Do companies really understand what relationships require?

Companies need to learn more about what reciprocity in relationships truly means. Evolutionary biologist **Dr Nichola Raihani** analyses the very one-sided view of relationships practised by many businesses and warns that people have expectations of fair treatment that companies ignore to their cost

PERSONIFICATION. Humanisation. Consumer relationship marketing. Brands are increasingly exploring new ways to connect with consumers by developing relationships that persist beyond the immediate transaction.

The function of any relationship is to ensure repeated interactions. In the world of brands, this means ensuring consumers come back for more.

For example, in response to criticism that the brand 'lacked emotional attachment, personality and flair', Eurostar recently rolled out its flagship 'Avantage' customer service training programme. As the head of the programme put it: "We need to have loyalty in a competitive world, so people come back to us and feel a strong bond with Eurostar." How successful is this approach?

Despite its best intentions, Eurostar (and many others) are still not getting it quite right. In part, this is because they tend to view relationships through a business, rather than an evolutionary, lens. Thousands of years of evolution have shaped our behaviour, nowhere more strikingly than in the context of interpersonal relationships. We expect reciprocity and fairness when we interact with others and we have specialised, formidable powers to identify partners who will adhere to these norms. Social 'cheats' are avoided at all costs.

A shortcut to detecting cheats is to assess how invested a partner is in the relationship: individuals are typically less concerned with one another's wellbeing in a short-term fling than in a long-run partnership. For example, we intuitively expect to receive better service at our local restaurant than at a tourist trap because in the former, the owner knows that we will come back again and again if he treats us well, whereas in the latter the prospect of repeat custom is slight. Evolution has taught us to be wary of partners who do not appear to value the relationship because they will be less likely to invest in it. If need be, our instincts tell us to walk away.

WHEN BRANDS DISAPPOINT

Humans haven't evolved to deal with brands, of course, but the mechanisms we use to facilitate real social relationships are also used when dealing with these more abstract entities. As an example, consider this recent experience with Eurostar.

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We had planned a brief honeymoon near Montpellier with our one-year-old son in tow. A flight would have been cheaper and much quicker but we chose Eurostar because we liked the experience and the brand. Through a series of minor mishaps we ended up missing our train from Montpellier to Paris by a few minutes and, as a consequence, missed our Eurostar connection back to London. Nevertheless, we felt confident that Eurostar would help us out. It was an innocent, one-off mistake and we were repeat – and therefore (we thought) valued – customers. Eurostar wouldn't leave us out in the cold. Or would it?

The Eurostar representative listened to our (admittedly rather feeble) excuse before announcing that two seats on the next train would cost us almost €500 on top of the €200 or so we had already paid for the missed train. "Surely there has to be something you can do?" we pleaded. "It's our honeymoon. Can't you make an exception?"

It was no use – the computer had spoken and the answer was no. It was not the showcase of emotional flair and attachment you would expect the brand to strive for.

Eurostar's response to our missed train violated pretty much every hardwired expectation about fairness and reciprocity. And our reaction – to resolve never to travel with Eurostar again – was perfectly predictable given this insight. We knew it was our fault we missed the train. We knew we booked non-exchangeable tickets. However, we still felt that we had been treated unfairly.

We had invested in the relationship with Eurostar, choosing it over the quicker and cheaper plane option on several occasions.

Companies risk losing far more than repeat business when they fail to live up to customer service expectations

The punishment for the mistake seemed disproportionate and unfair, especially when we boarded the later train to find it half empty. Even though we had previously had plenty of perfectly pleasant journeys with Eurostar, it took just one bad interaction to destabilise the entire relationship.

This so-called 'judgement bias' is evolutionarily sensible: people do place disproportionate emphasis on negative interactions, in part due to our extreme aversion to experiencing losses. The computerised approach to consumer relationships is deeply flawed. It completely ignores these nuances and evolved biases that lubricate social interactions and, in doing so, creates apparently irrational, yet entirely predictable, consumer responses.

To build meaningful relationships, brands should learn to behave more like real humans in their interactions with consumers. Crucially, human relationships do not operate on strict book-keeping approaches. Insisting inflexibly on tit-for-tat in social exchanges fundamentally undermines the relationship because it implies that the partner does not see the relationship as a long-term venture.

Consider how you might feel if a friend pointed out that it was your turn to buy the beers since he bought them last week. Or if she insisted on splitting the bill according to precisely what each person ate and drank. This sets subconscious alarm bells ringing. Keeping tabs implies that the partner is unwilling to invest in the relationship and, therefore, does not value you as an interaction partner.

Many brands miss this point. Even if we are keeping track of who paid for what, and when, it pays to be slightly forgiving when building relationships and to give individuals the benefit of the doubt occasionally. Computerised models have shown that a more easy-going approach to give-and-take is more successful when building mutually productive relationships.

Perhaps the easiest way to humanise brands is to allow real people to decide how to respond in specific consumer interactions, by empowering frontline staff to make decisions flexibly according to the situation. Many industries that interact directly with consumers are now adopting this 'service recovery' method.

For example, Hampton Inn reception staff are authorised to solve customer problems by offering dissatisfied customers a free stay. For every $1 refunded, the hotel chain bags around $7 in repeat custom. The John Lewis model of empowering individual staff to choose how the brand interacts with consumers has been extremely successful – the store is consistently voted among the UK's favourite retailers precisely because of the customer experience.

GOOD RELATIONS PAY OFF

Crucially, a flexible approach to consumer relationships is not fundamentally at odds with profitability. On the contrary, John Lewis has gained market share every year over the past four and reports soaring profits in a market where most high street stores are struggling to stay afloat.

How could Eurostar have dealt with our situation in a way that would have been consistent with the concept of a brand relationship? How would a human being have responded? In the best-case scenario, they might have made a special exception and allowed us to use our non-flexible tickets on the next train, provided there were seats free. Another solution might have been to charge us the difference in fare between our purchased tickets and the new ones, or to charge a reasonable administration fee for Eurostar's trouble. But gouging us for €500 to sit on a half-empty train felt exploitative.

It sent an unmistakable signal: that Eurostar did not value the relationship. In a situation where it could have helped us out, it instead turned the knife, compounding our sunk costs with a €500 kicker. In doing so, it violated every principle of fairness and reciprocity that we innately expect when we construct relationships with others. And the reaction is evolutionarily hard-wired too: walk away. *Caveat emptor* – let the brands beware.

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