

# It's all about trust

 By [Ann Nurock](#)

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Trust is not some illusive, intangible concept. This is what I have found to be very enlightening, from both research I have conducted and from having worked with some of the biggest African and global brands.

Trust is a basic instinct that can be taught, established, built and restored. Trust is the one thing that holds every relationship together, whether it be business or personal. Without trust, there is nothing!

## Why is trust important?

So, why is trust such an important issue in business today? It's because when you have trust, you have a whole load of proven benefits:

The first one is speed. According to Stephen Covey in his book, "The Speed of Trust", and my own personal experiences in both South Africa and internationally, when there is trust in an organisation, or in any business relationship, there is collaboration, transparency and loyalty. People recommend you more, they place more orders and employees want to work for you.

Relationships built on trust leads to commitment, commitment leads to speed and speed results in reduced costs. A great example of this is Zara. It built its business on speed and only competes against itself, therefore being able to supply the latest fashion at affordable prices in the quickest time.

The opposite applies when there is no trust. People are apathetic and frustrated. There is friction and politics, and everything slows down, resulting in costs going up. A perfect example of this would be some of our own parastatal organisations.

## The new competitive advantage

Today, speed is the new competitive advantage. Technology has made your customers your greatest competitors. Just look at what happens every minute of every day: 571 websites are created, 100,000 tweets are sent, 685,000 pieces of content are shared on Facebook and two million search queries are made on Google (Source: [thesocialskinny.com](http://thesocialskinny.com)). Your customers have more choice than ever before and, if you don't have speed you are just not in the game. But in order to have speed you need trust.

What and whom do you trust these days? Government, business leaders, all those sportsmen we used to hold in such high

regard? The world over, it has been proven that trust has now fallen to alarmingly low levels.

While people might well trust the *institution* of government, they don't trust government leaders and the main reason for this is corruption.

In South Africa, we are not alone in this regard. Let's look at the US. The bickering on Capitol Hill over the debt ceiling and fiscal cliff has created enormous mistrust. The Eurozone is probably the greatest example, where the entire economy of Ireland became one big Ponzi scheme and collapsed. Iceland is another classic example, where a nation of fishermen became investment bankers overnight and their country's tax evasion in Greece, and now Cyprus, makes for horror stories. It goes on and on.

### **People don't trust**

In the world of business in 26 countries around the world - excluding SA - people don't trust CEOs at all. In fact, CEOs ranked second lowest after government leaders ([Edelman Trust Barometer 2013](#)).

Again, excluding SA, where the evidence is quite different, the business sector that scores the lowest for trust is a sector in which we should have the *most* trust - financial services.

It seems that people all over the world do not trust the very institutions where they put their money. That's chronic, yet not surprising when one looks at the behavior of some of the most significant and trusted financial institutions around the world. In contrast, we're lucky that regulations have almost forced a trust culture of financial services in SA.

Across these 26 countries, technology ranked highest followed by automotive. Which is ironic, in that people now trust a second-hand car salesperson more than they do their banker. Today, it is companies such as Amazon.com and the Ford Motor Company which are leading the way.

### **The new world order**

Now that the world has begun opening up to providing information about absolutely anything and to anyone, people are realising that what they used to trust and their reasons for doing so have changed. The goalposts have moved. People don't have to trust the same source, the same opinion formers or the same leaders. They can form their own opinions based on the shared experiences of likeminded people... they can relate to that; they can relate to someone like themselves and they may therefore trust what that person says because it's relevant to them.

In fact, it has been shown that 93% of people trust people similar to themselves more than anyone else and, even more staggering, 70% of people now trust the word of strangers more than anyone else ([Nielsen Report 2012](#)).

Just look at how people around the world get their information today. They take their news from people they don't know off Twitter. They accept advice from strangers about where to go on holiday from TripAdvisor and they use LinkedIn for recommendations from strangers when looking to recruit someone.

This shows that leaders, too, have to change. They now have to be more respectful and caring, not only to their employees but also to their customers.

### **World needs trust more than ever**

As I always say to workshop delegates, today it is about more than just the bottom line; it is also about how you achieve it in terms of your leadership skills and ethics. Today, we are living in a world that is becoming social, sharing and transparent, and it needs trust more than ever before.

*In the [next part](#) of this two-article series, I will discuss how leaders need to change in order to achieve trust.*

## For more

- Bizcommunity: [\[Trust in business 2\] How to attain trust](#) by Ann Nurock

## ABOUT ANN NUROCK

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