"I'm just looking."

CONFIDENCE ECONOMICS™

Turning Uncertainty in High-Consideration Decisions into Confidence—Creating Relationship Capital and Durable Revenue That Compound.

Chuck Knerr

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Dedication

For my father, Rich Knerr,

the best salesman I ever knew.

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First edition, 2026

About The Author

Chuck Knerr has spent much of his career in positions that allowed him to observe how people make decisions—from marketing and emerging interactive technologies to years spent inside automotive retail.

As a director of marketing for one of America's largest automotive retailers, he began interviewing customers about consequential purchase decisions. Those conversations gave him an unusual view from the other side of the transaction: what shoppers had expected, what they had feared, what they noticed, what changed their minds, and how transactions became relationships.

He continued those interviews for more than a decade, across different dealerships, salespeople, customers, and circumstances. Over time, recurring patterns became visible.

One of the simplest was also one of the most consequential:

The shortest path to a sale was a straight line from the adversary the shopper expected to the ally the customer discovered.

Following that observation eventually led to the larger economic system described in this book: Confidence Economics™.

ConfidenceEconomics.com

PROLOGUE

We Don't Have Customers Like That

It started as marketing. When I was Director of Store Marketing for Lithia Motors, I began interviewing customers on camera. The idea was simple. Find something meaningful a dealership could promise its customers. Then let its own customers prove that promise true.

Promise and Proof.

The interviews served another purpose too. If I wanted to understand what a dealership did particularly well, I could ask the people who had experienced it. Its customers. What I didn't expect was what those customers would teach me. The more interviews I conducted across more dealerships, the stranger something seemed.

These customers talked about trusting their salespeople. They described salespeople they genuinely liked and relationships they intended to continue. Again and again, I encountered customers whose stories seemed almost 180 degrees removed from the way consumers commonly talked about car dealerships and car salespeople. I began to draw what seemed like an obvious conclusion.

There was something different about these dealerships.

They must be outliers. Somehow, I had found dealerships capable of creating customer relationships that most dealerships simply did not seem to create. I carried that assumption with me when I later started SaySo Agency. If these extraordinary customer relationships were the source of such powerful marketing stories, then I needed to find the rare dealerships that had customers like these.

That proved harder than I expected. Most dealers weren't particularly interested in interviewing their customers. And then, very early on, I made a presentation to a general manager. I showed him some of the customer videos.

These were remarkable stories. The kind I had come to associate with dealerships that had somehow created something different with their customers. He watched them. Then he said:

"We don't have customers like that."

It made perfect sense to me. Of course he didn't. That was the problem. Except I was wrong.

Not about the way many shoppers regarded car dealerships and salespeople. I was wrong about why I kept meeting customers who felt so differently. The answer had been hiding in the way I found them. I wanted strong customer stories for marketing. So I asked the general manager to have the salespeople invite happy customers to be interviewed.

Naturally, the salespeople invited the customers they felt most likely would agree.

Unintentionally, the sample was selecting for relationship.

That changed the way I saw everything. The dealerships where I had interviewed these customers weren't extraordinary. They were ordinary dealerships. And the customers hadn't started out extraordinary either.

They weren't relatives of their salespeople. They hadn't arrived as friends. They had been strangers. They had walked into dealerships carrying the same kinds of negative expectations other shoppers carried.

But somewhere between walking in as strangers and driving away as customers, something had happened. By the time I met them, they trusted their salespeople. They wanted those relationships to continue. And they were willing to help the salesperson who had helped them.

The general manager who told me, **"We don't have customers like that,"** almost certainly did. Every dealership did. Some salespeople had more of them than others. But they were there.

I had simply stumbled onto a way of finding them. And once I understood that, the question changed.

The dealerships weren't the outliers.

The customers weren't the outliers.

Their transactions were.

Something had happened inside those transactions that had changed the relationship between two people who began as strangers. And the value of what happened didn't end when the vehicle was sold.

They continued to service.

They bought again.

They referred friends and family.

The transaction was over.

The value of the relationship wasn't.

I had set out to gather customer proof for marketing campaigns. Instead, those customers had put two much bigger questions in front of me:

What happened inside those transactions?

And what was it worth?

Finding the answers would eventually lead somewhere I never expected.

Confidence Economics.

Chapter 1: The Transaction Was Complete

At a dealership, a completed transaction leaves a record. A vehicle was sold. The funds were deposited. The dealership knows the selling price. The front-end gross. The back-end gross. The holdback. The incentives that applied.

The vehicle is off the lot. The sale is complete. At the end of the month, the board records the result. Then a new month begins.

From the dealership's side, there is very little mystery about what happened. A vehicle was sold. And there is very little mystery about what it was worth. The dealership can calculate that too.

From the customer's side, the answer appears just as obvious. They have the vehicle. The dealership received what it received. The customer received what they bought.

The transaction was complete. But the customers I interviewed kept showing me that something continued beyond it. Corey Clayton had bought vehicles at other dealerships.

"I've bought at three other car dealers - not saying they were bad, but I wasn't leaving smiling. They make you feel weird."

But Corey described a very different relationship with Moritz Chevrolet.

"I'm probably by here once a month just to drop in and say hi. Most car dealers you're dreading - the wife wants a new car and you think, I sure don't want to go sit at that dealership. And I'm coming by here when I don't have a reason to."

He wasn't coming back to buy another truck. He was coming back because he wanted to. Hector Segovia described another kind of return.

"I think I've probably sent about 20, 25 people so far - and everybody's been happy with it."

His transaction had ended. But people who had never been part of that transaction were walking into the dealership because of him. The completed sale told the dealership what had been exchanged. It told the dealership what it had earned.

It told the customer what they had bought. But it did not explain Corey. It did not explain Hector.

The transaction could tell me what was exchanged.

It could not tell me what had been created.

Lance and Rebecca Kepley described what walking into a dealership could feel like:

"Other places you always feel like you're going into a battle - you've got to get your hammers ready because you're going to be fighting with somebody."

That shopper is not neutral. They are preparing for an adversary. But listen to what happened next:

"But here it was smooth like a knife cutting through butter. They worked with me like no other dealership has, and just asked, hey, what do you want?"

A shopper prepared for a battle. A salesperson asked:

What do you want?

And the customer said:

They worked with me.

That was the part of the transaction I had not been looking at closely enough. The sale recorded the result. The interviews revealed what happened between the people who produced it. And there were two different kinds of evidence inside their stories.

What the salesperson did.

And what it meant to the customer.

Chapter 2: Meaning Belongs to the Customer

James Travers described his salesperson with one sentence:

“He listened, not to sell me something, but to what I was looking for — my needs and wants.”

There are two pieces of information in that sentence.

He listened.

That is what the salesperson did.

Not to sell me something, but to what I was looking for.

That is what the behavior meant to James. The distinction is easy to miss. A salesperson can know that they asked questions. They can know that they explained the numbers.

They can know that they gave the shopper time. They can know that they brought out another vehicle. They can know what they were trying to accomplish. But none of those things tells us what the shopper believed those behaviors meant.

The behavior came from the salesperson.

The meaning came from James.

That distinction began appearing everywhere in the interviews. Customers didn’t simply tell me what salespeople did. They told me what they thought those behaviors revealed. A question could feel like genuine interest in what they wanted.

An explanation could feel like someone making sure they understood. Time could feel like patience. A recommendation could feel like help. Or the same kinds of behaviors could mean something very different.

A question could feel like an attempt to find leverage. An explanation could sound like a sales pitch. A recommendation could feel like an attempt to move inventory. Waiting could feel like a tactic.

The observable behavior was not enough.

What mattered was what the behavior meant to the customer.

That creates a problem for any business trying to understand its own customer experience. The business lives on one side of the interaction. The customer lives on the other. The salesperson knows what they did.

The manager can observe some of it. The systems can record pieces of it. But the customer experiences those behaviors through everything they brought into the dealership with them - their expectations, concerns, previous experiences, and reasons for being cautious. The salesperson does not get to decide what their behavior meant.

Neither does the manager. Neither does the dealership.

Meaning belongs to the customer.

And once I began listening for meaning rather than merely behavior, the interviews started revealing something the transaction record could never show. The salesperson remembered what they did. The CRM remembered the activity. The DMS remembered the deal.

The customer remembered what it meant.

And what it meant mattered because customers acted on those meanings. They opened up. Or they held back. They accepted help.

Or resisted it. They moved closer. Or pulled away. The interaction was not being shaped only by what the salesperson did.

It was being shaped by what the shopper believed those behaviors told them. That raised the next question.

Why did the shopper need to interpret the salesperson's behavior in the first place?

Because the shopper did not walk into the dealership as a blank slate.

The shopper arrived guarded.

Chapter 3: I'm Just Looking

The shopper arrives guarded. Sometimes you can hear it in the first sentence.

"I'm just looking."

It sounds casual. But it does something important. It limits access. The shopper has entered a place where they need information. They may need considerable help making the right decision.

But the person best positioned to provide that help is a salesperson. And that creates an immediate paradox.

The person with the knowledge to help is also the person the shopper is careful about letting in.

The salesperson knows the buying environment. The vehicles. The inventory. The features.

The alternatives. The financing. The process. But the shopper possesses information the salesperson does not.

The shopper knows their life. What they need the vehicle to do. Who will ride in it. What they carry.

Where they drive. What they can afford. What matters most. What they can compromise on and what they cannot.

The salesperson knows the buying environment.

The shopper knows their life.

A good decision requires both. But neither begins with access to what the other knows. The salesperson can ask a question.

The shopper decides how much to reveal.

The salesperson can offer expertise.

The shopper decides how much access to allow.

That makes the opening of the interaction more consequential than it appears. The salesperson is trying to learn enough about the shopper to help. The shopper is deciding whether to let them.

"I'm just looking" keeps that decision in the shopper's hands.

It does not mean:

I don't need help.

It means:

I haven't decided whether to accept yours.

That distinction matters. Because there are really two kinds of access at stake. The first is access to the shopper's information. What do they really want?

What can they afford? What are they worried about? What matters enough that they will regret getting it wrong? The shopper can answer fully.

Partially. Or not at all. The second gate is more consequential.

Access to the decision itself.

The salesperson may know which vehicle fits what the shopper has described. They may know that another option would solve the problem better. They may know that something the shopper believes about a vehicle, feature, payment, trade, or financing is incomplete. But expertise is useful only if the shopper allows it into the decision.

That permission cannot be taken. It has to be given. The shopper remains the decision-maker. That is what guardedness protects.

Not merely information.

Autonomy.

The shopper can listen without agreeing. Answer without revealing everything. Consider a recommendation without accepting it. Walk away.

The salesperson can have exactly the expertise the shopper needs and still be unable to use it fully on the shopper's behalf. Because expertise alone does not create access. The shopper controls access. The shopper controls permission.

And the shopper controls the decision. So beneath a seemingly ordinary opening -

"I'm just looking."

•? something important is already happening. The shopper is not simply looking at vehicles.

The shopper is deciding how much access to give the person trying to help them.

Which raises the next question.

Why does the shopper begin by protecting it?

Chapter 4: It Isn't What Is

Why does the shopper begin by protecting the decision? The customers gave us an unusually consistent answer. There are 107 customers in the Confidence Economics corpus. Different dealerships.

Different salespeople. Different states.

All 107 arrived with Negative Expectations.

Not one entered the dealership without them. They expected pressure. Games. Numbers that might change.

Being steered. Being talked into a decision they would regret. The specifics varied. The guarded starting point did not.

Shoppers bring Negative Expectations to the dealership.

A Hole They Didn't Dig

The salesperson standing in front of the shopper did not have to create those expectations. They inherited them. Victor Graffigna described what dealerships had taught him to expect:

"Playing games."

And what that could produce in him:

"They bring out the worst in me."

That changes how we understand the person standing across from the salesperson. Protection can look like personality. Difficult. Defensive.

Distrustful. But Victor gives us another explanation. The shopper may be protecting themselves from an experience they already expect. The salesperson can begin in a hole they didn't dig.

They may be meeting the shopper for the first time.

The shopper is not meeting the idea of a salesperson for the first time.

They bring that history with them. My father used to say:

"It isn't what is. It's what people think it is."

The salesperson knows their own intent. The shopper doesn't. The shopper has Negative Expectations instead. And that means Chapter 2's distinction becomes even more consequential.

The salesperson supplies behavior. The customer assigns meaning. But the customer is assigning that meaning through expectations that were already there.

Negative Expectations Look for Evidence

A question can confirm what the shopper feared. A recommendation can confirm it. Moving too quickly can confirm it. Or what happens next can begin contradicting it.

Negative Expectations give the shopper a starting hypothesis:

Is this going to be the experience I expected?

Treva Richey expected pressure. Then she experienced something different:

"I didn't feel pressured. It was much relief."

Perry Wallen expected the numbers to change. He said:

"Honestly, I thought when I came over they'd tell me some other story, and at finance they'd bump the price up. It was none of that."

And his conclusion:

"They live up to their word."

Treva expected pressure. She experienced no pressure. Perry expected the numbers to change. They didn't.

The customers entered with expectations. What happened next supplied evidence. And the customers assigned meaning to the difference.

An expectation had been contradicted.

The salesperson cannot simply erase a Negative Expectation by saying:

Trust me.

The shopper needs evidence. And a guarded shopper does not simply wait for that evidence to appear. They watch for it. They listen for it.

Sometimes they create an opportunity to see it. A hesitation. A challenge. A refusal.

An objection. To the salesperson, these can look like resistance to the sale. But viewed from the shopper's side, another possibility appears. The shopper may be trying to learn something.

Not simply:

What will you do about my objection?

But:

What will what you do tell me about you?

That changes the question. Automotive has traditionally asked:

How do I overcome the objection?

The customers suggested another:

What is the shopper trying to find out?

Chapter 5: The Test Inside the Objection

The shopper arrives protecting the decision. Then something happens. They hesitate. Push back.

Need more time. Say no. To the salesperson, it can look like resistance. To the shopper, it creates something else:

A chance to see what the salesperson does when the shopper's decision gets in the way of the sale.

Whose Decision Is It?

As long as everything is moving forward, the interests of the salesperson and shopper can appear aligned. Then the shopper wants something that slows the transaction. Now the salesperson has a choice. And the shopper gets evidence.

Will you respect that this is my decision?

That matters because the shopper has been protecting the decision from the beginning. They have controlled what they reveal. Controlled access. Controlled how far the salesperson is allowed into the decision.

Resistance puts that autonomy directly in front of the salesperson.

Julie Needed Time

Julie Mann was not ready to buy. She needed time.

"They were very accepting of the fact that I need a couple of days to get comfortable with any purchase of this size. And they didn't pressure me at all."

Julie wanted to leave. The dealership wanted to sell a vehicle. They let her leave. And what happened gave Julie something she did not have before.

Evidence that her decision would be respected.

The Test Is Real

That does not mean Julie invented an objection to test the dealership. She needed time. The objection can be completely real. But a guarded shopper does not necessarily reveal everything behind it.

Sales has an old expression for that uncertainty:

"Buyers are liars."

There is another way to understand it. The stated objection may be exactly the issue. It may be part of the issue. Or it may be the only part the shopper is willing to reveal.

The salesperson does not have to know which one it is to respect the shopper's decision. Whatever Julie's reason for needing time, she needed time. They gave it to her.

Her decision remained hers.

Resistance Reveals Intent

When the shopper is moving toward the sale, selling and helping can look remarkably similar. Resistance separates them. The shopper says:

Not yet.

Now what happens? Does the helpfulness survive when advancing the sale is no longer the shopper's immediate priority? Julie learned something when she needed a couple of days. The salesperson did not have to tell her:

This is your decision.

The behavior told her. That is the test inside the objection. The objection isn't merely something the salesperson handles.

The shopper is watching how the salesperson handles them.

Permission Without Surrender

This returns us to the problem in Chapter 3. The shopper needs expertise. But allowing someone into the decision creates vulnerability. The shopper needs to know that participation will not become control.

That influence will not become pressure. That accepting help will not mean surrendering the decision. Resistance gives the shopper a way to find out. And it creates a paradox:

The salesperson earns greater permission to participate in the decision by demonstrating that the decision still belongs to the shopper.

The shopper came in protecting the decision. Now they have evidence that the salesperson will protect it too. And when the evidence says that, something in the shopper begins to change.

Chapter 6: The Customer Is Moving

The shopper who walked into the dealership is not necessarily the same shopper standing there twenty minutes later. Nothing about the transaction may have changed. The vehicle is still the vehicle. The price may not even have been discussed.

But something in the shopper has changed. They answer differently. Reveal more. Ask different questions.

Allow more access. Or the movement can go the other way. They become quieter. More reserved.

Less engaged. More careful about what they say. The transaction may appear to be in exactly the same place.

The shopper moved.

The Transaction Has a Stage

Dealerships are very good at seeing the movement of a transaction. Looking. Test drive. Numbers.

Financing. Purchase. Those are stages in a process. But the stage of the transaction does not tell us the condition of the shopper.

A shopper can be test driving a vehicle and still be completely guarded toward the salesperson. Another can still be standing on the lot and already be remarkably open to them. Two shoppers can be at exactly the same stage of the sales process and be in very different conditions. There is something else moving inside the transaction.

I call it **State**.

The transaction has a stage.

The shopper has a State.

State

State is the shopper's emotional and rational condition toward the salesperson in that moment. Emotionally:

How comfortable am I with you? How guarded? How apprehensive? How relaxed?

Rationally:

What do I believe about you? What do I think you are trying to do? How vulnerable am I if I let you farther into this decision?

How much risk do I believe that creates? Those things come together inside the shopper. For our purposes, State can be understood most simply as movement between two conditions:

Closed / Guarded <-> Open

Toward the salesperson. That distinction matters. A shopper can love the vehicle and remain completely guarded toward the person selling it. They can be excited about buying and still carefully protect themselves from the salesperson.

Or they can discover that the vehicle in front of them is wrong and remain completely open to the salesperson helping them find the right one.

State is not how the shopper feels about the vehicle.

It is their current emotional and rational condition toward the salesperson - including how vulnerable or at risk they believe they are in allowing that salesperson into the decision.

Internal, But Not Always Invisible

State exists inside the shopper. The salesperson cannot see it directly. But movement in State can manifest outside. Stoic or enthusiastic.

Talkative or reserved. Engaged or disengaged. The shopper who initially offered almost nothing may begin talking. The shopper who protected personal information may begin sharing what matters.

The shopper who resisted recommendations may begin asking:

What do you think?

Movement can also go the other way. The shopper who was talking becomes quiet. Answers get shorter. Questions stop.

Engagement disappears. The outward behavior is not State itself. A quiet shopper is not necessarily guarded. An enthusiastic shopper is not necessarily open.

But changes in demeanor and behavior can be signs that something inside the shopper has moved.

State Exists in the Moment

State is temporal. It describes the shopper **now**. And now can change quickly. A shopper can become more open over twenty minutes.

Or more guarded in twenty seconds. One interaction can change what the shopper thinks and feels about the salesperson standing across from them. That means State is not a permanent characteristic of the customer.

The shopper is not a Guarded Customer or an Open Customer.

The shopper is guarded or open **in this moment, toward this salesperson.** And the next moment can be different. That was what I had been hearing in the interviews. Customers weren't simply describing what happened during the transaction.

They were describing themselves changing inside it. More guarded. Less guarded. More open.

Less open. Sometimes gradually. Sometimes in a moment. Now we can name what is moving.

State.

Which raises the next question:

What moves it?

Chapter 7: What Moves the Customer

Chapter 6 left us with a question. State can change in a moment.

What moves it?

Evidence. Something happens. The shopper decides what it means. That meaning becomes a Signal.

And the Signal can move State.

Perry's Price Held

Perry Wallen came to the dealership expecting the price to change. When the dealership began preparing his paperwork, he stopped them:

"Whoa, I need to see my price first."

They told him his price was his price. Those were words. Then came stronger evidence.

The price held.

Perry had expected one thing. The dealership did another. And Perry told us what it meant:

"They live up to their word."

There is the mechanism. The price holding was **evidence**.

"They live up to their word" was the **meaning Perry assigned to it**.

And meaning is what makes evidence consequential.

Evidence Becomes a Signal

Evidence alone does not contain Confidence. The customer decides what the evidence means. Once it acquires meaning, it can become a **Signal**. When the meaning gives the shopper reason to become more open toward the salesperson, it becomes a **Confidence Signal**.

When it gives the shopper reason to become more guarded, it becomes a **Suspicion Signal**. The principle we discovered in Chapter 2 still governs:

Meaning belongs to the customer.

The salesperson supplies behavior. The behavior supplies evidence. The customer assigns meaning. The meaning becomes a Signal.

And the Signal can move State.

Behavior -> Evidence -> Meaning -> Signal -> State

Truth Comes First

Meaning belonging to the customer does not mean truth does. Truth does not change according to how the shopper interprets it. The salesperson's responsibility is not to produce whatever answer will make the shopper more open. It is to tell the truth in service of the shopper and their decision.

Sometimes the truth will be what the shopper hoped to hear. Sometimes it won't.

The truth serves the decision.

Confidence has to grow from there.

Signals Have Weight

Not every piece of evidence matters equally. Perry did not arrive equally uncertain about everything. He expected the price to change. So when the price held, it answered something he was already protecting against.

That gave the Signal weight.

Another shopper may be protecting against something else. Pressure. Being steered. Making the wrong choice.

The behavior that matters most is not necessarily the most impressive behavior. It is the evidence that speaks most directly to what this shopper is trying to find out. There is no fixed quantity of Confidence inside an action.

The customer determines its meaning and its weight.

That is why Confidence Economics cannot become a checklist of behaviors.

The Same Mechanism Works Both Ways

Suppose Perry's price had changed. That would have been evidence too. Same shopper. Same transaction.

Opposite evidence. Instead of contradicting what Perry expected, it would have confirmed it. A promise is made. Then broken.

Words and actions stop matching. Something happens that gives the shopper reason to become more guarded. That becomes a Suspicion Signal. State moves.

The mechanism does not belong to Confidence alone.

Evidence can open the shopper.

Evidence can close them.

And the customer keeps interpreting what happens.

What the Signals Begin to Reveal

At first, the shopper is learning about individual moments. Will the price hold? Will my decision be respected? Will what I say be used to help me?

But those moments do not remain isolated. Evidence accumulates. Signals accumulate. And the shopper begins learning something larger than the answer to any one question.

They are forming a judgment about the person standing across from them. Not merely:

What did you just do?

But:

What does what you keep doing tell me about you?

And eventually, an even more consequential question begins to take shape:

Whose side are you on?

Chapter 8: Whose Side Are You On?

The shopper began with an answer.

Adversary.

Not because the salesperson had done something wrong. Because the shopper did not yet know whether the salesperson's interests would conflict with their own. So the shopper carried the burden of protecting the decision. But evidence has been accumulating.

And eventually it can produce a different answer.

Ally.

Standing

I came to think of this judgment as **Standing**. Standing is the shopper's answer to a fundamental question:

Whose side are you on?

At one end:

Adversary.

Your interests may conflict with mine. I need to protect my decision from your influence. At the other:

Ally.

I have reason to believe you will use your influence to help me make the decision that serves me best. Adversary does not mean enemy. Ally does not mean friend. The distinction is not friendliness.

Or likability. Or even competence.

It is the shopper's judgment about whose interests the salesperson's behavior serves.

Over years of listening to customers describe what happened between those two points, I came to see something remarkably simple.

The shortest path to a sale was a straight line from the Adversary the shopper expected to the Ally the customer discovered.

Not because becoming an Ally closed the sale.

Because it changed what the shopper and salesperson could do together.

Peter Saw the Difference

Peter Burch's salesperson could have sold him a more expensive vehicle. Instead, he showed Peter another option. Peter remembered:

"He said, 'I can save you $8,000.'"

The recommendation itself was evidence. But Peter told us what the evidence meant to him:

"I felt like he had my best interests at heart."

There it is. Peter was no longer simply describing a vehicle recommendation. He was describing where the salesperson stood in relation to his decision.

My best interests.

Peter knew the salesperson worked for the dealership. He knew the dealership wanted to sell him a vehicle. None of that had changed. What changed was Peter's judgment about how the salesperson would use his position and expertise.

Ally.

Standing Is Earned

A salesperson cannot announce Ally Standing. **I'm on your side** is only a claim. Standing belongs to the shopper for the same reason meaning does. The shopper assigns it from evidence.

One interaction contributes evidence. Then another. The evidence accumulates. And the shopper begins forming a **more durable judgment** larger than any individual Signal.

This person is working for my best interests.

Or:

I still need to protect myself from this person.

That is Standing.

State and Standing

State and Standing are related, but they are not the same thing.

State is the shopper's condition in the moment.

Standing is the shopper's more durable judgment about where the salesperson stands in relation to them and their decision.

State can change in a moment.

Standing forms from accumulated evidence and is more durable.

A shopper can become frustrated with someone they have already learned is on their side. Their State changed.

Their Standing may not have.

And one pleasant moment does not necessarily turn an Adversary into an Ally.

State responds to the moment.

Standing carries the accumulated judgment.

The Information Asymmetry Remains

Something important has **not** changed. The salesperson still knows more about the buying environment. The shopper still knows more about their own life. The information asymmetry we discovered in Chapter 3 remains.

What has changed is the shopper's judgment about how the salesperson's advantage will be used. As an Adversary:

I need to protect my decision from what you know and what you want.

As an Ally:

I have evidence that what you know will be used in my interest.

The salesperson may possess exactly the same expertise they possessed at the beginning. But their Standing has changed. And that changes what becomes possible next.

Chapter 9: When Help Becomes Usable

The salesperson's expertise was there from the beginning. The shopper needed it from the beginning. But needing help and being able to accept it are different things. As long as the salesperson remained an Adversary in the shopper's mind, accepting their help carried risk.

A recommendation might be steering. A question might have another purpose. Advice might serve the sale more than the shopper. The expertise was available.

But much of its value was inaccessible.

Then Standing changed. The salesperson became an Ally. The expertise didn't change.

The shopper's ability to use it did.

"He Listened"

We met James Travers earlier. He described his salesperson, Drew Alexander:

"He listened, not to sell me something, but to what I was looking for — my needs and wants."

In Chapter 2, James helped us see the difference between behavior and meaning. Now his words reveal something else. Drew could know vehicles. James could know James.

What he wanted. What mattered to him. What he was trying to accomplish. The salesperson needed access to that knowledge before his own expertise could become fully useful.

And James controlled that access. Drew listened. James concluded that Drew was listening **"not to sell me something, but to what I was looking for."** That meaning changed what James could safely give him.

More information. More access. More opportunity to help.

The shopper knows their life.

The salesperson knows the buying environment.

Confidence allows those two kinds of knowledge to become useful together.

Help Has to Be Accepted

Information can be delivered.

Help has to be accepted.

A salesperson can answer questions without ever being allowed very far into the shopper's decision. They can know more about vehicles, options, financing and tradeoffs and still be unable to apply much of that knowledge to this particular shopper. Because useful help requires something from both sides. The shopper has to reveal enough for the salesperson to understand what matters.

And the shopper has to be willing to consider what the salesperson knows in return. That is what Ally Standing changes. The information asymmetry remains.

But now it can work for the shopper instead of against them.

The Decision Still Belongs to the Shopper

This does not mean the shopper turns the decision over to the salesperson. Quite the opposite. The salesperson earned greater participation by demonstrating that the decision would remain the shopper's. The shopper can accept help without surrendering autonomy.

The salesperson can contribute expertise.

The shopper remains the decision-maker.

That distinction matters. Confidence does not make the shopper easier to control.

It makes collaboration possible without requiring control.

Even Difficult Help Becomes Usable

Sometimes the most valuable help is not what the shopper expected to hear. The salesperson may know something the shopper doesn't. A tradeoff. A problem.

A reason another choice may serve them better. From an Adversary, that advice can sound like steering. Why are you telling me this? From an Ally, the shopper has accumulated evidence for another interpretation:

You're telling me because you believe I need to know. The shopper does not have to agree. The decision remains theirs. But now the advice can be considered for what it is rather than rejected because its source remains suspect.

The truth didn't change.

The Standing of the person delivering it did.

A Productive Spiral

Something else can happen once help becomes usable. The shopper reveals more. The salesperson understands more. The help becomes more relevant.

The shopper experiences the value of that help. That provides more evidence. More Confidence allows better help. Better help can produce more Confidence.

What began as a guarded interaction can become collaborative. And now we can see the larger change. The salesperson did not suddenly become more knowledgeable. The shopper did not surrender the decision.

Confidence made the salesperson's knowledge more usable.

Which reveals a problem that has been inside the transaction from the beginning. The shopper came to make a decision. But before the salesperson can fully help them make it, the shopper has another decision to make:

Can I safely accept your help?

That question comes first.

Chapter 10: Solve Y Before X

This isn't algebra.

It's human nature.

The shopper came to buy a vehicle. There is a decision to make:

What is the best choice for me?

Call that **X**. The salesperson is prepared to help solve it. But everything we have discovered so far reveals another problem:

Can I safely accept your help making my decision?

Call that **Y**. The order matters.

Y before X.

The Hidden Problem

X is visible. It is what brought the shopper to the dealership. Vehicle. Features.

Trade. Payment. Financing. Purchase.

The conventional sales process is built around helping the shopper solve X. Y is harder to see. The shopper may never say:

I am trying to determine whether your expertise will be used in my best interests. They don't need to. We've already seen it in what they do. They limit access.

Protect autonomy. Watch what happens when their interests get in the way of advancing the sale. Interpret the evidence. Become more guarded or more open.

Determine whose side the salesperson is on. All of that has been Y.

Can I safely accept your help making my decision?

Why Does the Shopper Resist the Help They Need?

Here is the paradox. The shopper needs help. The salesperson has help to give. So why does the shopper resist it?

Because the salesperson may be focused on solving X while **Y still has priority for the shopper.** Until Y is sufficiently resolved, salesperson and shopper can be working at cross-purposes. The salesperson moves closer to the decision. The shopper protects it.

The salesperson offers more help. The shopper becomes more resistant. More X does not solve Y. More information can feel like pressure.

More expertise can feel like steering. More effort to advance the decision can create more resistance. Not necessarily because the help is bad.

Because Y still has priority for the shopper.

The salesperson is trying to participate in the decision. The shopper is still deciding whether to let them.

Y Before X Does Not Mean Y Happens First

This distinction matters.

Y before X means priority, not chronology.

And the priority belongs to the shopper. The shopper does not solve Y in one conversation and then begin solving X in another. They are solving both at the same time. The shopper asks about a vehicle.

X. The salesperson responds. Evidence. The shopper interprets what the response means.

Y. The shopper says they need time. X pauses. The salesperson respects the decision.

Evidence. The shopper learns something about whose side the salesperson is on. Y moves. The experience of working on X supplies the evidence from which the shopper solves Y.

So the salesperson does not stop working on X in order to solve Y. The salesperson needs to remain mindful that **Y has priority for the shopper.** If advancing X threatens Y, pushing harder on X can work against both.

The Shopper Solves Y

The salesperson cannot declare Y solved. They cannot say:

Trust me.

And make it so. They can behave in ways that provide evidence. But the shopper decides what that evidence means. The shopper decides whether the salesperson has become an Ally.

The shopper solves Y.

And once Y is sufficiently resolved, something changes. Now both people can work on the same problem.

Now Solve X Together

Michael Todryk described what that felt like:

"It wasn't selling something. It was more of a collaborative decision."

That is the change. The shopper still knows their life. The salesperson still knows the buying environment. The shopper provides greater access to what matters.

The salesperson applies expertise in the shopper's best interests.

The shopper receives the help they need.

And the shopper remains the decision-maker.

They can solve X together.

What Confidence Changes

Confidence does not make the shopper easier to control. It does not transfer ownership of the decision. It does not replace the sales process. It changes the productive relationship between the people inside it.

While Y remains unresolved:

The salesperson may be trying to solve X. But Y still has priority for the shopper.

Once Y is sufficiently resolved:

They can work on X together.

That is why the salesperson needs to remain mindful of Y. Not because Y replaces the vehicle decision.

Because Y determines whether the shopper can safely accept the salesperson's help making it.

Almost every salesperson has produced this kind of experience. But not with every shopper. Some produce it much more consistently than others.

The ability is widespread.

Its realization is intermittent.

For now, the principle is enough:

Y has priority for the shopper.

Solve Y. Then solve X together.

Chapter 11: The Value of an Ally

The vehicle was chosen. X was solved. But the customers kept showing us something else.

They kept the relationship.

They called their salespeople. They returned when they needed help. Some stopped by when they weren't buying anything at all. They came back for another vehicle.

They brought people they cared about with them. The transaction had ended.

Their behavior told us the Ally still had value.

"My Best Interest at Heart"

Jerry McNair described his salesperson this way:

"I know he works for the dealership, but he has my best interest at heart."

Both parts matter.

"I know he works for the dealership."

Jerry understood the commercial relationship. The salesperson represented the seller. That hadn't changed. But Jerry had accumulated enough evidence to reach another conclusion:

"He has my best interest at heart."

Jerry knew where this person stood.

Ally.

And across the interviews, customers showed us why that could matter beyond the decision that first brought them together. Corey Clayton had already bought his vehicle. There was no transaction to complete. Yet he told us:

"I'm probably by here once a month just to drop in and say hi."

Then he contrasted that behavior with what he expected from car dealerships:

"Most car dealers you're dreading — the wife wants a new car and you think, I sure don't want to go sit at that dealership. And I'm coming by here when I don't have a reason to."

That is remarkable behavior. Corey wasn't returning because the original transaction remained unfinished.

He was returning after it was finished.

Something created during the transaction had become worth keeping. The customers helped reveal what that something was. The salesperson possessed knowledge they could use. Knowledge about vehicles.

Ownership. Service. The buying environment. But expertise alone had never been enough.

At the beginning, the shopper did not know how that expertise would be used. That was Y:

Can I safely accept your help making my decision?

By the time these customers had solved Y, they knew more than where to find expertise.

They knew someone with expertise who had demonstrated that they were on their side.

That is a different kind of resource.

A known Ally.

They Used the Relationship Again

The continuing behavior appeared throughout the interviews. Elizabeth Weddell described something even more unusual. The dealership had invited her and her husband to stop by when they were in McKinney. So they did.

There was no purchase underway. No sales opportunity they had come to pursue. Elizabeth remembered:

"They even invite us to stop by and say hello when we're in McKinney...? coffee and cookies...? nobody was trying any sales pressure...? we just stopped by to try out what they said. Believe me, it was the same."

The relationship itself had become a reason to return. And when they returned, Elizabeth did something important. She tested the relationship again.

"Believe me, it was the same."

The evidence accumulated during the original transaction had survived contact with another experience. The Ally was still an Ally. This was not a theory about what customers might do.

It was what these customers did.

The problem that originally brought customer and salesperson together had been solved. But the customers continued behaving as though something valuable remained. Because something did. They now knew someone with valuable knowledge in an important area of their lives.

And they had accumulated evidence about how that person would use it:

In my best interest.

Solving Y had produced value that endured after X was solved.

The customer knew an Ally.

And the customers' behavior showed us that knowing an Ally was worth something. Then the interviews revealed another surprise. The value wasn't moving in only one direction.

Customers began doing things for their Allies too.

Chapter 12: The Relationship Goes Both Ways

Chapter 11 showed us why a customer could value knowing an Ally. Then some of my earliest interviews revealed something else.

The customer could become willing to help the person who had helped them.

I realized this when I saw it concentrated in one salesperson's customers.

Over two days, I interviewed ten of Gil Fuchs's customers. I asked Gil how he had gotten them to come. He told me what he said:

"Hi, it's Gil. Hey, I need you to do me a favor."

That was it.

And they came.

A Favor

That word changed how I saw what was happening.

Favor.

These customers had already bought their vehicles. Their transactions were complete. Gil wasn't calling because they owed him something, and he wasn't offering them something in exchange for coming.

He needed their help.

So he asked.

And they helped him.

Originally, the relationship had moved in the other direction. They had needed Gil's knowledge, his time, his help making an important decision. Gil had helped them.

Now Gil needed something from them: their time, their effort, their willingness to return to the dealership and sit in front of a camera.

The direction of help had reversed.

Reciprocity

There is a word for what I was seeing.

Reciprocity.

Gil had helped his customers. When Gil asked them for help, they helped him.

The transaction did not require it. They had already fulfilled their obligations as customers. They could have said no.

They said yes.

And that revealed something I had not been looking for.

The relationship had created value for both parties.

"Do You Want Ten More?"

After the tenth interview, Gil asked me:

"Do you want ten more?"

He believed he could call ten more customers, ask them for a favor, and they would come too.

I had started these interviews trying to understand what dealerships could say about themselves. Instead, customers kept showing me relationships I had not known to look for.

Chapter 11 revealed one side of the value. The customer knew someone with valuable knowledge who had demonstrated:

I am on your side.

An Ally.

Gil's customers revealed the other side.

The Ally could ask the customer for help too.

And they gave it.

Not because another transaction required it.

Because the relationship had created value for both parties.

My father had a simple way of saying something very close to this:

"People like to help other people if they are able."

I had been looking at customers who had been helped.

Now I was watching them help back.

That was reciprocity.

And once I recognized it, another salesperson's offhand description of his own customers began to mean something very different:

"I make friends and help my friends buy Toyotas."

Chapter 13: The Friend You Wish You Had

In 2011, I was talking with a salesperson named Rex at Medford Toyota about sales. Almost offhand, he said:

"I make friends and help my friends buy Toyotas."

There was no special emphasis. But the sentence stayed with me. Several weeks later, I mentioned it to Rex and told him how much I had been thinking about what he'd said. He didn't even remember saying it.

That made it more interesting. Rex hadn't given me a carefully constructed sales philosophy.

He had simply described what he did.

"I Make Friends"

Listen to the sentence again:

"I make friends and help my friends buy Toyotas."

The relationship comes first. Then the help. Then the Toyota. Rex wasn't describing friendship as a technique for producing a sale.

He wasn't saying:

Make friends **so they will buy Toyotas.** He said:

"I make friends and help my friends buy Toyotas."

The customer still makes the decision. Rex helps. And the relationship changes the meaning of that help. I couldn't get the sentence out of my mind.

It eventually became the inspiration for a campaign we created for Monterey BMW.

Friends.

The promise came from the idea Rex had expressed. Then, as always, the customers supplied the proof. What had begun as an offhand comment from a salesperson became something I would keep hearing in different forms from customers themselves.

"I Want to Feel Loved"

Years later, Peter Merola described the relationship from the other side. Peter was a young, first-time vehicle owner. He said:

"They're your guide, there to answer your questions and make you feel at home. That's crucial to keeping customers loyal, especially for us younger guys. We want to feel appreciated — a long-time loyal customer. I want to feel loved."

Your guide.

There to answer your questions. Someone who makes you feel at home. Peter wasn't describing a salesperson whose usefulness ended when the vehicle was sold. He was describing someone he wanted to continue knowing.

And he connected that relationship directly to loyalty:

"That's crucial to keeping customers loyal."

Then came the phrase I never would have written for him:

"I want to feel loved."

That is a long way from the language businesses usually use to describe customers. Satisfied. Retained. Repeat.

Loyal. Peter was describing what the relationship felt like **to him**.

Appreciated.

At home.

Loved.

The Friend in the Car Business

Rex's sentence had stayed with me because it captured something remarkably simple. People need help buying cars. The knowledge is unevenly distributed. The salesperson knows the buying environment.

The customer knows their life. When the person with the knowledge has become an Ally, the customer has something valuable:

Someone who knows the business and is on their side.

Rex called that person a friend. And Peter wasn't finished. Talking about his salesperson, he said:

"You almost feel like part of her family — she talks to you like a family member or a close friend. To me, that's very crucial."

There it was again.

A close friend.

But this time it wasn't Rex describing what he believed he created.

It was a customer describing what he experienced.

Rex had said:

"I make friends and help my friends buy Toyotas."

Six years later, on the opposite side of the country, Peter described his salesperson as treating him like:

"a family member or a close friend."

The salesperson's description and the customer's experience had met in almost the same language.

Something Had Accumulated

A transaction can end with a buyer and a seller. These transactions had produced something more. Peter didn't describe a completed sale. He described a person he could turn to.

A guide. Someone who made him feel at home. Someone who treated him like family or a close friend. An Ally.

And that relationship still had value after the reason they first met had been resolved.

The transaction was complete.

The relationship remained valuable.

Something of value had accumulated between them. The business had a name for the vehicle sold. A number for the revenue produced. A record of the transaction.

But it had no name for the value that remained in the relationship.

It was time to give it one.

Chapter 14: Relationship Capital

Relationship Capital. That was the name for what I had been seeing. The transaction ended. The relationship remained valuable.

Not simply because the customer remembered having a good experience.

Because what had been created between the customer and salesperson remained useful.

That is capital.

Value That Remains

A shopper and salesperson begin as strangers. By the end of the experiences we've been examining, that was no longer true. The customer knew this person. Knew their expertise.

Knew how they had treated the customer's decision. Knew where they stood.

Ally.

That knowledge did not disappear when the customer drove away. Neither did the salesperson's relationship with the customer. Something created during one transaction remained available after it.

Relationship Capital.

Neither Starts at Zero

That changes the next interaction. The first interaction had to create something that the next one could begin with. The customer already has evidence. The salesperson already has Standing.

The customer already knows someone whose expertise has proved safe to use.

Neither starts at zero.

That is the value of accumulation. Past experience changes the starting point of what happens next.

It Belongs to Both Parties

Relationship Capital does not belong to the salesperson alone. Peter Merola called that person:

"your guide."

And:

"a family member or a close friend."

The customer possesses something valuable too.

An Ally.

The salesperson has a relationship the customer values. The customer has a relationship with someone whose knowledge they value.

Relationship Capital belongs to the relationship.

That is why it can create value for both parties.

Capital Can Travel

Then the customers showed us something else.

They referred people.

A customer who had found an Ally could direct someone they cared about toward that same person. The referred shopper still had to reach their own conclusions. Meaning still belonged to them. The salesperson still had to earn their Standing.

But the referred shopper did not necessarily arrive with only the Negative Expectations of a stranger. Someone they trusted had already supplied evidence of their own:

I know this person.

This person helped me.

That did not give the salesperson Ally Standing with the new shopper. But it changed the starting point.

Relationship Capital had traveled.

Capital That Can Create More Capital

And something remarkable happened when customers shared it.

They still had it.

Referring a friend did not consume the original relationship. The customer still knew the Ally. Still had access to the knowledge. Still retained everything their own experience had taught them.

Relationship Capital could be shared **without being spent.** And the customers did share it. With friends. With family.

With people they wanted to help. And when that help produced another successful relationship, something else happened.

More Relationship Capital was created.

The original customer had not spent theirs. The new customer could develop a relationship with an Ally of their own. And the original relationship could become more valuable because the salesperson had now helped someone the customer cared about.

Helping people could create more Relationship Capital.

One relationship could help create another. And in doing so, strengthen the one that already existed.

Capital Produces

That is why the word **capital** matters. Capital is valuable not merely because it exists.

Capital produces.

Relationship Capital changes what becomes possible after the transaction. The relationship remains available. The customer can use it again. The salesperson can benefit from it again.

The customer can share it. And sharing it does not require surrendering it. The original sale has already been recorded.

But the value created in the relationship is still producing.

That raises a different question. If something continues producing after the transaction is over—

what is it worth?

Chapter 15: Measuring What Confidence Produces

What is Relationship Capital worth? The customers showed me where to look. One customer showed what Confidence could change **inside a transaction**. Another showed what Relationship Capital could produce **across transactions**.

And both could be measured.

Dylan Put a Number on It

Dylan Isabel entered the dealership protecting himself from making the wrong decision. Price was part of that protection. The dealership spent a couple of days helping him find a truck within the range he had in mind. Then Dylan found the truck he really wanted.

It cost more. He explained his decision:

"I would rather pay the extra money for a truck that I could not ask anything different for or want anything else in a truck than pay $5,000 or $10,000 less for a truck that I'm not going to enjoy as much."

$5,000 or $10,000 less.

Dylan wasn't saying price didn't matter. He was telling us what mattered more.

Getting the decision right.

He had found the truck he wanted. The right features. The right fit. The truck he believed he would enjoy owning.

A cheaper truck would save him money. But it would leave him with something he valued less. So Dylan chose the more expensive truck. And he told us how much cheaper another truck could have been without becoming the better choice:

$5,000 or $10,000.

Price had not disappeared from Dylan's decision.

Its role had changed.

Earlier, spending less could protect him from the consequences of making the wrong choice. Spend less. Risk less. Have less to regret.

But now Dylan was confident in the truck he wanted. He wasn't merely comparing prices. He was comparing what those prices would buy him. The truck he wanted to live with.

Against:

"a truck that I'm not going to enjoy as much."

Confidence had changed his price sensitivity. And Dylan had given us something unusual.

He quantified the difference himself.

That is an economic consequence inside a single transaction. But another customer showed me something that could be much larger.

Twenty-Three Years

Kay Conageski wasn't describing one purchase from Hendrick Honda. She was describing a relationship that had already been producing transactions for twenty-three years. Kay said:

"They keep me happy. They absolutely keep me happy, and they have for 23 years."

Twenty-three years. Not one transaction remembered fondly for twenty-three years.

Twenty-three years of a customer relationship.

And Kay made clear what that relationship meant for her next purchase:

"I wouldn't look at another dealership. I'm not going to pit them against somebody who gives me the best deal. I'm not playing that game. This is who gets my business all the time."

Her past behavior and her stated future intention pointed in the same direction. She had been coming back. And she intended to keep coming back.

Kay Can Be Measured

That changed the question for me. How much is a twenty-three-year relationship with Kay worth?

Add up the transactions.

Every vehicle she bought there. Every dollar of gross those purchases produced. Her service and other recorded business. Any additional revenue the dealership can reliably attribute to her relationship with the enterprise.

Kay's twenty-three years of transactions can be totaled.

The business already has those numbers. But the numbers alone don't tell us why Kay kept producing them. Kay does.

"They keep me happy."

And:

"I'm not playing that game. This is who gets my business all the time."

The transaction records tell us **what the relationship produced.** Kay tells us **why the relationship kept producing it.** Connect the two. Now something that looked intangible begins to acquire an economic value.

Within a Transaction. Across Transactions.

Dylan and Kay revealed two different economic effects. Dylan showed what Confidence could change **within a transaction**. He preferred the right truck even against an alternative costing:

“$5,000 or $10,000 less.”

Kay showed what Relationship Capital could produce **across transactions**. Twenty-three years of them. And she intended to continue. Dylan’s evidence is visible in the economics of a decision.

Kay’s evidence is visible in the economics of a relationship.

Both produce dollars.

But they do not produce them in the same way.

The Business Already Has Half the Evidence

This was the measurement opportunity hiding in plain sight. The dealership already records economic outcomes. Vehicles sold. Revenue.

Gross. Service. Repeat transactions. Other customer activity its systems can reliably attribute.

What those records do not necessarily reveal is the human experience that helped produce those outcomes. That evidence lives with the customer. Dylan tells us why thousands of dollars in price difference did not determine his choice. Kay tells us why the same enterprise kept receiving her business across twenty-three years.

The business has the economic evidence.

The customer has the human evidence.

Confidence Economics connects them.

Measure the Difference

We don’t need to assign an arbitrary dollar value to Confidence. We can observe what changes when Confidence changes behavior. Then measure the economic consequence. Dylan gives us one kind.

Kay gives us another.

And once we begin measuring what Confidence and Relationship Capital produce, another distinction becomes visible. Two dollars of revenue can look identical when they enter the accounting system—

and have very different futures.

Chapter 16: Confidence Economics

Two dollars of revenue can look identical when they enter the accounting system—

and have very different futures.

The difference is what remains after the transaction. That gives us two kinds of revenue.

Transactional Revenue.

And:

Durable Revenue.

Transactional Revenue

Transactional Revenue is earned from the transaction in front of us. The vehicle is sold. The revenue is recorded. The transaction can be profitable.

The customer can be satisfied. But if nothing valuable remains between the customer and the enterprise, the next purchase begins with another competition. The customer returns to the market. The business must earn their attention again.

Compete again. Win again.

Transactional Revenue must be won again.

Durable Revenue

Durable Revenue has a different origin. It is revenue produced, at least in part, by value created previously.

Relationship Capital.

We have already seen it in Kay Conageski's twenty-three-year relationship with Hendrick Honda. The transactions accumulated. But something from the earlier transactions remained—and continued affecting where she took her business.

That is durability.

Fourteen Trucks

Donny Moore was a contractor. Over seventeen years, he bought **fourteen trucks** from Moritz. Fourteen transactions. Each produced revenue.

But they were not fourteen unrelated victories. Donny explained why:

"Proof is in the pudding — I've been buying vehicles here since 2000. If another dealership offered me a cheaper price, I still wouldn't go, because Moritz is so loyal to me, and I know I'm getting a fair deal every time."

Another dealership could offer a cheaper price. Donny said he still wouldn't go. The earlier relationship was affecting the economics of the next transaction. Again.

And again.

Fourteen times.

That is more than repeat business. It is revenue being produced, at least in part, by value the business had already created.

Durable Revenue.

Eugene Threatt described another long relationship:

"From 2002 on, they've done everything. I haven't even had to ask them to give me the best deal. They've always come out and said, okay, this is what it's going to be — and it's always better than what I expected."

The remarkable part is not simply that Eugene kept returning. It is where the next transaction began.

"I haven't even had to ask them to give me the best deal."

He wasn't beginning each transaction by protecting himself from the dealership all over again. The accumulated experience of the relationship changed the starting point. Kay didn't intend to shop the dealership against someone else. Donny said a cheaper competitor would not take his business.

Eugene didn't even have to ask for the best deal. These customers were not simply producing another transaction.

Their previous relationships were affecting the economics of the next one.

A transaction can produce revenue and end. Or it can produce revenue **and leave behind Relationship Capital capable of producing more.** One customer must be won again. Another returns with something already established.

But returning is only part of the economics.

Revenue Can Compound

Relationship Capital can do something a completed transaction cannot.

It can help create more Relationship Capital.

Customers introduce people they care about to people they trust. The original relationship remains. The referred customer can form a relationship of their own. Now there are two.

And each relationship can produce transactions. Each can lead to other relationships. The economic effect does not have to move in a straight line.

It can branch.

One relationship can help create another. That relationship can help create another. The value created in one transaction can continue producing economic consequences far beyond it.

That is how Durable Revenue compounds.

What the Transaction Doesn't Tell Us

This changes what a sale means economically. The transaction tells us what the customer bought. The accounting system tells us what the transaction produced. Neither, by itself, tells us what the business created **along with the revenue.**

Did the transaction end as a transaction? Or did it also create Relationship Capital capable of affecting future economic behavior? On the day of the sale, those transactions can look remarkably similar.

Their economic futures can be completely different.

Confidence Economics

This is where the pieces come together. Confidence can produce more than a completed decision. It can make the help the shopper needs usable. That help can produce the right decision for the customer.

And the experience of receiving that help from an Ally can produce a relationship. The relationship can create Relationship Capital.

Relationship Capital can produce Durable Revenue.

That is the economic consequence hidden inside what began as a human interaction. And the distinction is simple:

Transactional Revenue must be won again.

Durable Revenue comes back. And compounds.

The business already knows how to count the revenue. The harder question is:

Can it learn to see what produced the durable kind?

Chapter 17: The Customer Can Tell Us

The business already knows what happened. The vehicle sold. The gross. The financing.

The trade. The service history. Whether the customer returned. Whether they bought again.

But Chapter 16 left us with a harder question:

What produced the durable kind?

The answer requires information most businesses never recorded. What happened in the customer's experience? What did the customer think was happening? What changed?

The customer can tell us.

The Missing Evidence

The enterprise knows what it intended. The salesperson knows what they meant. The process tells us what was supposed to happen. The systems record what happened next.

But the customer experienced something none of those sources can supply for them.

Meaning.

My father used to remind me:

"It isn't what you mean. It's what the customer thinks you mean."

The customer experienced the interaction. The customer decided what it meant. The customer knows whether the person across from them remained an Adversary or became an Ally. That evidence has always existed.

We just weren't capturing it.

I Had Been Sitting Across From the Evidence

For years, I interviewed customers for a different reason. I wanted to capture their experiences in their own words. The interviews were useful for advertising because another shopper could hear from a real customer instead of hearing the dealership talk about itself. But the interviews contained something else.

Customers were revealing the human experience underneath the transaction. What they had expected. What they noticed. What changed.

Why they accepted help. Why they trusted the person helping them. Why the relationship continued afterward. Across enough interviews, patterns began appearing.

The interviews weren't merely testimonials.

They were evidence.

Keep Asking

The original interviews created the foundational corpus. But the corpus revealed another possibility. The learning did not have to stop with those customers. An enterprise could continue asking its own customers.

The evidence could keep growing. Over more than ten years, I developed and refined a proprietary method for capturing these customer experiences in their own words. The method matters. But what matters here is what it makes possible:

Customer evidence can become an ongoing source of enterprise learning.

An enterprise can continue interviewing customers whose interactions produced Confidence and relationships. The interviews can be recorded. The customer's own words remain available. And each new customer can add evidence to what the enterprise knows.

There is also another useful consequence. The recorded interview leaves behind more than structured evidence. It leaves behind the customer's voice.

A short piece of that recorded evidence can later help another shopper facing a similar concern. We will come back to that when we get to AI. But successful customers give us only half the picture.

We Need the Breaks

There is an important limitation to the foundational corpus. The 107 customers in it ultimately reached relationships strong enough that they were willing to participate. That makes their stories unusually valuable for understanding **successful crossings**. But they cannot tell us enough about the crossings that failed.

Those shoppers are largely absent from the corpus. A shopper leaves. A promising interaction stalls. A be-back doesn't return.

Something changed. The customer may no longer be there to tell us what happened.

But the salesperson was.

The Confidence Debrief

That gives us a second source of evidence. The Confidence Debrief. When an interaction breaks, the salesperson can reconstruct the encounter while it is still fresh. Not to assign blame.

Not simply to ask why the customer didn't buy. To recover evidence from the interaction. The salesperson can tell us what happened from their side. But there is an important boundary.

They cannot tell us what the customer thought.

Meaning still belongs to the customer. What we do have is accumulated evidence from customers who have told us what similar experiences meant to them. That gives the enterprise something it did not have before. The salesperson's account can tell us:

What happened from my side.

Customer evidence can tell us:

Here is how customers have interpreted experiences like this.

Not:

This is what your customer was thinking.

We cannot know that. But the difference between intention and possible interpretation can reveal where Confidence may have broken.

Recovery Changes the Evidence

Sometimes a Debrief can do more than help the enterprise learn. It can help the salesperson see what may need to be repaired. If that shopper returns, the decision gets made, and a relationship forms, something unusual becomes possible. Now we may be able to ask the customer.

For the first time, the enterprise can sometimes possess evidence from **both sides of the same crossing**:

What did the salesperson mean? And:

What did the customer think they meant?

That difference may be some of the most consequential information the enterprise can acquire. Because the Debrief has not merely helped recover a customer.

The recovered customer can help us understand the break.

Two Evidence Streams

Now we have two different sources. When Confidence forms:

Ask the customer.

When an interaction breaks:

Debrief the salesperson.

Successful crossings reveal what customers experienced when Confidence formed. Broken crossings reveal what was happening when it didn't. Neither tells us everything.

Each teaches us something the other cannot.

And occasionally, a recovered crossing gives us both perspectives on the same interaction. That is richer evidence still.

The Evidence No Longer Has to Disappear

This is the larger change. Every day, customers move through the business. Some interactions produce Confidence. Some produce relationships.

Some break. Until now, much of what those interactions could teach the enterprise disappeared with the people who experienced them. It wasn't sitting somewhere in the CRM waiting to be analyzed.

It had never been recorded.

Now it can be. Ongoing customer interviews capture evidence from successful crossings. Confidence Debriefs capture evidence from broken ones. Recovered crossings can sometimes reveal both sides.

Each adds to what the enterprise can learn. The operation itself can become a continuing source of customer evidence.

The operation becomes the research environment.

And something that once disappeared at the end of individual encounters can begin accumulating. Not merely:

What happened?

But:

What produced the outcome?

And:

What prevented it?

The enterprise already possesses the operational and economic evidence surrounding those outcomes. Now it has a way to capture the human evidence between them.

That is where the Human Operating Layer begins.

Chapter 18: The Human Operating Layer

The business can see what it does. And it can see what happens economically. Between the two is the customer. That is where the determining human changes occur.

One-on-one. Between salesperson and shopper. Until now, much of that has been beneath the enterprise's field of view. Chapter 17 gave us a way to capture it.

Now we can put the customer where they belong in the operating picture.

Between Behavior and Economics

The conventional picture is simple:

Business Behavior -> Economic Outcome

The business does something. Something happens. The systems record the result. But that isn't the whole causal chain.

The customer is in the middle. They experience what the business does. They assign meaning to it. That meaning affects what they do next.

And what they do next produces economic consequences. So the operating picture becomes:

Business Behavior -> Customer Meaning -> Customer Behavior -> Economic Outcome

That is the Human Operating Layer.

The visible business records the outcomes.

The invisible operating layer helps determine them.

The enterprise already possesses enormous amounts of information. Its CRM records customer interactions. Its DMS records transactions. Its accounting systems record financial outcomes.

Its analytics reveal behavior. Its communications systems preserve conversations. Each is valuable. But each sees a different part of the customer moving through the business.

What has been missing is structured evidence from inside the consequential human decision connecting them.

What did the experience mean to the customer?

Chapter 17 gave us a way to capture that evidence. Now it can be connected to what the enterprise already knows.

Make the Existing Systems Smarter

Confidence Economics does not require the enterprise to discard the systems it already uses. Quite the opposite.

It makes their information more useful.

The CRM can tell us what happened during the relationship. Customer evidence adds what those interactions meant to the customer. The DMS can tell us what was sold. Customer evidence adds what happened in the human decision that produced the sale.

Accounting can tell us what revenue was produced. Customer evidence can help connect that revenue to the relationship that preceded it. Analytics can reveal differences in behavior and outcomes. Customer evidence can help explain those differences.

The Human Operating Layer doesn't compete with the enterprise's existing intelligence.

It adds the human intelligence that was missing from it.

Now three kinds of evidence can occupy the same picture.

Operational evidence tells us what happened.

Economic evidence tells us what it was worth.

Customer evidence helps reveal why.

Consider the difference that creates. The enterprise already knows that a customer bought. Now it can connect the purchase to evidence from the experience that preceded it. It already knows that a customer returned.

Now it can connect that return to the relationship that continued between transactions. It already knows that a shopper left. Now a Confidence Debrief can preserve evidence from the interaction before it disappears. The outcome hasn't changed.

What the enterprise can know about the outcome has.

The Customer Was There All Along

The customer has always been in the causal chain. The enterprise simply had better visibility on either side of them. It could see its own activity. And it could see the customer's eventual behavior.

The human interpretation connecting the two was largely invisible. Chapter 17 changed that. Customer interviews capture evidence from successful crossings. Confidence Debriefs preserve evidence from broken ones.

The operation becomes the research environment. Now the enterprise can connect human evidence to the operational and economic evidence it already possesses. Something previously invisible becomes observable. And once it becomes observable, it can become operational.

The Human Operating Layer

This is the missing layer:

Business Behavior -> Customer Meaning -> Customer Behavior -> Economic Outcome

Confidence Economics puts the customer where they belong in the operating picture. Not as a philosophy. Not as a slogan.

As evidence.

The enterprise can see what happened. It can measure what it was worth. And now it can see evidence of the human mechanism connecting the two. That changes the next question.

Not:

What happened?

But:

What can we learn from it?

Chapter 19: Serendipity or System

At Mercedes-Benz of Wilsonville, I interviewed ten customers over two days. All ten were Gil Fuchs's. Chapter 12 showed us what those customers taught me about reciprocity. Gil had helped them.

Then he called and asked them for a favor. And they came. But those ten customers left me with another question.

Where were everybody else's customers?

"I Guess They Weren't Confident Their Customers Would Come"

I asked Gil why the other salespeople hadn't invited customers. He said:

"I guess they weren't confident their customers would come."

At Wilsonville, that was all I knew. Gil had ten customers willing to come. No other salesperson had invited one. I could see the difference.

I couldn't yet know what it meant.

That became clearer as I continued interviewing customers at other dealerships. At store after store, something different happened.

Almost the entire sales staff could identify at least one customer willing to come back.

Some salespeople had several. Others had one. A few produced customers repeatedly. But Gil remained exceptional.

He was the only salesperson who gave me ten.

That changed what I thought I was looking at. The ability to create a customer relationship strong enough that the customer would come back and help was not confined to a handful of extraordinary salespeople.

It was distributed across almost the entire sales floor.

What varied dramatically was how consistently each salesperson produced it. The capability was widespread. The results were not.

The ability was widespread. Its realization was intermittent.

That is the enterprise opportunity.

What Made the Difference?

Businesses already know how to identify results. Who sells the most vehicles? Who has the highest gross? Who gets repeat customers?

Who receives referrals? Who has customers asking for them by name? But now there was another difference I wanted to understand.

Why could one salesperson identify one relationship customer, another several, and Gil ten?

The final result told me **where** something valuable had happened. It didn't tell me **what produced the difference.** And simply asking the salesperson couldn't completely answer the question. The best practitioners accumulate judgment through hundreds or thousands of interactions.

They listen. Adjust. Notice. Respond.

Much of that capability becomes instinctive. They can tell us what they believe they do.

Their customers can tell us what it became for them.

That is different evidence. Chapter 18 put that evidence into the operating picture. Now management has somewhere new to look. Not merely:

What is this salesperson doing?

But:

What are their customers experiencing?

Don't Copy Gil

The obvious response would be:

Find the people producing the strongest results. Study what they do. Then teach everyone else to behave like them. But that would miss one of the first principles of Confidence Economics.

Meaning belongs to the customer.

The same behavior does not carry the same meaning for every shopper in every circumstance. So the objective is not to make everyone behave like Gil. Or Rex. Or anyone else.

The objective is to make more of the capability already present in the organization **consistently usable.** The salesperson still has to listen. Still has to interpret. Still has to respond to the individual shopper in front of them.

The shopper receives the help they need. And the shopper remains the decision-maker.

Repeatable does not mean scripted. It means the enterprise no longer has to leave the development of that capability entirely to chance.

Let the Customers Teach

Now customer evidence can reveal something the enterprise could not systematically see before. One salesperson's customers repeatedly describe feeling heard. Another's describe moments when Suspicion disappeared. Customers explain why they concluded someone had their best interests at heart.

A broken interaction reveals where the opposite occurred. A recovered interaction reveals the difference between what the salesperson intended and what the customer experienced. Across enough evidence, patterns emerge. Now the enterprise can ask:

What is happening when our people produce Confidence?

What is happening when they don't?

And:

What can the next person learn from the difference?

The best salespeople already do this.

This makes it repeatable.

Individual Capability Becomes Enterprise Capability

That changes development. A salesperson no longer has to learn everything only from the customers they personally encounter. A manager no longer has to coach only from personal experience or the final result. A store can learn from successful interactions.

From broken interactions. From recovered interactions. From what its own customers say mattered. The enterprise does not need every salesperson to become the same salesperson.

It can help every salesperson become better at recognizing and responding to what is happening with the customer in front of them. That is a different kind of scale.

Not standardized behavior.

Shared learning.

Knowledge That Stays

There is another consequence. Much of a dealership's accumulated human knowledge resides in its people. A salesperson leaves. A manager retires.

Someone moves across town. Their personal experience goes with them. But what customers have taught the enterprise does not have to. It can accumulate.

Customer by customer. Interaction by interaction. Store by store. The individual's experience still matters.

But now the organization can retain something beyond the individual:

what its customers have taught it about producing Confidence and relationship.

The store remembers. The enterprise learns.

The Second Asset

The first asset was created in the relationship.

Relationship Capital.

It belongs to the relationship between the people who created it. And it can produce Durable Revenue. Now another asset has appeared.

Knowledge of how confident relationships are produced.

This asset belongs to the enterprise that learns it. Its customers provide the evidence. Its interactions add to it. Its economic outcomes help test its value.

And what one salesperson once had to discover alone can become useful to everyone else. The enterprise no longer has to depend entirely on the right customer meeting the right salesperson at the right moment. It can learn. Retain what it learns.

And use that learning to make an already-existing capability more consistently realized. That is the transition:

From serendipity to system.

And once that knowledge begins feeding the next interaction, something else becomes possible.

The knowledge can compound.

Chapter 20: The Second Flywheel

Chapter 19 ended with a second asset:

Knowledge of how confident relationships are produced.

And once that knowledge can accumulate, it can do something else.

It can compound.

Every Interaction Can Teach the Next

A customer tells us what happened when Confidence formed. A Confidence Debrief preserves evidence from an interaction that broke. Sometimes a recovered interaction gives us both perspectives. Each adds evidence.

Across enough evidence, patterns become clearer. The enterprise learns. And what it learns becomes available for the next interaction.

Every interaction can help make the next one smarter.

That creates a second flywheel.

The Second Flywheel

The mechanism is:

Evidence →? Intelligence →? Better Human Performance →? More Confident Customers →? More Evidence

Evidence enters. The enterprise learns from it. What it learns returns to the people serving customers. They become better equipped to recognize what is happening and respond to the shopper in front of them.

Better interactions produce more opportunities for Confidence. Those customers produce more evidence. And the cycle turns again.

Intelligence out. Evidence in.

That is the second flywheel. It does not compound revenue directly.

It compounds the enterprise's ability to produce the conditions from which Durable Revenue can grow.

The Learning Returns to the Customer

This is what closes the loop. The evidence cannot simply accumulate in a database. The learning has to become useful in the next human interaction. But it does not tell the salesperson exactly what to do.

Meaning still belongs to the shopper. The person standing in front of them is still an individual. The shopper receives the help they need. And the shopper remains the decision-maker.

The value of the accumulated intelligence is not that it replaces human judgment.

It gives human judgment more customer truth to learn from.

A salesperson can benefit from customer experiences they never personally had. A manager can learn from interactions they never witnessed. A new employee can enter an enterprise that already knows things it took previous employees years to discover. The learning returns to the interaction.

Then the interaction produces more learning.

The Framework Scales. The Learning Stays Local.

There is another reason this matters. Meaning belongs to the customer. So Confidence Economics cannot simply discover a behavior in one dealership and declare:

This is what every customer wants.

The evidence comes from real customers interacting with particular people, processes, stores and markets. My father had a simple rule:

"What they do is the truth."

Not what we assume customers want. Not what we think should work.

What the customers actually do.

One store learns from its customers. Another learns from its own. Patterns that appear across stores become more interesting. Differences matter too.

The enterprise can share a common way of learning without requiring every store to learn exactly the same thing.

The framework scales.

The learning stays local.

The objective is not uniform behavior across the enterprise. It is an enterprise that becomes better at learning from the customers it serves.

Two Compounding Assets

Now we can see two different assets growing at the same time. The first is:

Relationship Capital.

It can produce Durable Revenue. And one relationship can help create another. The second is:

What the enterprise learns from those relationships and interactions.

That knowledge improves its ability to produce better interactions. Better interactions can produce more Confidence. More Confidence can produce more relationships. More relationships produce more customer evidence.

More evidence produces more learning. The two assets begin reinforcing one another.

Relationship Capital compounds economic value.

Customer intelligence compounds the capability to create more of it.

The Business Learns by Doing Business

This changes the nature of the operation itself. The enterprise does not have to stop operating in order to conduct research somewhere else. Its customers are already experiencing the business. Its people are already interacting with them.

Confidence is forming. Suspicion is appearing. Relationships are being created. Interactions are breaking.

Economic outcomes are following. Chapter 17 gave us a way to capture evidence from those experiences. Chapter 18 connected that evidence to the operating picture. Chapter 19 made it enterprise learning.

Now that learning returns to the next interaction.

The operation becomes the research environment.

Every day of business can add to what the enterprise knows. And every improvement based on that knowledge creates another opportunity to learn. The system improves by being used.

A Business That Gets Smarter

That is the deeper consequence of the second flywheel. The enterprise is no longer merely completing transactions.

It is learning from them.

Customer by customer. Interaction by interaction. Store by store. The first asset continues producing economic value.

The second improves the enterprise's ability to create more of the first. And with every turn, the organization can know something it did not know before. The customer is no longer only a source of revenue.

The customer is also a source of learning.

And that creates an intriguing possibility. If this intelligence can improve the human being helping the next shopper—

could it improve AI too?

Chapter 21: AI Needs the Human Operating Layer

Chapter 20 ended with a question. If customer truth can improve human judgment—

could it improve AI too?

Consider what happened in an actual dealership AI conversation. A shopper said:

"I'm just looking right now."

The AI responded:

"No problem at all!"

Then it asked for his contact information. The shopper declined. The AI responded:

"Completely understandable."

Then, after answering another question, it asked for the contact information again. The words respected the boundary.

The behavior didn't.

The shopper abandoned the chat. The AI was doing what it had been designed to do. And that was the problem.

AI Has Its Own X

The shopper has an X.

Help me make the right vehicle decision.

AI has one too. Answer the question. Capture the lead. Get the contact information.

Set the appointment. Advance the shopper. Those are legitimate objectives. But the shopper may still be prioritizing Y:

Can I safely accept your help making this decision?

The shopper said:

"I'm just looking."

The AI's language acknowledged it. Its behavior kept pursuing. The system was solving for its own X while the shopper was protecting Y. And in doing exactly what it had been programmed to do, AI amplified the Suspicion it could not see.

Execution and Alignment

AI is becoming extraordinarily good at execution. It can answer quickly. Find inventory. Compare vehicles.

Calculate payments. Remember context. Personalize responses. Follow up.

Move the interaction forward. But execution and Alignment are not the same thing.

Execution asks: Can the AI perform the interaction well?

Alignment asks: Does the shopper experience the interaction as working for them—or on them?

An AI response can be immediate, accurate, personalized and empathetic—and still leave Y unresolved. That is what happened when the shopper said:

"I'm just looking."

The AI responded appropriately. Then pursued the lead anyway. Its execution could be excellent while its behavior communicated something else.

More execution does not necessarily resolve Alignment.

AI Can Start With Two Problems

The shopper may already bring Negative Expectations about the dealership into the conversation. Now the first representative of that dealership may be AI. And AI can bring Suspicion of its own. Is it just trying to capture my information?

Can I believe what it says? Is it trying to manipulate me? The shopper may therefore be evaluating two things at once:

Can I trust this dealership?

And:

Can I trust what this AI is doing?

The technology changes. Y does not.

The Question Behind the Question

In another actual interaction, a shopper asked:

"Are the prices on your inventory the real prices? Is that the total cost?"

AI answered the pricing question. Then the shopper explained why he had asked:

"In past experience, the price we agreed on after the test driving changed later and became quite a bit more than they said."

Now the question looked different. On the surface:

What is the price?

Underneath it:

Can I believe the price?

The shopper wasn't merely requesting information. He was revealing what he was protecting against. AI responded with assurances about transparency, honesty and avoiding surprises. The chat was abandoned.

In another interaction, a shopper wanted a salesperson who wouldn't push or pressure him. AI assured him that the dealership prioritized a comfortable, pressure-free experience. The shopper answered:

"No offense, but that's what every dealer says."

That chat was abandoned too. His response captures the problem perfectly.

Reassurance is not evidence.

The dealership saying it is honest is still the dealership saying it is honest. AI saying it more fluently does not change the source.

The Words Aren't Enough

Modern AI can detect sentiment, infer intent and recognize hesitation. But recognizing hesitation is not the same as knowing what the hesitation means. A shopper asks about price. Is the shopper comparing?

Protecting against deception? Testing whether information will be withheld? Trying to regain control?

The words alone don't contain the answer. Neither does sentiment.

AI should not pretend it knows. Meaning still belongs to the shopper. But customer truth gives AI something better than a guess:

evidence of what actual customers have told us experiences like these meant to them.

That is a different kind of intelligence.

What If AI Had Customer Truth?

Suppose AI has access not only to inventory, pricing, vehicle specifications, CRM history and its own instructions— but also to what customers have taught the enterprise. Suddenly:

"Is this the real price?"

does not have to be treated only as a request for pricing information. Customer evidence can help AI recognize that questions like this have appeared when shoppers were protecting themselves against the price changing later.

"I'm just looking"

does not have to mean only:

Not ready yet. Customer evidence can show that shoppers have used those words while protecting their autonomy from pursuit. AI does not have to read the shopper's mind. It shouldn't.

Meaning still belongs to the shopper.

But AI can learn from what actual customers have already taught the enterprise about experiences like these. That changes what AI can notice. And what it does next.

The Missing Side of the Playbook

AI needs instructions. Personas matter. Business rules matter. Tone matters.

Escalation logic matters. But they originate on one side of the interaction.

They tell AI what the enterprise wants it to do.

Customer evidence introduces the other side:

What did customers experience as helpful enough to accept?

A playbook can tell AI the dealership's process. Customer truth can teach it how actual shoppers experienced that process. One tells the system what to do.

The other helps it understand what its behavior can mean to the customer.

That is the missing side of the playbook.

Let the Customer Prove It

Recognizing the question underneath the question is only half the opportunity. The other half is evidence. If the shopper is concerned that the advertised price will change, what should AI do?

Another assurance about honesty? Another statement about transparency? Or could it say, in effect:

Here's a customer who came in wondering the same thing.

And let the shopper see and hear what happened to that customer. Not a generic testimonial. Not a random five-star review.

Relevant evidence from an actual customer, in the customer's own words.

This is one reason the recorded customer interviews matter beyond research. The interview teaches the enterprise. But the customer's voice remains. A relevant portion can become a short video snippet available when another shopper needs that particular evidence.

The dealership no longer has to say:

Trust us.

Its customer can show what happened. The shopper decides what that evidence means.

Help With X Too

Not every uncertainty is Suspicion. The shopper came to AI because they need help making a decision. In one actual AI interaction, a shopper wanted to know about visibility in a Honda Pilot. Given the VIN, AI could identify the relevant equipment and features.

That is useful. Now imagine the dealership's customer evidence also contains an actual Pilot owner describing what visibility is like while driving the vehicle. AI can provide the product information. And an actual customer can provide lived experience.

Information from AI.

Experience from the customer.

Together they can help the shopper make a better decision. And the shopper still decides.

The Shopper Still Owns the Decision

Customer evidence does not manufacture Confidence. It does not solve Y automatically. It does not tell the shopper what to believe. A customer video is still evidence.

The shopper interprets it. The same principle survives the technology:

Meaning belongs to the shopper.

AI can recognize. AI can retrieve. AI can help.

Customers can provide evidence.

The shopper interprets it.

The shopper remains the decision-maker.

AI Joins the Learning Flywheel

There is another opportunity. Suppose shoppers repeatedly ask:

"Is that the real price?"

AI can already count the question, analyze the conversation and measure what happened next. But the Human Operating Layer adds something the conversation alone cannot tell it. Customers tell us why they asked.

They were protecting themselves against the price changing later.

Now the enterprise can respond differently. AI can recognize the possibility behind the question, provide relevant customer evidence, and see what happens next. Did more shoppers continue the conversation?

Did fewer abandon? Did more set appointments? And after purchase, did customers confirm that the experience resolved the concern they arrived with? Now the enterprise has more than conversation analytics.

Customer truth informed the response.

Shopper behavior tested it.

Customer evidence validated it.

What the enterprise learned improves the next interaction.

That is the Second Flywheel operating through AI.

Customer Truth →? Better AI →? New Evidence →? More Customer Truth

And each turn can make the next one better. My father's rule applies here too:

"What they do is the truth."

Customers tell us what an experience meant. What subsequent shoppers do helps test what we learned. And when the evidence says something different from what we expected—

the customer corrects the system.

Carry Y Through the Handoff

AI can also improve what happens when the shopper finally meets a person. Current systems can carry X forward. The vehicle. The questions.

Needs and preferences. Contact information. The appointment. But the digital conversation may have revealed something else.

A previous bad dealership experience. Concern about pressure. Reluctance to provide information. Fear that the advertised price will change.

The shopper may already have told the AI something important about Y. That information does not have to disappear when the conversation changes channels.

Carry Y forward too.

Then the salesperson doesn't have to unknowingly recreate the very Suspicion the shopper already revealed. The digital interaction can prepare the human one.

Three AI Opportunities

The immediate opportunity is customer-facing AI. Website conversations. Sales AI. Marketing AI.

But the Human Operating Layer creates customer intelligence useful in two other places. Management and analytics AI can connect customer meaning with CRM, DMS, accounting and operating outcomes. And AI search and discovery can make authentic customer evidence useful before a shopper ever enters the dealership's own digital environment. Three different applications.

Consumer-facing AI.

Management and analytics AI.

AI search and discovery.

But the missing intelligence is the same. AI already has extraordinary amounts of information about what customers do. Clicks. Messages.

Leads. Appointments. Transactions. Service visits.

Purchases. Now it can begin learning from something different:

what customers have taught the enterprise about what those experiences meant.

AI does not escape the human mechanism because AI is not human.

The shopper is.

And however capable the technology becomes, the shopper still has to answer the same question:

Can I safely accept your help making this decision?

Chapter 22: Why Automotive Made It Visible

I discovered Confidence Economics in car dealerships. Not because the mechanism belongs to automotive. Because automotive makes something unusually easy to see.

The customer takes the decision home.

And then lives with it for years.

You Drive the Decision

A vehicle purchase does not disappear when the transaction ends. The customer drives the decision. To work. To the grocery store.

On vacation. For thousands of miles. And experience keeps testing the choice. Does the vehicle fit?

Does it do what I needed it to do? Do I still like it?

Did I choose the right one?

The transaction ends.

The decision keeps producing evidence.

"Not an Ounce of Regret"

We met Dylan Isabel earlier. He chose the truck he really wanted. Later, while telling me about his experience, Dylan said:

"I have not an ounce of regret."

No one asked him about regret.

He brought it up.

That matters. Dylan had made the decision. He had taken the truck home. He had lived with it.

And now experience was supplying new evidence about the choice he had made.

He had chosen the right truck.

That is Validation.

The Red Light Moment

The customer keeps encountering the decision after the purchase. At a red light, another version of the vehicle pulls alongside. In a parking lot, there is the other model she considered. A friend buys something different.

A new model appears. The comparison did not end when the paperwork was signed. But now the customer has something she didn't have before.

Experience.

She knows what it is like to live with her choice. She doesn't want the vehicle across the intersection.

She's confident she chose this one.

She owns her favorite, not her second favorite. That is the Red Light Moment. The salesperson isn't there. The dealership isn't there.

The transaction is over.

But the decision is being validated again.

Validation

Before the purchase, evidence helped the shopper make the decision. After the purchase, experience validates it. The vehicle fits. The family likes it.

The features matter in everyday use. The truck does what the customer bought it to do. The customer still prefers it to the alternatives.

I made the right choice.

That is Validation.

Validation is Confidence tested by experience.

And because the salesperson helped the customer make the decision, Validation does not stop with the vehicle.

Gratitude

This is where the customer interviews showed me something important.

Customers felt gratitude.

They didn't merely tell me they liked their vehicles. They talked about the people who helped them get there. The salesperson had helped them make a consequential decision. Now they were living with the result.

And when experience confirmed the decision, it also confirmed the value of the help that produced it.

I made the right choice.

And:

You helped me make it.

That is why Validation of the decision reinforces the relationship. The customer continues experiencing the value of the salesperson's help after the salesperson is no longer there.

The help remains valuable because the decision remains valuable.

The Relationship Lives in the Result

That helps explain something else the corpus made visible. Customers came back. They stopped by. They bought again.

They sent friends. They did favors. They described relationships that continued years after the original transaction. Those behaviors are evidence.

So is their gratitude. The transaction had ended.

Their appreciation for the person who helped them had not.

And the vehicle itself kept giving them reasons to feel it. Every morning they got into the right vehicle. Every trip it did what they needed. Every time they looked at it and still loved what they chose.

Every experience that said:

I made the right decision

also validated the help that got them there. The relationship was not merely a memory of the transaction.

The customer was living with evidence of its value.

Automotive Makes Validation Visible

That is why automotive made this mechanism so visible. The customer makes a consequential decision. Takes the result home. Uses it constantly.

And keeps discovering whether the choice was right.

The product becomes continuing evidence of the decision.

When the experience validates the decision, it validates the help that produced it. Validation reinforces gratitude. Gratitude reinforces the relationship. And the relationship remains valuable after the transaction that created it is over.

That helps explain something we have been seeing throughout this book.

Relationship Capital does not simply have to decay with time.

The customer's own experience keeps renewing the evidence behind it. Automotive made that visible. But automotive is not the boundary. The same mechanism exists wherever a customer makes a consequential decision, lives with the consequences, and depends on expertise to help get the decision right.

The transaction ends.

The consequences don't.

And neither does the evidence.

Chapter 23: The Rosetta Stone

For years, I interviewed customers one at a time. Each interview gave me another customer's experience. Another decision. Another relationship.

Another piece of evidence. Years later, I brought those interviews together and began structuring what the customers had said. Then something changed.

The accumulated evidence began explaining itself.

One customer's story no longer stood alone. It could be seen alongside thousands of statements from other customers. Patterns became visible. Words and experiences that had seemed individual began revealing a common language.

The corpus had changed function.

It had become a Rosetta Stone.

A Language We Could Finally Read

The original Rosetta Stone made an unfamiliar language interpretable. The customer corpus did something similar. For years, I had heard customers say things that stayed with me.

"I'm just looking."

"He listened."

"He had my best interest at heart."

"I didn't feel pressured."

"I have not an ounce of regret."

Individually, each statement belonged to one customer and one experience. Together, they began revealing something larger. The words were different. The circumstances were different.

The people and dealerships were different.

But the meaning was not random.

Across thousands of customer statements, recurring patterns appeared. Customers described what they had been protecting themselves against. They described what salespeople did. They described what those behaviors meant to them.

They described changes in how they felt toward the salesperson. They described when they became willing to accept help. They described relationships that continued after the transaction. And they described what those relationships produced.

The customers had been telling us the story all along.

Now the corpus allowed us to read it.

The Evidence Explains the Evidence

That was the breakthrough. One customer might describe a salesperson as patient. Another might say:

"He listened."

Another might describe the absence of pressure. Another might say the salesperson cared more about getting the decision right than making the sale. Taken separately, these are individual customer experiences. Across the corpus, relationships between them become visible.

Behavior. Meaning. Suspicion. Confidence.

State. Standing. Help becoming usable. Relationship.

Validation. Economic consequence. These were not categories imposed first and then used to sort customers into them.

They emerged from what the customers said.

The architecture of Confidence Economics came out of the evidence.

Meaning Still Belongs to the Customer

The Rosetta Stone does not change the principle at the center of this book.

Meaning belongs to the customer.

A corpus does not give us permission to tell someone what they mean. If a shopper says:

"I'm just looking,"

those words do not automatically tell us why. The shopper receiving help still decides what an experience means. But we are no longer ignorant of what other customers have told us. Customers in the corpus have described what they were protecting.

What increased their Suspicion. What reduced it. What made help usable. What changed someone's Standing.

What made the relationship valuable. That evidence gives us context we did not have before. It does not replace the next customer's meaning.

It gives us a language for listening to it.

The Foundational Corpus

That distinction matters because the corpus already exists. More than a decade of customer interviews came first. Then the evidence was brought together. Then it was structured.

Then the patterns became visible. The foundational corpus did not begin with a theory of Confidence Economics and go looking for evidence to support it.

The evidence produced the architecture.

That is what makes the corpus foundational. It revealed enough common language to give us a foundation for understanding what future customers teach us. And that changes what becomes possible next.

The Next Customer Does Not Enter an Empty Room

When new customer evidence begins entering the system, it will not arrive where the first interviews did. We now have a foundation. We know that customers describe Suspicion. Confidence.

Changes in State and Standing. The conditions under which help becomes usable. Relationship. Validation.

And economic consequences. The next customer's experience still belongs to that customer. The customer can confirm what the corpus has taught us. Contradict it.

Refine it. Reveal something we have never seen.

The customer remains the source of truth.

But the enterprise no longer has to encounter every statement as though no customer had ever spoken before. That is what the Rosetta Stone makes possible.

The Local Dialect

And this is where the opportunity becomes much larger. The foundational corpus comes from customers across multiple dealerships. It reveals a common language. But every enterprise has its own customers.

Its own people. Its own stores. Its own processes. Its own market.

Its own history. As an enterprise begins capturing its own customer evidence, those customers can teach it what the common language looks like **here**. Which Negative Expectations arrive most frequently here?

Which experiences create Suspicion here? What do customers experience as helpful here? Where does Confidence break here? What produces relationships here?

What do those relationships produce here? We do not yet have that enterprise-specific body of evidence.

That is the next step.

The foundational corpus gives us the starting language. The enterprise's customers will teach us what is specific to them.

The Rosetta Stone knows the language.

The enterprise's customers teach it the local dialect.

A Rosetta Stone That Can Keep Growing

That also makes this Rosetta Stone different from the original. The stone in the British Museum is finished. This one isn't. The foundational corpus is the beginning.

New customer interviews can add evidence. Confidence Debriefs can add evidence from broken interactions. Recovered interactions can give us evidence from both sides. AI interactions can create new opportunities to test what customers have taught us.

Repeat purchases and referrals can connect customer evidence to economic outcomes. Validation can show what happened after the decision. The operation becomes the research environment.

Intelligence out. Evidence in.

The existing evidence gives us a foundation for learning. Future evidence tests it. Strengthens it. Corrects it.

Expands it. And reveals what is distinctive about the enterprise producing it.

What the Corpus Proves

There is one more distinction that matters. The value of the foundational corpus is not simply that we now possess thousands of customer statements. Something more important has already happened.

Those statements produced knowledge.

They revealed a human mechanism that had been operating inside transactions without being systematically visible to the enterprise. They allowed us to see relationships between customer meaning, customer behavior and economic outcomes. They gave us the architecture of Confidence Economics. So the corpus proves something larger than the value of the corpus itself.

Customer experience contains intelligence the enterprise has not been capturing.

We captured it. We structured it. And it taught us. Now an enterprise can begin doing the same with its own customers.

Not from zero. From a Rosetta Stone. The foundational corpus provides the language. The enterprise's customers teach the dialect.

And as that evidence accumulates, the intelligence becomes increasingly specific to the enterprise that produced it. Which raises a very different question. Not:

What is the technology worth?

But:

What is it worth to possess customer intelligence your competitors do not have?

That is where Confidence Economics becomes something more than a way to understand customers.

It becomes a proprietary enterprise asset.

Chapter 24: What Happens When an Enterprise Owns It?

That question becomes more important every year because almost everything else is becoming easier to buy.

Technology Is Not the Advantage

A large dealer group can buy extraordinary technology. So can its competitors. CRM. DMS.

Analytics. AI. The technology will keep improving. And the best capabilities will keep spreading.

Today's advantage becomes tomorrow's feature.

Customer intelligence is different.

An enterprise's customers have experiences with its people, stores and processes. They tell the enterprise what those experiences meant to them. As that evidence accumulates, it produces knowledge specific to that enterprise. A competitor did not serve those customers.

It did not capture what they said. It did not accumulate what they taught.

It cannot buy what your customers taught you.

AI makes that distinction even more consequential. Models will improve. Agents will improve. Competitors will gain access to the same capabilities.

But AI cannot go backward and create customer evidence that was never captured.

You cannot generate your way backward into ground truth.

The competitive question is no longer simply:

How powerful is the engine?

It is:

What intelligence is the engine operating against?

The engine is not the asset.

The ground truth is.

The Enterprise Remembers

People leave. Managers change. Salespeople retire. Technology vendors change.

But what customers taught the enterprise does not have to leave with them.

The enterprise remembers.

And its memory becomes increasingly specific to itself. Customer by customer. Store by store. Year by year.

A competitor can study the enterprise from the outside. It can copy what it sees.

It cannot copy what the enterprise has learned from the inside.

An Advantage That Learns

There is another consequence. Customer intelligence does not remain static. The business operates. Its customers produce evidence.

The evidence adds to what the enterprise knows.

Intelligence out. Evidence in.

Using the intelligence creates opportunities to produce more proprietary intelligence.

The advantage learns.

The Customer Created More Than Revenue

This book began with a transaction. The dealership recorded a sale. But the customer left behind more than revenue. A relationship.

Evidence. Knowledge. The relationship created economic value. The evidence created intelligence.

The enterprise can accumulate both.

That changes what the business is building. Not merely transactions.

Relationships and intelligence.

The customer reveals what works best. The economics reveal what it is worth.

The enterprise learns how to repeat it.

What the Enterprise Owns

Transactional Revenue must be won again. Durable Revenue comes back. And compounds. And now another asset can accumulate beside it:

proprietary customer intelligence.

Technology will change. Platforms will change. AI will become more powerful. Competitors will acquire many of the same capabilities.

But customer evidence that was never captured cannot be reconstructed later. And intelligence produced from your customers, your people, your stores and your history cannot simply be purchased by someone else. There is one further consequence.

The foundational intelligence that makes this possible does not have to become a commodity either.

It can belong somewhere. It can be licensed selectively. It can create an advantage that is not simultaneously handed to every competitor in the market. That changes the question.

Confidence Economics is not simply a capability an enterprise could use.

It is a capability someone could own before their competitors do.

And that makes the final question much larger than technology:

What happens when one enterprise learns from its customers in a way its competitors cannot?

EPILOGUE

Wherever We Need Help We Can Trust

We found Confidence Economics in a car dealership. But it was never really about cars. Automotive simply gave us an unusually clear place to see something that happens wherever people need help making consequential decisions. The money matters.

The decision has consequences. Someone else knows more than we do. We may have to live with the choice for years. And the person whose expertise we need may also have interests of their own.

That combination creates a distinctly human problem.

We need help precisely because we cannot completely evaluate the help ourselves.

I Wish I Knew Someone

You need an attorney. A contractor. A financial advisor. A real estate agent.

Someone to help your family make a difficult senior-living decision. Think about how much easier the decision feels if someone you trust says:

I've got someone.

Someone who knows this business. Someone who helped me. Someone I trust. The expertise matters.

But so does knowing how that expertise will be used. That was what automotive made visible. The shopper did not merely need information about the vehicle. They needed to know whether the person who possessed that information would use it to help them make their decision.

Change the industry and the decision changes.

The need for help we can trust does not.

The Paradox of Expertise

Modern life depends upon specialization. We constantly rely on people who know things we do not. The more consequential the decision, the more valuable that expertise can become. But that creates a paradox.

The circumstances that make expert help most valuable can also make accepting that help feel most dangerous.

If I knew enough to independently verify everything the expert was telling me, I would need the expert less. But I don't. That is why I am there. So another human judgment becomes part of the decision:

Can I trust how you will use what you know?

We saw customers answer that question in car dealerships. There is every reason to look for it wherever consequential decisions depend upon unequal expertise. Not because every industry will look like automotive. It won't.

The fears will be different. The evidence will be different. The relationships will be different.

The customers will have to tell us.

What Else Have We Not Been Seeing?

That may be the larger question Confidence Economics leaves behind. Businesses know an extraordinary amount about what happens. What was sold. What it cost.

Who bought. Whether they returned. Whether they referred someone. Whether revenue grew.

Technology will make our ability to record and analyze those outcomes more powerful than ever. But customers experience something between what the business does and what they do next.

They decide what the experience meant to them.

They decide whether the help felt useful or self-serving. They decide whether to protect themselves or participate. They decide whether this is someone they want helping them again. For years, those decisions were happening whether the business could see them or not.

The customers were carrying the evidence away with them. Automotive taught us to bring some of it back. And when we listened closely enough, something that had looked intangible began to have structure. Then consequence.

Then economics.

The Customer Was Telling Us

My father used to say:

"The customer is your boss."

He did not mean the customer is always right. He meant the business exists to serve the customer. Years later, sitting across from customers and listening to them describe what had happened, I began to understand another implication of what he taught me. The business knows what it intended to do.

The customer knows what it meant to them.

James Travers described his salesperson, Drew Alexander, in one sentence:

"He listened, not to sell me something, but to what I was looking for — my needs and wants."

James knew the difference. That difference was there long before we had a name for it. It was there when Gil's customers came back because he asked them for a favor. It was there when Rex said:

"I make friends and help my friends buy Toyotas."

It was there in customers who returned. Customers who referred their families. Customers who stopped shopping the market. Customers who were grateful for the help they had received.

We thought we were recording customer stories.

The customers were teaching us.

And perhaps that is the larger idea to carry beyond automotive. Wherever people must make important decisions with the help of someone who knows more than they do, there is something worth understanding between the availability of expertise and the willingness to accept it. Something human. Something consequential.

Something businesses have rarely been able to see. The customer can.

Maybe we should ask them.

Acknowledgments

No idea like Confidence Economics belongs entirely to the person who eventually gives it a name. Mine certainly doesn't.

I was fortunate to grow up around two extraordinary teachers: my father, Richard Knerr, and his partner at Wham-O, Spud Melin. They were the most brilliant marketers I ever knew—not because of formulas or research, but because of their real understanding of people. Much of what I eventually came to understand about customers began there.

Tom Dobry hired me at Lithia and gave me the opportunity that ultimately put me on the path to this book. In the same way everyone wishes they had a friend or family member at a dealership when they need to buy a car, Tom is the boss everyone wishes they had.

My next-desk neighbor at Lithia, Chris Cooley, became a terrific muse. I could bounce an idea off Chris and almost always come away thinking better. More than that, he was such an encourager.

Bryan DeBoer was the kind of leader who made you want to reach higher. Lithia's commitment to Earn Customers For Life became foundational to what I was striving to understand—even before I understood where that pursuit would eventually lead.

Along the way, certain people showed me things I couldn't have learned otherwise.

Rex Cunningham's words sent me in the right direction. Gil Fuchs' wisdom informed my work. Joe Johnson was a true believer in creating Confident customers. Scott Atchison embodies servant-leadership and is a beloved general manager. Dick Titterington has been a role model for what a family-owned dealership group can be.

And Lee Mitchell and Theresa Hordge proved something important to me: even the largest dealerships can give customers Confidence.

Each contributed something different. An idea. An example. An opportunity. A question. Encouragement. Sometimes simply the chance to watch what happens when people genuinely put customers first.

But the greatest teachers were the customers themselves.

They loved their vehicles. That was obvious. What surprised me was how much affection they also had for the people they bought them from.

They told me what they expected when they walked into a dealership. They told me what they feared. They remembered what salespeople did, what those actions meant to them, when their suspicions began to disappear, when they realized someone was on their side, and why they returned.

Again and again, what began as a transaction had become a relationship.

Eventually I realized they weren't merely describing good sales experiences.

They were explaining Confidence.

And they were showing me what Confidence could leave behind.

This book is my attempt to listen carefully enough to understand what they were teaching me.

To all of them—and to all of you—thank you.

Finally, I put my confidence in Jesus Christ, the one who calls us by His example to be servant-leaders:

"Whoever wants to become great among you must be your servant... For even the Son of Man did not come to be served, but to serve."
—Mark 10:43–45