in the DRIVER'S SEAT
Automotive News

THE BUILDING BLOCKS TO BUILDING TRUST

Jody Stidham, managing director at Deloitte and Bob Beatty, executive vice president and chief experience officer at GM Financial chat with *Automotive News* Publisher Jason Stein about how OEMs can build trust with their customers.

Left – right: Jason Stein, Jody Stidham, Bob Beatty

Q: Welcome to "The Driver's Seat." Trust is not built overnight. So how do automakers build trust when customer expectations are changing? We posed this question to Jody Stidham, managing director of Deloitte Consulting; and Bob Beatty, executive vice president and chief experience officer at GM Financial.

Jody Stidham: Earning trust is most definitely a long-term game. Customer expectations are ever-evolving. And we all know COVID had a really big impact on accelerating those expectations.

The challenge is that most companies don't know how to measure trust. So we conducted research over 200 brands—over 16,000 consumers. We developed what we call the trust ID, which measures the four signals of trust: humanity, transparency, capability and reliability. This helps organizations not only measure but also predict customer behaviors and identify the actions to rebuild or build trust—oftentimes not just from customers, but it could be their workforce and dealers.

In our research, we found three key themes that can help brands position themselves as trustworthy organizations with consumers.

First, acting with humanity. For example, when COVID hit, we saw that for brands that showed humanity by forgiving late payments on a lease or loan or by allowing customers to extend their leases due to limited inventories, trust increased.

Second, consistency is the standard for quality. We know in automotive that those stakes are much higher when quality is inconsistent. We talk about a seamless and convenient customer experience, and we've seen examples of how brands have delivered this.

The third theme is transparency. A large gap exists between how current customers perceive your brand versus those who are simply just aware of your brand. The most trusted brands show how to close that gap, and it starts with transparency.

Bob Beatty: I would agree that consumer expectations are changing. But they've always wanted fairness and respect; they want the products and services of the companies they deal with to enhance their lives. For captive-finance companies like us, it goes beyond the consumer. Their trust is paramount, but we have so many stakeholders evaluating us: dealers, our employees, investors, regulators, our OEM, the communities in which we live and work.

Q: So what is the role that automakers can play in building trust with customers and the community?

Beatty: It comes down to how you define yourself. At GM Financial, we define ourselves as more than a lessor or finance company. We see ourselves as a facilitator of mobility—of helping consumers get from one place to another. Another role we play is helping consumers with financial mobility through responsible lending, making sure that people who sign up for leases and loans know they can afford that.

We also do that through education. We have a program called KEYS that provides tools to increase their financial literacy. Where the rubber really hits the road in trust is in the individual experiences that consumers and other stakeholders have with us. GM Financial doesn't deliver that; GM Financial team members deliver that. You can't deliver a great customer experience if you don't focus on building a really positive employee experience. And similarly, you can't gain and earn trust from your consumers if you're not getting and giving trust to your employees to deliver the goods on a transaction.

Stidham: It's hard not to also mention the transformation to EVs that's underway. OEMs are setting the tone for making the world a better place, whether it's reducing emissions or improving safety. But there's a lot of opportunity to activate these commitments with the dealers in the community. The dealer network is an advantage to OEMs and often seen by consumers as the face of the brand.

Q: And what are the consequences for automakers? Not focusing on just the cost at large, right?

Beatty: The consequences are certainly huge, as we've seen across our industry. We've taken our responsibility seriously. First, it's the right thing to do. But we know, from a purely business perspective, there are alternatives. When I look at our role—if we fail to gain the trust of the customer or if we lose that trust, it's not just GM Financial but GM dealers and OEMs that lose.

Stidham: A lack of trust can cost global brands $2.7 trillion a year. Trustworthy companies outperform competitors by over 2½ times, so the dollars and cents really justify why trust is important in building loyalty.

Q: And how can automakers lead with candid, honest brand conversations even when it's a hard message to give?

Beatty: Honesty has to be nonnegotiable. And then, if we're all honest, we realize that mistakes happen. The mistake itself is not what loses customers or erodes trust. The company's or person's reaction to the mistake, how they acknowledge the mistake and how transparent they are about it; if they take it seriously and take steps to minimize the likelihood of that mistake happening again—that can actually build trust. By taking those actions in the past, it has helped us build more trust, even when that inevitable slip-up happens.

Stidham: One area that comes to mind is recalls. When implemented effectively, recalls can have a positive impact. If you can think about it more as a relationship initiative versus a necessary transaction and make simple changes about how you openly communicate and are really genuine about your motives around the recall, it will go a long way in improving trust.

To watch Jason and Jody's conversation, visit autonews.com/deloittevideo.