



# Tried & trusted

Many successful small businesses rely heavily on word of mouth to instill trust and therefore attract customers. Ruth Le Pla reports on how to trade on an excellent reputation.

**Y**ou're going to love this article. Trust me. I'm going to tell you how to boost your sales like never before. You'll get the savviest workers, the happiest staff, the juiciest profits. And it's all for free.

There's the over-promise. Now for the under-delivery.



Michael Henderson: "If staff are in a bad mood with the boss they can take it out on the customers."

See? I've got the hang of being untrustworthy already. Easy peasy.

Trust, on the other hand, is a more elusive beast. It's the 'commercial lubricant' of every business transaction. It's the foundation of business success. In marketing-speak, it's a 'pull' strategy with a honking big long-term payoff.

Without trust or confidence you have doubt. And where there's doubt, people will be very reluctant to part with their cash or time. Therefore, highly trusting relationships are more likely to pull in investors, staff, buyers and customers.

That's the word from Hannah Samuel, a specialist reputation advisor who has made a name for herself as 'The Reputation Champion'. Last year First Edition publishers brought out her book *Reputation Branding: How to grow your business without spending a cent*.

Continuing along these lines, Nick Jones is director of Sustainable Advantage – a newly-formed sustainability and social responsibility consultancy which is part of Hayes Knight New Zealand. He brings to his

new role a long track record in researching how business ticks.

Jones cites a September 2007 Nielsen global online survey which shows that recommendations from consumers topped the list of most trusted communication mediums.

text ads on mobile phones.]

Then there's this from Michael Henderson, a corporate anthropologist at Values AT Work – a company which delves into values methodologies. Henderson points out that because New Zealand has a large number of small

“When others recommend you, thank them. Remember – they are putting their reputation on the line for you.”

That's especially true for New Zealand. While 78 percent of global survey respondents picked "recommendations from consumers" as their most trusted source of information, that figure rose to 83 percent here in New Zealand. It seems we really do want to know what other people think.

[Just out of interest, next in line came newspapers, consumer opinions posted online, brand websites and magazines. Right at the bottom of the list of 13 options were

companies, very few of our organisations have the budget to roll out big plans. "Therefore business, and marketing, is fundamentally about trust."

So, if trust is the best thing since sliced bread plastered with Marmite, how come more SME owner/managers don't build their marketing strategies around it?

Truth is, trust comes at a price. For one thing, it requires a hard look in the mirror in harsh lighting. People who don't want to see their wrinkles, don't



**Hannah Samuel:**  
"People are more willing and likely to recommend you if they have confidence in you..."

usually go soul-searching in a well-lit room.

Or as Henderson puts it: "It's very easy to sugar-coat the truth. There is a lot of self-deception in companies. People are very busy and want to believe everything's OK when it isn't. They don't want to have to sit down and face the truth."

It's a bit like the eternal marriage-wrecker: "Does my bum look big in this?" At the back of your mind, you know

you don't want an honest answer.

To benefit from trust, we have to face up to our own ugly side. For, as Henderson's work demonstrates, once we start asking questions, the results can be positive or negative.

"It can be that a company or individual can be trusted to always stuff up," he says. "You hear it all the time. People say 'trust so-and-so to be late'."

Some years ago, the Manawatu Evening Standard newspaper was having a tough time getting advertising. Henderson sat down with the 30- to 40-strong sales team and asked them to tell him what they thought they were trusted to do. The answers that came back were refreshingly frank.

"We can be trusted to sell rather than provide service."

"We can be trusted to be more interested in our own budgets rather than the budgets of our customers."

"We can be trusted to be pushy sales people."

When Henderson asked what impact this was having, the sales team told him they reckoned the downside was both dramatic and negative.

So they started changing their behaviour. They set about concentrating on customers' budgets and needs rather than own. And they started seeing

results, in the form of higher sales, within the week.

"We did the trust exercise on Monday and they started selling differently on the Wednesday," says Henderson. "By Friday they were seeing better results."

The sales team also did the same trust exercise as individuals. People could opt whether or not to share their thoughts with the group.

"It's a bit like looking at your strengths and weaknesses," says Henderson. "In some cases, people ended up asking for more training or support. It led to the identification that a lot of people were having problems overcoming objections from their customers. It identified pathways to resolution for them."

## Are you worthy of recommendation?

In a recent issue of her monthly email newsletter Reputationz, Hannah Samuel says there's a quick and easy way to find out how trusted you are.

"Ask the question, 'would you recommend me to a friend or colleague?'" Author and loyalty expert Fred Reichheld calls this 'the ultimate question' and it is essentially an acid-test of how trusted you are.

"People are more willing and likely to recommend you if

they have confidence in you, if they trust that you will live up to their expectations and the expectations of the person they are recommending you to."

Not surprisingly, many successful small companies rely heavily on trust tactics, such as word of mouth, to draw in customers. They literally bet the business on the whisper-mill passing on good stuff about them. (See sidebars 'Measuring Up' and 'Keys to Success'.)

Henderson points out that word of mouth marketing has notched up a gear in line with new technologies.

"What word of mouth used to mean last century and what it means now are two different things. Last century, it literally was neighbourhood chat, or social or professional network chat. Now it should include things like websites and Facebook, as well as events such as Chamber of Commerce meetings. Obviously it should include the result of every action that you put across the counter."

That means the dynamics and scope of word of mouth marketing are far more diverse and complex than they were even a decade ago.

Samuel writes about how smart companies are using their reputation and trusted relationships to create a competitive edge, both online

## Keys to success

All but one of Jackie Thomas-Teague's clients have come to her through word of mouth.

Thomas-Teague is director and founder of Wellington-based residential property management company Rental Results.

She spied the one non-word of mouth client, across the road talking to a tradesman, figured (correctly) he must be a landlord and couldn't resist introducing herself. As luck would have it, he was looking for a property manager and he signed her up.

Using a word of mouth strategy was a conscious decision right from the start, says Thomas-Teague.

"I recognised that people like to deal with people that others can recommend. I started by asking a few people who I had done business with to write something for me. Now I get spontaneous comments given to me."

Besides her website, Thomas-Teague's marketing runs to a newsletter and membership of Business Network International (BNI). She also gives occasional seminars focussing on hands-on information for landlords and offers free one-hour consultations.

In Thomas-Teague's book, trust is a very important part of property management.

"If someone has a high performance car they wouldn't give the keys to just anyone," she says. "And yet a property is often worth two or three times what that car is and people will put in tenants without checking them properly. Or they'll get a property manager that they don't really know very well and say: 'Here, sort it out'."

Thomas-Teague advises people to think carefully before they make promises.

"I find it amazing that people

say they'll do things but they never intend to at all. If you don't keep promises how can people ever trust you?"

She also recommends small businesses have good processes and focus on being consistent and transparent in their dealings with customers.

"I pass on to my landlords the invoices I get from tradespeople," she says. "They get a copy of the original invoice. Plenty of companies don't do that. They go: 'This plumber's bill was X amount.' And it may or may not have been. The landlord would never know. So I say: 'This is what the bill was. This is my percentage on top. So this is the amount for you to pay'."

Fudging a bill may help those other companies be a bit more profitable, says Thomas-Teague. "But, for me, it's just not worth it."





While 78 percent of global survey respondents picked “recommendations from consumers” as their most trusted source of information, that figure rose to 83 percent here in New Zealand.

and offline.

“Websites such as Ecademy and LinkedIn enable you to demonstrate why people should consider linking or doing business with you,” she says.

So, too, does TRUSTcite, Samuel’s own online reputation and referral service. The website enables service providers to capture feedback from happy clients, link with other trusted professionals who are willing to recommend them and demonstrate what makes them special.

TRUSTcite members provide a wide range of services including financial, business, health, property, legal, training, travel and accommodation, sports, leisure and building and trade services.

And while you’re at it, spare some thought for the people right under your nose: your employees. Nick Jones points out that it is ‘absolutely crucial’ to build trust as part of a marketing strategy.

“Trust is one of the key things brands have to build not only with customers but also with employees. I’m a great believer in the service profit chain: happy employees, happy customers, happy shareholders.”

There’s no need to make a meal out of it. On a practical note, Henderson suggests owner/managers grab some coffees and a plate of muffins, and sit down with their staff for a good old chat.

“Ask them, ‘What do you think we’re trusted for?’ It could be we’re trusted to be three days late. Or it could be positive things,” he says.

“It’s not rocket science. Once you’ve got the answers, ask what everyone thinks they could do to plug any holes.”

And throw out the corporate

phrasebook. Jones says it’s important to talk in a way that makes sense to your workers.

“Instead of talking about ‘teamwork’, you could talk about ‘looking after your mates’. You’ve got to be sensible about the language you use. It’s about sitting down and having conversations with people. It’s about ‘why do you work here?’”

A good test of how you are getting your message through, says Jones, is how your people talk about it down at the pub.

Henderson reminds owner/managers to walk their own talk. “They don’t do it deliberately,” he says, “but if staff are in a bad mood with the boss they can take it out on the customers.”

He also notes that most bosses dole out more complaints than compliments. “So remember to compliment your staff. Be grateful for their best efforts.”

Samuel recommends bosses find out what customers value most about the company’s products and services, then ensure they meet and exceed expectations in as many ways as possible.

“And when others recommend you, thank them. Remember – they are putting their reputation on the line for you. Let them know you appreciate the recommendation and value their confidence in you.”

### Fail your way to success

Building trust is not about being perfect and it’s OK to fail.

“Things don’t always go according to plan,” writes Samuel in Reputationz.

“People and companies make mistakes. Trust can be dented. But that doesn’t mean we should give up – [that’s] something the world’s highest

paid performers understand.”

She goes on to quote from a sportsperson.

“I’ve missed over 9000 shots in my career. I’ve lost almost 300 games. Twenty-six times I’ve been trusted to take the game-winning shot ... and missed. I’ve failed over and over and over again in my life. And that is why I succeed.”

Who is this loser? Michael Jordan, professional basketball player.

Finally, as Nick Jones says: “You want people to be talking from the heart. That’s the key to all this stuff.”

As all these people agree, building trust is a sure-fire way to a stronger business. But, like everything, it has its limits. We can’t promise your mother-in-law will adore you. And I’d never tell you how big your bum looks.

*Ruth Le Pla is an Auckland-based freelance writer. Email [ruth.lepla@xtra.co.nz](mailto:ruth.lepla@xtra.co.nz)*



Nick Jones: “Trust is one of the key things brands have to build not only with customers but also with employees.”



Call Attaché for a plain english guide to Next Generation software or a complimentary assessment. **0800 288 224**  
[www.attachesoftware.com](http://www.attachesoftware.com)



**Business grown up?  
Financial software hasn't!**



Wall Treats directors Daniel Zapata and Ashley Wong use word of mouth marketing to generate around three-quarters of their business.

## Measuring up

What can a small business do when traditional advertising doesn't cut the mustard? That was the big question for Wall Treats – a small Auckland-based company in the highly competitive painting and decorating market. Set up in October 2003, Wall Treats' clients are interior designers, colour consultants, architects, and home and business owners. "Initially when we started, it was about getting our name out," says operations manager Ashley Wong. "So we tried the traditional advertising and direct marketing methods. Because we had measurement systems in place we knew that we weren't getting the returns we wanted. So we quickly changed that.

"We placed a strong emphasis on educating ourselves on pull marketing techniques. It highlighted the power of word of mouth marketing for us. We wanted to use word of mouth marketing to attract people.

We firmly believe it helps a business because it uses personal validation."

Fast forward to today and the picture is radically different. Wall Treats rarely advertises. Instead, it relies on happy customers for introductions to others who may benefit from the Wall Treats service.

Around three quarters of its business is now generated through word of mouth.

"We measure it," says Wong. "We ask every person how they came to know about Wall Treats. We like to know who told them about us because we thank the people who referred them. We always phone people up because we like the personal interaction and we always follow up with a hand-written thank you card."

Right from the word go, Wall Treats also made an effort to understand the industry's most common failings from a customer viewpoint.

One of the most frequent

gripes, says Wong, was people not arriving when they said they would. "So we promise to arrive on time. Our customers can go away, do what they need to do for the day and not have to worry about whether we are going to turn up.

"And when we work in apartment buildings or office blocks – especially heritage apartment blocks – we want to understand what the building manager's requirements are. That's especially important in a major renovation project where a lot of dust is created as well. The building manager wants to make sure the environment remains comfortable for the other tenants or occupants.

"We want our clients to be sure that they won't be receiving any negative feedback from other occupants or the building manager."

It all equates to peace of mind, says Wong. "We recognise that it's a real privilege to be invited into

customers' or clients' homes or onto their business premises."

What practical steps can SMEs take to generate trust?

"Demonstrate to customers and prospects that their requirements are paramount," says Wong. "Research what their criticisms are for the industry you operate in and demonstrate how you can avoid them.

"And use the words of customers in your marketing material. You will see from our website that every single testimonial is a customer's own words. That's because it's all about personal validation and it's good [for other people] to know what experiences these customers have had.

"And do what you say you will do. Send an email when you say you will. Follow up when you say you will. .... Keep things simple. Don't try to over-complicate them."