

## COMMENT

Consumers have become used to exaggerated marketing claims but that is not healthy for retailers' relationships with them, says **Jacqueline Gold**

# The VW scandal points to a greater issue of trust

“A couple of weeks ago we discovered that someone we liked and respected had cheated at their exams.

The media was handed a scandal about, up until then, a prefect of the class: one of the most well-known car brands had been telling porky pies.

But were we really that surprised or even that outraged? I don't think we were, and for me that highlights a deeper problem for the car industry and a potential lesson for us all.

The bigger issue for the car companies and indeed those in the beauty business is that too many customers don't really believe the claims they make.

When was the last time someone said to you “the advert says it does 50mpg but I get 60 from mine”? Or “nine out of 10 people think I'm winning the fight against the seven signs of ageing”.

When the manufacturers make these claims we imagine that they have got there, at best, via an immaculate test environment or on perfect skin rather than in a car and a life loaded with kids, shopping and bumps in the road.

In our minds, we take 10 miles and 10 years off their numbers to estimate the true running costs and how much younger we'll look.

It's the same with CO2 emissions – the only shock was that we'd underestimated the scale of VW's dishonesty.

The lesson for all of us is that if we didn't know it already, consumers have become accustomed to reading between the lines, deciphering what's fact and



what's marketing fiction and which of us they can trust.

The problem is that this has become so commonplace that they don't bother to tell us or complain.

They shop with an inherent cynicism and we only get to hear about it when it becomes headline news. They know 99p or £1 stores offer incredible bargains on some items but also that these shops make up for lost margin on others.

They know to beware of the multibuy on perishable goods because you end up with stuff that you just throw away.

We still call them loyalty cards but retailers' customers have one for every store – they know that it has very little to do with loyalty and everything to do with habit and trying to squeeze the last bit of value out of their grocery shop.

It is retail *Deal or No Deal*, them against us and we are the cunning banker.

This ever-so-slightly adversarial retail relationship doesn't sit comfortably with me because I fear it diminishes trust, not just between a specific shop and its customer but between every customer and our industry as a whole.

Rather than wait for a scandal to erupt, it might be prudent to both audit our exaggerations and regularly ask our customers and staff how we can improve our products and the benefits we claim, so that they never feel that they have been knowingly hoodwinked.

**Jacqueline Gold, chief executive, Ann Summers**