

OPINION

Retailers can't treat customers like one-night stands

Trust in a brand is consistently shown to be more important to customers than value, service and quality – so how can retailers improve their trustworthiness? **Michael Jary** explains

We often hear that we are in a general crisis of trust. Not only among brands, but also bankers, politicians, the media and nearly all institutions.

Should retailers be concerned about this?

On one hand, yes: each year, OC&C's Retail Index shows trust is the brand attribute most closely correlated to overall brand health. More important even than value, service or quality.

I find retailers frequently bemoan that millennials are less willing to trust the big, familiar brands than their parents were – 'we are doing our best, it's the customer who's changed!'

However, the evidence for a universal decline in trust is weak. Just a decade ago, if someone had told you they were about to let complete strangers stay in their home while they went away on holiday, you would have regarded them as unhinged.

Or if a friend climbed into an unknown car at the end of the evening, you would be concerned for their safety. But Airbnb and Uber have designed their models around trust.

The trust equation

It seems that rather than lamenting the non-trusting behaviour of millennials, retailers would do better to think about how to build their own trustworthiness. And to answer this critical question: are you willing to do what it takes to earn your customers' trust?

At OC&C, we train our consultants on what it takes to become a 'trusted adviser'. In consulting, building a trusted relationship with your clients can lead to many benefits: more future work, more referrals and more satisfying and impactful engagements. The same is true of retail brands.

We use this way of expressing the components of trust, first developed at Harvard by business professor

David Maister: *Trust = Credibility x Reliability x Vulnerability*.

Think of Amazon. Credibility is the impressive system behind 'order now for delivery tomorrow'. Reliability is the fact that it does turn up, on time, time after time. Vulnerability is processing a refund, without question, even before receiving the return.

Note that the variables are multiplied together. If any is absent, trust is impossible.

Vulnerability is perhaps the most intriguing. It implies exposing weakness to the customer. Some brands do this by listing even their most unfavourable customer reviews. By not dismissing their failures but acknowledging them. By breaking the 'fourth wall' and exchanging with customers at a human level. By being honest when they're not the best for every need and allowing – or even encouraging – the customer to go elsewhere.

What I like about this equation is its use to determine, diagnose and repair trust – or, it would be better to say, trustworthiness.



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End 'us and them'

However, there is one further important part of the equation. The three components above are then divided by 'self-orientation'. To be trusted, one must achieve low self-orientation, that is, not putting oneself (or one's brand) above the interest of others. It's the most difficult to achieve and to show.

Most retailer-customer interactions involve little if any commitment to each other beyond the current sale. The prevailing principle is 'buyer beware'. Even retailers who issue loyalty cards and talk of relationships generally use the data to maximise short-term sales.

However much retailers claim to be customer-centric, the customer is still generally 'them' – someone to be 'managed'. Retailers say they want a relationship, but they still act in ways that suggest what they are really interested in is a one-night stand. When retailers talk about customer value, they mean value to themselves, not value for the customer.

If you treat customers as 'them', they will treat you as unworthy of their trust. They will ask: 'Why would I want a relationship with you?'

Low self-orientation is rare because in all of us the desire to win can be stronger than the desire to help the customer. It can mean foregoing the easy sale. It can mean focusing on the future at the expense of the present. **RW**