were being betrayed," says Wood. "The problem is that we are making

big promises and not keeping them.

...There are all kinds of examples of people who say they are authentic, but are not really authentic."

2000	2001	2002	2002
Ford Motor Co. admits to knowing about problems with Firestone tires on its Ford Explorer SUVs in Venezuela — two years before it began replacing tires for customers there. The tires are linked to more than 134 deaths in the U.S. and abroad.	Energy giant Enron files for bankruptcy protection. A jury will later convict former Merrill Lynch & Co. and Enron executives of conspiracy and fraud for pushing through a sham deal to pad earnings.	Ogilvy & Mather agrees to pay \$1.8 million to settle civil claims stemming from charges the agency overbilled the Office of National Drug Control Policy for an anti-drug campaign.	Worldcom CEO Bernard Ebbers and CFO Scott Sullivan refuse to testify before Congress about the company's then-\$9 billion accounting fraud. Later revealed to be \$11 billion and the largest accounting fraud in history, it is one of a spate of corporate scandals that prompts Congress to pass the Sarbanes-Oxley Act, requiring more accurate and candid disclosure of corporate finances.

Mike Lotito, CEO of the strategic media auditor Media IQ, says he doesn't believe trust has broken down, though he does acknowledge that Americans have become more cynical in the post-9/11 age. "We are less free in the way we feel. We know there is something lurking somewhere, and I think that makes us more cautious purveyors of marketing and media in all its forms," Lotito explains.

The isolation of modern society also contributes to mistrust, says Mike Sheehan, president and CEO of Interpublic Group of Cos.' Hill, Holliday. "People are more on their own than ever before. People spend a lot more time at home on the computer. It's redefined community. You used to get information about products 20 years ago at the Elks," Sheehan observes.

Mending the Rift

Indirect communications, public relations spin, and ad placement affect trust, but cleaning up a company's black eye must be done with leadership and corporate governance, according to Kipp Kreutzberg, team leader and senior director at the biopharmaceutical firm Theravance.

These tactics worked for Annette Boyer. Once a statistician and now a stay-at-home mother in Idaho Springs, Colo., she had long avoided McDonald's and Burger King but

was won back by their attention to animal rights and new salad dishes. "My father and husband are appalled, but I think the companies deserve some credit for making changes," she says.

Trust-based marketing is all about being the consumer's advocate as opposed to selling them, putting their interests ahead of yours.

Boyer used to boycott Wal-Mart because of its labor practices, but she shed her antipathy when she discovered that the company donates pet food to the animal shelter where she and her family volunteer. The store also allows the shelter to hold pet adoptions in its parking lot.

"Maybe their corporate policies are not something that I agree with," Boyer says, "but the local store here goes out of its way to help us."

There are no sure-fire ways to repair consumer trust, but Glenn Urban, professor of marketing at MIT's Sloan School of Management, advocates a trust-based marketing model in his book, *Don't Just Relate — Advocate: A Blueprint for Profit in the Era of Customer Power* (Prentice-Hall, 2005).

Urban argues that consumers want open, honest, and complete information and that the Internet has leveled the playing field between marketers and consumers. The rise of blogs, online message boards, search, comparison shopping sites, viral applications and the like, has put consumers in control of gathering and assessing intelligence about products and services.

"Customer power is increasing due to the Internet and old push marketing techniques are becoming less effective, so your firm should earn the trust of your customers," Urban says. He maintains marketers should partner with their customers and be their advocate.

"Trust-based marketing is all about being the consumer's advocate as opposed to selling them," agrees J. Walker Smith, president, Yankelovich Partners. "It's about putting their interests ahead of yours as a marketer. Those who put consumers' interests ahead of theirs will be successful." It's a tall order. Smith says marketers will be slow to embrace the message.

Some steps savvy marketers can take to mend broken trust include rewarding customers who don't abandon a brand when it fails; fixing screw-ups immediately; and not promoting every line extension and innovation as a major overhaul. Finally, don't overpromise or underdeliver.

Meanwhile, for retired grandmothers from middle America like Clontz who believe all politicians lie and marketers are only out to make a buck, it's clear that marketers have a tough slog.

"I go by what neighbors say [about selecting a new product]. I try it myself and I make my judgments after trying it," says Clontz.

"Politicians and businesspeople just tell all kinds of lies to get where they want to get, and they do whatever they want when they get there. They make their own rules." **M**

2003	2003	2004	2004	2005
President George W. Bush orders the invasion of Iraq, saying the country poses a threat due to reports of weapons of mass destruction and weapons stockpiles. No WMD are ever found.	New York Times reporter Jayson Blair is dismissed after the paper discovers he fabricated and plagiarized stories over an extended period. The paper prints a 14,000-word apology that starts on page one.	A jury finds the doyenne of good living Martha Stewart guilty on all counts of obstruction of justice and lying to investigators about a well-timed stock sale.	CBS' Dan Rather reports documents were found suggesting lapses in President Bush's National Guard duty. Later, Rather concedes the documents could not be authenticated. A subsequent investigation of the incident prompts his early retirement.	Former Tyco CEO Dennis Kozlowski and ex-CFO Mark Swartz are found guilty of stealing hundreds of millions of dollars from the manufacturing conglomerate.