

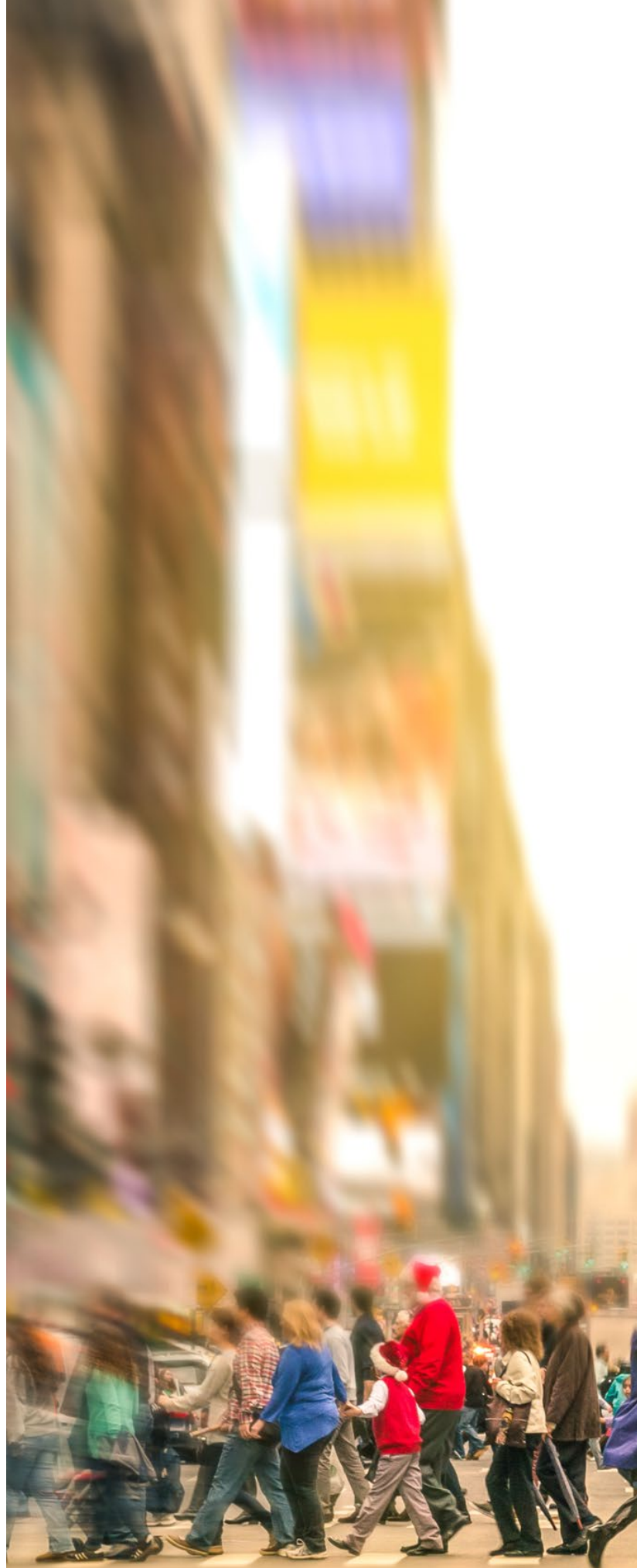
5 Gestures of TrustSM

A New Framework to Evaluate
Customer-Business Relationships



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EXECUTIVE SUMMARY

In today's marketplace, consumer experience can make or break a business¹. Consumers tend to vote with their feet — if they have a bad experience with a company, they may take their business elsewhere. Worse, they may also tell their friends and family about their negative experience². In the best case, they might contact the business to complain — thereby giving it a chance to recover.

Since 2015, we have been exploring what it means to be a contemporary better business. Values such as honesty, integrity and ethics are perennially important³. In fact, they are critical for building trusting relationships between consumers and businesses². Consumers often use the word “honesty” as a catch-all term describing their experiences with a business; as the Dictionary.com entry for the word “honest” demonstrates, it has several discrete definitions:

- Being honorable in principles, intentions, and actions
- Showing fairness and uprightness
- Being sincere, frank, and genuine
- Having a good reputation
- Being respectable
- Being creditable or truthful

Consumer expectations have been evolving though, particularly among younger generations. They are demanding more from businesses than a mere transaction. Today's better business, therefore, must also be customer centric, employee focused, forward thinking/innovative, and environmentally and socially conscious¹.

The lines between traditional business, government, and nonprofit sectors have blurred. Being a contemporary better business — as we heard from several consumers and businesses — in many ways resembles operating as a social business. Better Business Bureau (BBB) hopes to share in this report what we are learning about how successful companies appear to win prospects and keep customers.

In keeping with its mission to advance marketplace trust for all, BBB continues its research “In Search of Better Businesses.” The launch of this “5 Gestures of TrustSM” report represents a new step to help businesses evaluate their customers' relationships and in turn build better business experiences.

¹ www.bbbtrusted.org/trends-insights/2016/06/good-better-best/

² BBB.org/TrustIndex

³ www.bbbtrusted.org/trends-insights/2017/06/time-substance-honesty-still-comes-first/

INTRODUCTION

Losing customers or prospects has a very real cost to a business. Sometimes it's a result of market forces and sometimes competitors may lower their prices in a "race to the bottom." Competitors may offer proximity, products, services, skills, quality, or even perks that another business cannot match. Sometimes it's a factor that's hard to pin down, such as when a competitor has a product name that has sentimental value to the customer, or when a relative of a customer becomes a competitor. These are most often things outside of your control.

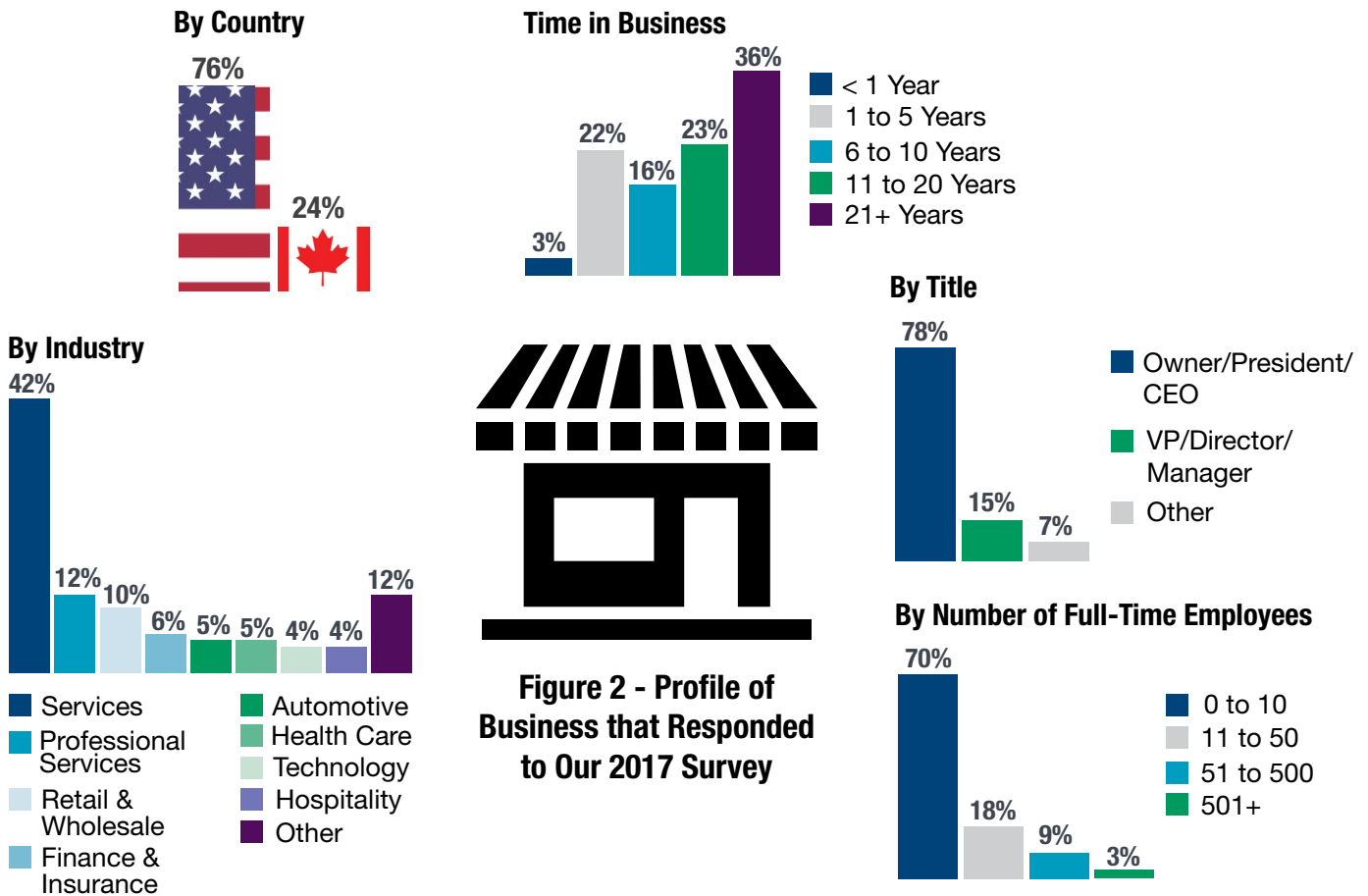
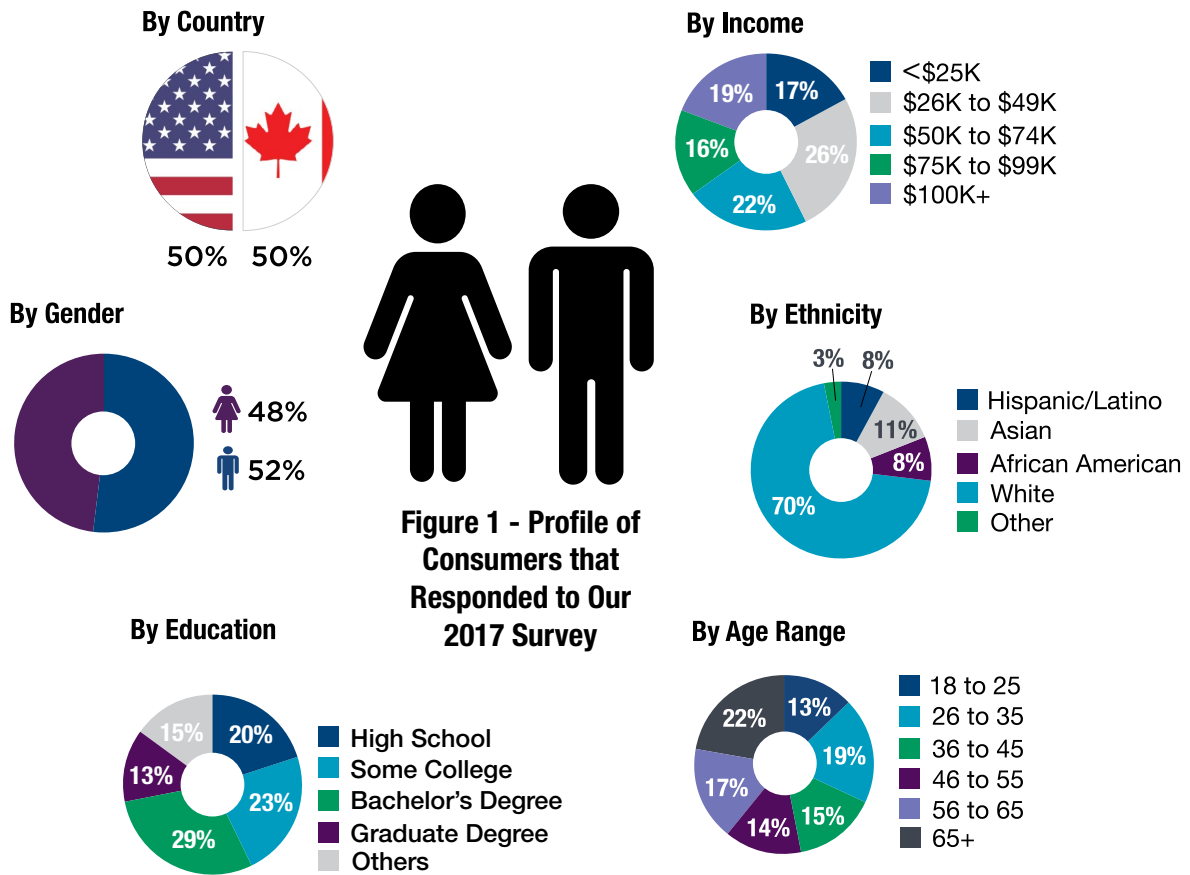
But if you're like most business owners, when prospects or customers are lost to competitors, they are lost because of something that can be controlled – the relationship with them. Businesspeople will likely agree that when a relationship with a prospect or customer is weak or non-existent, they are more than half way to losing them to a competitor. When the relationship with customers is strong, they're most likely to keep those customers, even if their product or service delivery experiences an occasional hiccup. They will keep those customers — perhaps for life — so long as the relationship remains intact.

We've been conducting research with consumers and businesses in North America as part of our "In Search of Better Businesses" agenda and our ongoing inquiry into what builds respect, trust, and loyalty between companies and their customers. Our findings to date suggest that the 5 Gestures of TrustSM provide the foundation for a positive customer-business relationship. Consumers who report that they have positive experiences with companies, and that they are loyal to them, tend to ascribe the 5 Gestures to those companies. The converse is also true: when consumers report their experiences with companies are negative, and report little or no loyalty, they tend not to ascribe the 5 Gestures to them.

BBB derived the 5 Gestures from in-depth conversations with a variety of consumers who related their experiences – both positive and negative – with companies with which they regularly interact. We listened for how consumers structure, in their own minds, the experiences they have with businesses – the mental framework they use to determine whether, upon reflection, the experience is positive or negative, and if the company they are dealing with is one with which they would like to continue a relationship.

We then tested the framework on an audience of survey respondents in two separate moments; the most recent being with 2,037 consumers across the U.S. and Canada in September 2017 (see profile of respondents in Figure 1). In addition, we visited with several companies known to have positive reputations and a model record of customer growth and retention, to see how they attempted to build and maintain positive customer relationships, and whether these relationships were built in whole or in part on the 5 Gestures.

Also in September 2017, BBB surveyed approximately 1,500 businesses (a balanced mix of BBB Accredited Businesses and non-accredited businesses) across the U.S. and Canada (see profile of respondents in Figure 2) to learn what they believed about building trusting relationships with their customers and if they, too, reported an active use of the 5 Gestures.





TRUST MATTERS

Only one in four consumers reported being completely likely to trust companies with which they do business.

Figure 3 – Importance of Trust

Businesses: In general, on a 10-point scale, how important do you believe customer trust is to your company’s success?



Consumers: In general, on a 10-point scale, how important is it that you trust a company when doing business with it?



Figure 4 – Evolution of Trust

QUESTION: Do you believe customers trust companies today more, the same, or less than they did 5 years ago?

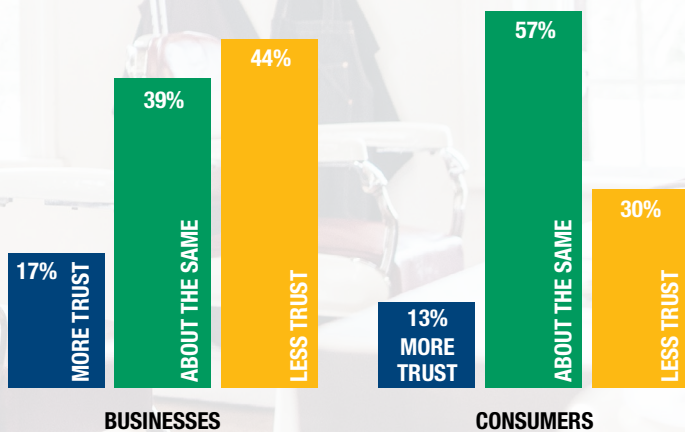


Figure 5 – Top Reasons for Trust

- 1 Honesty/Integrity/Ethics/Transparency**
 (“Compassion, sincerity and honesty; if you can treat your customers like this then you can be trusted.”)
- 2 [Good] Reputation Built Over Time**
 (“Transparent fees, ethical practices, good reputation with consumers.”; “History of honesty, doing the right thing, backing up their products and services.”; “History of good customer service.”)
- 3 [Good Customer] Service/Quality**
 (“Honest customer service.”; “Quality and excellent customer service.”)

Trust has shifted from being a nice thing to have to becoming a critical strategic asset for organizations in the contemporary marketplace⁴. BBB asked businesses and consumers how important – from 1: “Not at All” to 10: “Essential” – customer trust is for them (see Figure 3). Almost nine out of 10 businesses chose the top two levels (i.e., 9 or 10), and indicated that customer trust is very important to their company’s success. A significant number of consumers – six out of 10 – reported that trusting a company when doing business with it is very important. The overall score on a 10-point scale was 9.5 from businesses and 8.6 from consumers, reflecting the importance that customer trust holds for both.

Unfortunately, consumer trust appears to be eroding. Only about one in four consumers reported being completely likely to trust companies with which they do business. And, both businesses and consumers feel that the state of trust in the marketplace has eroded over time. In fact, fewer than one in five respondents believed that customers trust companies more today than they did five years ago (see Figure 4). This is understandable considering the ongoing evolution of customers’ expectations (likely rising at a faster pace than businesses can follow), the increasing digitalization of services, and growing competition.

Consumers and businesses alike identified the top three reasons for trusting one another as:

- 1) honesty/integrity/ethics/transparency;
- 2) [good] reputation built over time; and
- 3) [good customer] services/quality.

It is important to note that these reasons are not discrete; they seem to blend and/or cross over one another. For example, one’s reputation is built primarily through a history of “doing the right thing” (i.e., honesty/integrity/ethics) and “doing it right” (i.e., service/quality). Being perceived as honest is also an important driver for customer service and in building customer relationships.

⁴ Harvard Business Review

WHAT DISTINGUISHES TRUSTED COMPANIES?

To determine how highly-trusted companies* appear to differ from others, BBB explored differences in business practices (see Figure 6). Overall, businesses that perceive themselves as highly trusted were more likely than others to agree that they:

- a) are quick to make things right when they make a mistake;
- b) focus on treating their employees very well;
- c) believe that how they treat their employees is directly connected to how successful they will be with customers;
- d) point out that they made a mistake even if the customer does not notice;
- e) make an extra effort to look for ways to save customers money; and
- f) focus on providing value to customers more than on making a profit.

Figure 6 – Question: To what extent – 1: Strongly Disagree to 10: Strongly Agree – do you agree or disagree that each of the following statements accurately describes your company?

STATEMENTS	HIGHLY TRUSTED	OTHERS
We are quick to make things right when we make a mistake.	9.7	8.7
We focus on treating our employees very well.	9.5	8.5
We believe that how we treat our employees is directly connected to how successful we will be with customers.	9.4	8.3
We will point out that we made a mistake even if the customer does not notice.	9.2	8.0
We make an extra effort to look for ways to save customers money.	8.9	7.8
We believe it will be more beneficial to our business in the long-term if in the short-term we work harder to give our customers value than we do to make money.	8.9	7.9
We tend to focus on providing value to customers more than we focus on making a profit.	8.9	7.8
We believe that it is important that our customers feel like they have as much or more control than we do during a transaction.	8.7	7.6
We make it easy for customers to get their money back if they are not happy.	8.6	7.5
We believe it is essential to make sure our customers get the best deal from us, even if it means less profit.	8.6	7.4
We will refer a customer to a competitor if we think it will be better for the customer.	8.4	7.4
We believe very strongly in doing what we can to preserve the environment, even if it might mean less profit.	8.4	7.2
We actively encourage all customers to post public reviews of their experience with our company.	7.9	7.3
We believe that our business owes it to the community to support community programs and charities.	7.9	7.1
We contribute money or donate goods or employee time to local programs and/or charities.	7.8	7.0

* We compared the responses of businesses that self-identified as being “highly trusted” (i.e., chose the top two boxes on a question that asked them to identify how much they believed their customers trusted their company) with other businesses that were not as confident about their level of trust (i.e., selected 1: “Not at all” to 8 on the same question).





We also asked consumers who had positive experiences with businesses about their practices. They were more likely to agree that:

- a) they always know what to expect from the business;
- b) the business always gets the job done right;
- c) they can trust that the business will tell them the truth;
- d) the business makes it easy for customers to get their money back if they are not happy;
- e) the business seems to focus on treating employees very well; and
- f) the company's employees seem to enjoy working for the company (see Figure 7).

Figure 7 – Question: To what extent – 1: Strongly Disagree to 10: Strongly Agree – do you agree or disagree that each of the following statements accurately describes the company you chose?

STATEMENTS	POSITIVE EXPERIENCE	NEGATIVE EXPERIENCE
I always know what to expect from them.	8.4	4.0
They always get the job done right.	8.3	2.6
I can trust that they will tell me the truth.	8.2	2.3
They make it easy for customers to get their money back if they are not happy.	8.2	3.2
They seem to focus on treating their employees very well.	8.0	3.2
The company's employees seem to enjoy working for the company.	8.0	3.4
The company makes me feel like it is more focused on giving me value than on making money in the short-term.	7.8	2.1
The business supports community programs and charities.	7.8	3.8
They tend to focus on providing value to customers more than they focus on making a profit.	7.7	2.3
The business makes me feel like I have as much or more control than the company does during a transaction (e.g., Sale, contract).	7.7	2.3
They actively encourage all customers to post public reviews of their experience with them.	7.6	2.8
The business tries to give me the best deal, even if it means less profit.	7.6	2.3
They contribute money or donate goods or employee time to local programs and/or charities.	7.4	3.5
The company makes an effort to preserve the environment, even if it might mean less profit.	7.4	2.8
They will refer a customer to a competitor if they think it will be better for the customer.	6.5	2.1

5 GESTURES OF TRUSTSM



When customers or potential customers begin the journey to a purchase, they invoke a mental framework which helps them determine whether they have a positive experience with a business, as well as whether they want to enter a business transaction (purchase) or future business transactions. This mental framework can include a checklist of items consciously sought – such as a level of perceived quality, existing customer reviews, guarantees, return policies, and the like. More importantly from a customer-relationship perspective, this mental framework appears also to involve subconscious criteria that signal that the business likely can be trusted to deliver a positive experience throughout the customer journey. This aspect of the mental framework involves an emotional barometer, one that scans the experience for the degree to which a customer feels respected.

As we listened to how consumers convey and frame their experiences in different business-related interactions, we discerned that they use five key factors to decide whether they like or trust a brand, company, or business. These factors, which we have termed

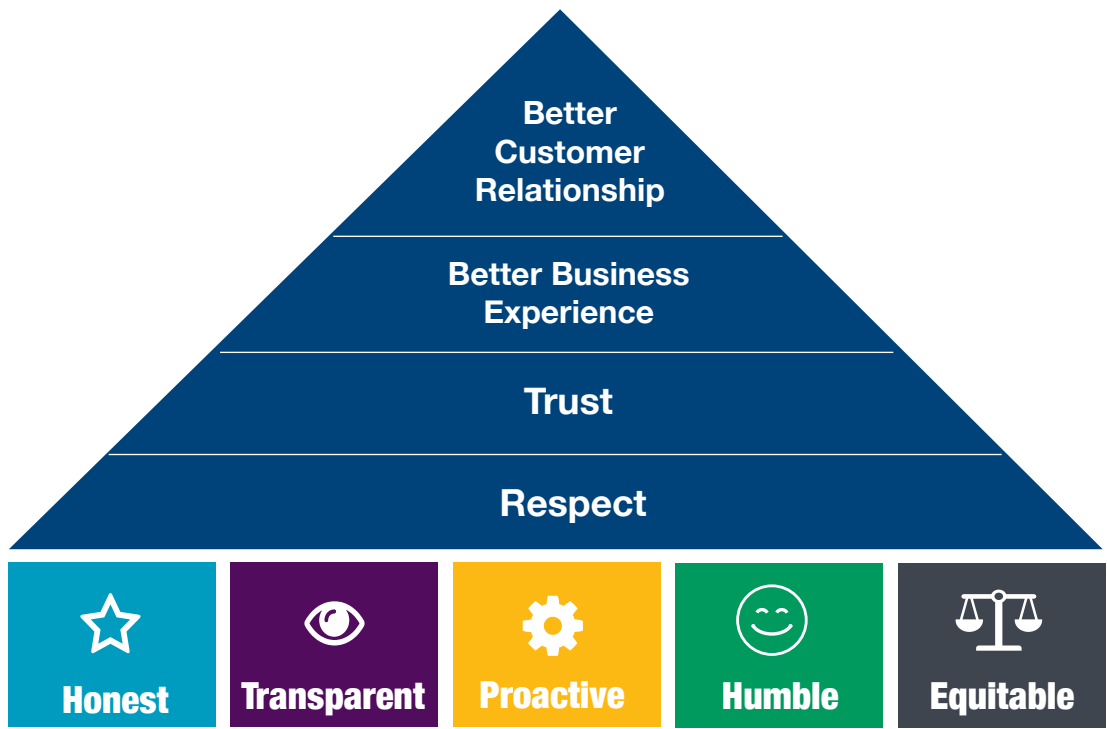
“gestures,” make the customer feel respected. This sense of respect translates into a tendency to trust the company. The gestures are as follows: “Does the business appear to be. . .?”

HONEST – Does it feel like the company tells me what it should be telling me – the information that is important to me in the moment – in a way that makes plain sense to me?

TRANSPARENT – Does the company appear to be willing to disclose information that is important to me, even if it appears to make the company more vulnerable, because it is the right thing to do and is important for me to know? Is this transparency granted as part of a service ethos, rather than because of media or community pressure or customer threat?

PROACTIVE – Does the company take steps to ensure that I gain as much value from our relationship as possible without my asking them to? Also, does the company go out of its way to respond to legitimate requests or inquires I might make?

Figure 8 – The foundation for Better Customer Relationships based on the 5 Gestures



The difference between what we have classified as “gestures” and “attributes” is whether the trait is part of the business’s beliefs and values, or is instead an important performance objective. (Of course, striving for competency and consistency can be in the service of building and maintaining customer relationships).

The distinction is not merely academic: Performance is a key reason to do business with a company, and the consumer must be able to “trust” that it will perform. Gestures that build a positive customer relationship make the customer favor doing business with a company, independent of whether the company is competent or consistent. The gestures, or lack thereof, can determine whether consumers trust and connect with a business

HUMBLE – Does the company appear to believe that its success is due in large part to its customers and the community and that customers and the community therefore should be treated as true partners in the enterprise, considered with empathy when making company decisions? Ultimately, does the company feel the need to acknowledge me, and show genuine appreciation for my patronage?

EQUITABLE – Does the company believe it is fair and productive to grant customers power in the relationship and/or transactions, power the company ostensibly could retain for itself should it choose? As when a company is transparent, is this sharing of power granted under the belief that it is the “right thing to do” as part of a service ethos, rather than because of competitive pressures or customer threat?

Two other factors, which we characterize as attributes rather than gestures, are important as well: “Is the business . . . ?”

CONSISTENT – Can I count on the company’s behavior to be what I expect of it, or is it difficult to predict how it will behave?

COMPETENT – Can I count on the company to deliver what it promises to deliver in a quality way?

– important elements of lasting relationships. In fact, gestures can create incentive to do business with a company despite a lack of competency and consistency, provided the gestures themselves are consistent.

The gestures do not operate on a customer’s psyche discretely. Rather, they interact: a company appears consistently honest because it is consistently transparent; or, again, a company is equitable as a natural result of being humble. “Honesty,” a somewhat pervasive gesture of trust, is most often a proxy for, or the manifestation of, one or more of the other gestures in how customers experience the business.

Figure 8 is a model that suggests how the 5 Gestures might support a positive business experience for the customer and, consequently, an ongoing positive relationship with a business. The gestures signal to customers that the business is respectful and, more to the point, that it respects them. This foundation of respect results in trust over time, which, in turn, engenders a “better business” experience. When customers have an ongoing better business experience with a company, they seek to replicate and deepen that experience and work alongside the business on maintaining the relationship. In other words, the business becomes as valuable to customers as customers are to the business.

CUSTOMERS' SURVEY RESPONSES REVEAL THE POTENTIAL IMPORTANCE OF THE 5 GESTURES

In the September 2017 survey we fielded to 2,037 consumers across the U.S. and Canada, we asked our respondents to think of a company they have experience with, and to answer some questions about their experience. The first question we asked was whether the experience had been “positive” or “negative.” Later in the survey, we described the 5 Gestures and asked respondents whether the gestures describe the company in question, using a scale of 1-10, with “1” indicating “Strongly Disagree,” and “10” indicating “Strongly Agree.”

In Figure 9, we see how all respondents rated the importance of the gestures in deciding whether to do business with a company. In Figure 10, we see how respondents who characterized their experiences as “positive” rated the companies on each of the 5 Gestures, compared with how respondents who characterize their experience as “negative” do the same. They both use a scale of 1-10, with “1” indicating they “Strongly Disagree” that the gesture describes the company, and with “10” indicating they “Strongly Agree” that the gesture describes the company. Responses are expressed as a “mean” along the 1-10 point scales.

We find a significant disparity between respondents reporting on positive company experiences and those reporting on negative ones, with respect to the companies’ use of the 5 Gestures.

Further analysis supports the idea that the 5 Gestures as a framework play an important role in the customer-business relationship. Figure 11 suggests a powerful correlation between the importance respondents place on each of the 5 Gestures and the loyalty they afford companies with which they interact. We looked to see if respondents’ assessment of companies’ practice of the 5 Gestures correlated with respondents’ assessment of their loyalty to the companies on which they reported. Results of correlation analysis suggests that the more consumers ascribe the 5 Gestures to companies, the more loyal they report they are to the companies. The Pearson R correlation for the correlation between the 5 Gesture ascription and report of loyalty to the companies exceeds .7 in all instances, a very powerful read on correlation.

Figure 9 – Question: How important are each of the following factors to you in deciding whether to do business with a particular company? Use a 1-10 scale, with “1” indicating “Not at all important” and “10” indicating “Essential.”





Figure 10 – Question: Using the descriptions above as reference, to what extent do you agree or disagree that each of the following statements accurately describes the company you chose? Use “1” to indicate “Strongly Disagree” and “10” to indicate “Strongly Agree.”

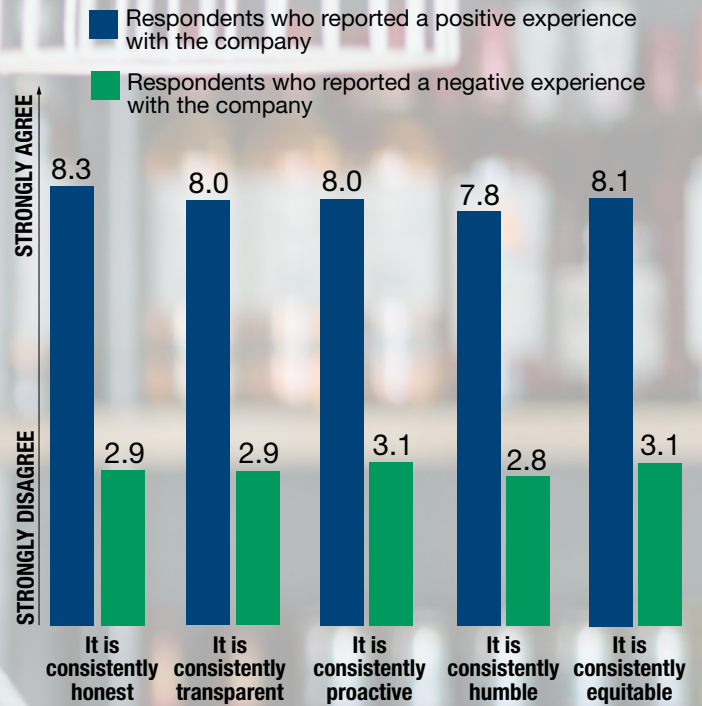


Figure 11 – Pearson R Correlation coefficients between the survey respondent’s ratings of 5 Gesture importance and rating of loyalty to the company about which they are reporting experiences. “1” represents a perfect, 1 to 1 correlation. (n=2,037)



5 Gestures (Trust as a control variable)

SURVEY OF BUSINESSES ALSO CONFIRMS POTENTIAL IMPORTANCE OF 5 GESTURES

Next, we wanted to better understand how consumer trust impacted businesses' perception of having loyal customers, having a very positive reputation, feeling good about the company's future, having positive word-of-mouth, and being able to charge a premium price. We compared the responses of businesses that self-identified as being "highly trusted" (i.e., chose the top two boxes on a question that asked them to identify how much they believed their customers trusted their company) with other businesses that were not as confident about their level of trust (i.e., selected 1: "Not at all" to 8 on the same question).

As shown in Figure 12, businesses that perceive themselves to be highly trusted also consider their customers to be very loyal to them. They also feel better about their company's financial future, believe their company has a very positive reputation, and think their consumers are likely to say very positive things about them. They further believe that their customers would be willing to do business with them even if their products/services cost a little more (i.e., premium price).

We then described the 5 Gestures of TrustSM to the businesses and asked them to rate the extent to which they believed each gesture applied to them. Businesses that perceived themselves as "highly trusted" were more likely than others to agree that the 5 Gestures of TrustSM accurately described their companies. Not surprisingly, being consistently honest was rated as the top gesture (see Figure 13).

Figure 12 – Question: To what extent – 1: "Strongly Disagree" to 10: "Strongly Agree" – do you agree or disagree that each of the following statements accurately describes your company?

STATEMENTS	HIGHLY TRUSTED	OTHERS
We believe, in general, that our customers are very loyal to our company.	8.8	7.3
We feel good about our company's financial future.	8.8	7.6
We believe our company has a very positive reputation.	9.5	8.1
Just about all of our customers say very positive things about our company.	9.3	7.9
If at all possible, our customers would prefer to do business with us than a competitor, even if we might cost a little more.	9.0	7.5

Figure 13 – Question: To what extent – 1: "Strongly Disagree" to 10: "Strongly Agree" – do you agree or disagree that each of the following statements accurately describes your company.

STATEMENTS	HIGHLY TRUSTED	OTHERS
We are consistently Honest.	9.7	8.8
We are consistently Proactive.	9.4	8.3
We are consistently Transparent.	9.3	8.4
We are consistently Humble.	9.3	8.2
We are consistently Equitable.	9.3	8.3





THE 5 GESTURES IN DETAIL

To fully understand and utilize the insights gained through our work on the 5 Gestures, we must explore their nuances, because that is where the difference in customer-business relationships lies. The nature of respect and trust is that they must be experienced; this goes beyond words and is largely emotional. In fact, claiming to be “honest,” “transparent,” “proactive,” “humble,” and/or “equitable” without practicing the behavior associated with these gestures is likely to further undermine any trust that may exist. That is because actions speak louder than words, and making such claims runs directly counter to their genuine practice. More succinctly, asking customers to trust you without being trustworthy is a recipe for becoming even less trustworthy.



Honest



Transparent



Proactive



Humble



Equitable

BE HONEST

“Honesty is what builds trust the most, without it trust does not exist at all.”

Being honest is perhaps the most fundamental of the gestures, the one most consumers and businesses would identify first as important. One might consider honesty to be a “threshold” gesture; if you do not appear or do not prove over time to be honest, it will be hard under any circumstances to maintain a customer relationship. Importantly though, being honest can also be a proxy of sorts for the other four gestures – many customers or businesses will identify “honesty” as a factor responsible for destroying or building a relationship, when in fact it may be that being “transparent,” “proactive,” “humble,” or “equitable” is the gesture that a business either fails or succeeds to convey in an instance. We will explain the interaction of the 5 Gestures below – how they work together to form trust between customers and businesses.

To be honest is most commonly understood as “to tell the truth” or, simply, to be truthful. But most people would likely agree that there are shades of truth and statements that are technically truthful but nevertheless not actually honest. For example, a teenager might tell a friend’s parents that her parents will be home during a party, but fail to mention that they will be at another house the family owns, and not at the one in which the party is being held. So being honest means something more than simply telling the truth. It means conveying meaning in a way that is empathetic, useful, and instructive to the other party in the moment.

Customers wary of a business relationship or who are in a position where they must trust the business are focused heavily on honesty. Most people feel uneasy when a business is not honest with them, even if they can’t pinpoint the exact source of the discomfort. Being honest is the tip of the trust iceberg – whether a business appears honest will set the stage for the business relationship.

But as we just mentioned, how consumers interpret a business’s honesty may or may not involve other gestures. For example, consider an instance where a salesperson convinces a customer to work with his company because of a great service the company provides. In the intervening time before the contract is signed, the features of the service change. If the salesperson waits until the last minute to inform the customer – a time-frame that would likely make it difficult to work with another company – the salesperson is being inequitable because more than not being truthful, the salesperson is retaining the power he has (knowledge) over the customer. Here, while the salesperson is technically not being honest, the more immediate and relevant gesture the salesperson is lacking is that of being equitable and sharing power in the negotiating with the customer.

How does “being honest” manifest itself in a business?

- The business intends to do exactly what it says it will do.
- The business asks the customer if they fully understand the transaction before consummating it, highlighting the information that is most advantageous for the customer to know. This can take the form of sales or customer service representatives pointing out all the risks of a purchase and making sure the customer understands them.
- The business puts the information most advantageous for the customer to know up front and highly visible throughout the transaction and/or relationship. This could mean pointing out to the customer that a competitor might have a better deal, or one that might suit them better.
- The business does not hesitate to tell the truth when it makes a mistake. This could take the form on an announcement taking the blame for an incident the moment the company learns of it.
- The business advertise honestly and adhere to established standards of advertising and selling.

BE TRANSPARENT

“We have nothing to hide.”

Transparency has taken on many meanings in our current vernacular, owing likely to popular angst over reports of large-scale data breaches of which the public has learned long after the company knew, and perhaps with growing distrust of how government may control information. Consumers experience transparency through how willing companies are to share information, particularly when doing so might make them competitively vulnerable. For example, if a food product company discloses that it has experienced an outbreak of a bacteria that can make customers ill before anyone else discovers it, it is being transparent. Food-borne illness is a serious matter, and its association with the company could potentially harm its reputation. But most consumers understand that there are risks in handling food, and if the company discloses its discovery immediately and informs customers directly – is transparent – it has acted in a trustworthy manner. The relationship between customer and company is much more likely to be strong and continue. If the company suppresses, conflates, or otherwise delays the raw admission of the discovery, it undermines trust. The relationship is less likely to continue because the customer begins to wonder what else the company may not be disclosing.

When in doubt, over-communicate. A business that over-communicates earns the reputation of being open and willing to be vulnerable. This engenders trust.

How does “being transparent” manifest itself in a business?

- The business admits mistakes when they happen and makes amends to the customer and public.
- It shares processes and decision-making.
- It freely offers information about itself.
- The company highlights its history and management.
- It makes contacting it easy.
- It shares customer reviews.
- It volunteers to abide by a code of ethics and to be monitored by an independent third party organization (e.g. BBB accreditation).



BE PROACTIVE

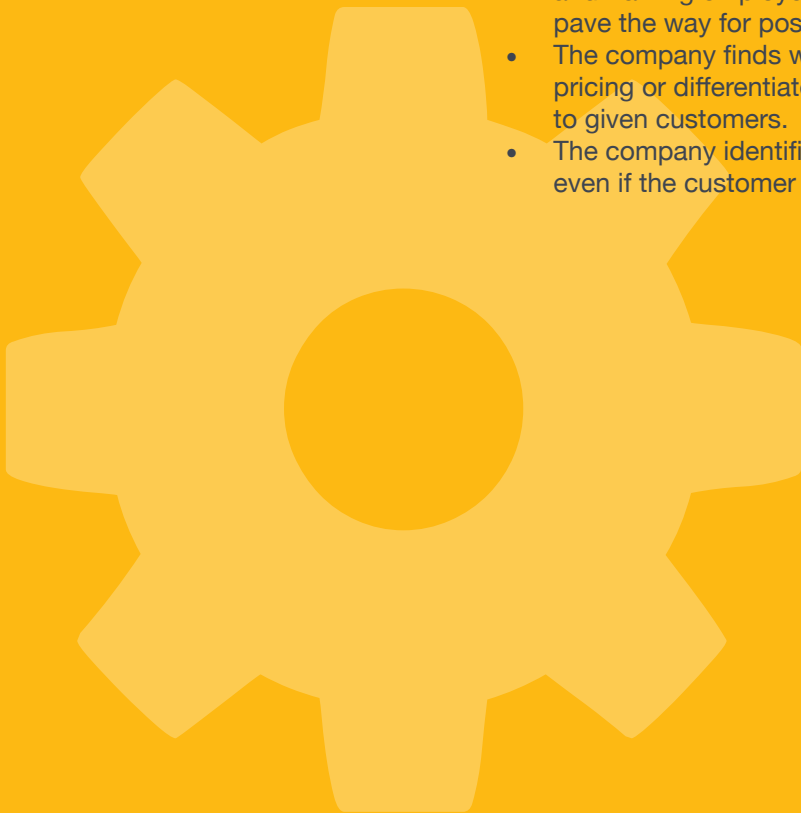
“Anticipate what it is our customer might want or need and work together to achieve their goals.”

To be proactive is to take initiative, primarily in two ways: 1) To anticipate customer needs and provide solutions, without being asked, and at times even without customer knowledge; 2) To respond quickly and affirmatively, with good communication, to customer requests or issues that customers raise. The key to being proactive is signaling that the company is always focused on improving customers' experiences and that this is a normal, not extraordinary, part of conducting its business.

When a company is proactive, the customer experiences it as “delight” or “surprise,” or, at the very least, as a very satisfying encounter. From a trust perspective, it signals to customers that the company will look out for their interest “when nobody is watching.” A company that is proactive is a company that is on the same side of the customers and will safeguard customer interest. This can't help but build a sense of trust among customers.

How does “being proactive” manifest itself in a business?

- A salesperson listens for the customer's need above and beyond what the customer says he/she wants to buy and makes suggestions the salesperson thinks will most satisfy the customer, regardless of the nature of the potential sale in question at the moment.
- If the customer is a repeat customer or has an account or an order, the company reviews the customer's needs and buying behaviors and attempts to maximize value for the customer.
- The company responds swiftly and earnestly to customer questions, requests, and complaints.
- The company takes steps (such as inculcating a culture of service and honesty and training employees well) to anticipate and prevent customer issues and pave the way for positive customer experiences.
- The company finds ways to save the customer money either through efficient pricing or differentiated pricing based on services and features most important to given customers.
- The company identifies and corrects mistakes that may favor the company, even if the customer does not notice.



BE HUMBLE

“I realize that without my customers, I couldn’t stay in business. I strived to do right by my clients and to do my best to make sure they are treated with good customer service.”

Being humble may not be the first thing a company thinks about when building trust and, ultimately, a relationship with customers. However, it can be among the most powerful of the trust drivers, as it is associated with the company’s willingness to be vulnerable when appropriate, which in turn signals that it is not likely to deceive customers. Being humble embodies the idea that the company exists as part of something larger than itself and therefore any success it has is credited in part to other entities – its customers, the community, the infrastructure it draws and relies upon. Companies that are humble view customers as partners and try at every opportunity to help them thrive in the context of their daily lives.

At its base, being humble signals that the company is not arrogant, but rather is grateful; is not entitled, but rather respectful, of its position. When companies are aware of and sensitive to the needs of others in their orbit, and act to support those needs at times over their own, they register with customers as humble. Humility in this way signals trustworthiness.

How does “being humble” manifest itself in a business?

- Customer service is made a priority over other things the business may do.
- It admits mistakes when they happen and takes responsibility.
- It ensures that it brings the highest value to customers.
- It protects customers against choices that may be detrimental to them.
- It treats employees with respect and attempts to develop them as people and professionals.



BE EQUITABLE

“It is not only about one party but about the entire situation. We partner with our customers on every single job, and we treat them as part of the team in order to successfully facilitate our jobs.”

Being equitable is perhaps the last gesture a company may place importance on, but our research suggests that it may be the most important step of trust-building companies can take. Commercial transactions are inherently interactions that involve a balance of power; companies seek money from customers and customers seek value for their money. If a transaction tips power in favor of the company, the customer may feel they must be wary of the company; if a company feels that it must retain power to make sure it gets paid or does not lose a customer to a competitor, it may attempt to retain power it could ordinarily grant to a customer.

What types of power exchange occur between companies and customers? Consider the situation where a customer pays for a product or service in advance, and then must hope that that product is satisfactory or exceeds their expectations. In this type of exchange, the company holds the power; it has the customer's money and the burden of ensuring satisfaction is placed on the customer. In this instance, a company can share power – be equitable – by making it very easy for the customer to return a product, for refund or replacement, if the customer is not satisfied. The easier the process, the more equitable the company is being, and this engenders trust. Consider a situation where the customer pays after the product or service is delivered; in this instance, the company initially acts in an equitable manner. It can reinforce this equitable behavior by asking the customer to make sure that they are satisfied before the company bills them.

Examples of when companies are decidedly not equitable are “fine print” contracts, “bait and switch” sales, time pressure tactics, and convoluted return policies. When a company can control a process to its own advantage and to the disadvantage of the customer, and pursues the practice, it is not being equitable. Companies that make a regular practice of not being equitable run the risk of “winning the battle but losing the war” when it comes to building lasting relationships with customers. Companies that go out of their way to be equitable with customers are in effect asserting that they are interested in long-term relationships.

How does “being equitable” manifest itself in a business?

- The company has in place generous return policies.
- It uses simple contracts, highlighting (not hiding) information favorable and important to customers.
- It makes policies and decisions for customers that it would make for itself, if it were a customer.
- It relaxes time periods for decision-making, deals that don't expire quickly, or change with time.



WHAT THE 5 GESTURES LOOK AND FEEL LIKE TO THE CUSTOMER

For customers, a company experience falls along a positive-to-negative continuum. Consumers we spoke with described their experience in terms of key feelings, policies, or interactions they recall as symbolic of their overall experience. What we heard and observed as they related these experiences led us to categorize these descriptions as the 5 Gestures.

Interestingly, the stories our research subjects tell do not focus on one of the gestures in isolation, but rather relate an interaction of two or more, leading us to discern that, depending on the nature of the consumer purchase, one gesture may depend on another, or one gesture may inspire another.

An example of this type of interaction among gestures manifests in two stories told by Sonya*, a University of Michigan graduate who is a training director for an Atlanta-based software startup. She purposely juxtaposed the stories to contrast her experience as a consumer. The first involves a company that provides gourmet food and food-related items, packaged in appealing combinations — often as gifts. She purchased such a gift package for her parents. She noticed, however, that the company placed another charge on her credit card a few weeks later. She asked it to remove the charge. When it was not removed, she inquired and was told that she had signed up for a subscription — a gift package would arrive at her parents' home once a month. Sonya explained that she had not realized that what she had purchased was a subscription. The company representative replied, "We're sorry that you overlooked the information about the subscription." Exasperated, Sonya pointed out that all the responsibility was placed on her, with no empathy for the customer. "It left such a bad taste in my mouth," she said. "It was really unfortunate, because my parents really liked the products!"

If we analyze this story using the 5 Gestures as a customer relationship framework, we observe that the company loses a customer it had a great chance of retaining because she liked the product. The company clearly fails to be:



Equitable – It preserves power it could have shared by placing the blame solely on the customer for not more closely reading or understanding the subscription information.



Honest – The subscription description may be technically correct, but is apparently not delivered in a way that presents information important to the customer in the context that benefits them (the truth is rendered oblique).



Humble – It positions the customer as an adversary rather than a partner, denying any responsibility for the customer's unhappiness, challenging the customer to become adversarial herself. It reverberates with the customer as arrogance.




Proactive – The company representative, when presented with the customer's complaint, does not communicate that it is important to resolve the issue for the customer, but rather brushes off the complaint by citing policy and the customer's own error.


* Names of participants were modified.


The company fails on all four of these gestures. Quite possibly, it fails on three of the four because it fails miserably on one of the four – being humble. The company assumes the posture that it can operate by making consumers responsible for carefully examining all information related to their purchase, without assisting them with that process, girding for customer complaints by pointing to the “legalistic” information that, in the company’s view, absolves it of responsibility. If the company were humble – if it viewed itself as part of a larger whole in which all parties work to benefit one another – it likely would not set up the interaction with customers the way it has. Instead, it would go out of its way to make the terms of the purchase clear at every point possible; it would share power with the customer by making the purchase terms just as advantageous to the customer as they are to the company; and, when presented with the customer’s dissatisfaction, would likely take it to heart, and immediately communicate a path to addressing it. Clearly, the customer in this case, Sonya, did not experience any of these gestures, and therefore made the decision not to continue a relationship with the company, despite a clear desire for the company’s product.

In her next story, Sonya explains how she ordered clothing from an online store located in Europe. The clothes arrived, yet they were a different color than what she had ordered. Sonya contacted the company to return the items and to see if the color she had wanted was still in stock. The company responded by immediately shipping her the correct order, two-day delivery. Sonya was taken aback – she could not believe the company would send the corrected order without having received the items she was returning first. “Now that was awesome,” she said.

In this instance, we find a company that won a customer, and perhaps a customer’s loyalty, simply by offering three key gestures. The company was clearly:

 **Proactive** – It responded immediately to the customer’s inquiry, and provided a pathway to resolving her issue.

 **Equitable** – The company trusted the customer to return items she ordered, sending a replacement before receiving her returned items. The company shared power it was not obligated to share, placing trust in the customer.


 **Humble** – The company presents that the customer’s needs are paramount, recognizing that it is important to the customer to receive the clothing in a timely manner (and that she has already lost time by receiving an incorrect order). The company positions the customer as a partner in the business’s success.





Another conversation we had, with John, a retired educator, underscores how a local hardware store has kept him as a longtime customer when he has many other choices that might save him money, like larger box stores. John explained that the store is very difficult to navigate unless you’ve been there many times, because it is small and crammed with merchandise. He told of going there for a tool he needed but which the store did not have. The service person helping him immediately referred him to a competitor he knew did have the tool, even though he told John he could order it for him. The service person felt that John needed the tool that day to complete a weekend project he was working on. The service person spent further time with John, explaining to him how to ensure the tool was the right one, and how to save some time and money on his project.

John was appreciative, and knew he would return to the store always, regardless of the fact that he visited a competitor who met his need at that moment.

The hardware store has won John as a long-time, loyal customer because it was:

 **Proactive** – It listened to the customer’s real need and solved his problem without the customer having to ask.

 **Humble** – It saw the customer as a partner whose interests it was bent on protecting, and put the customer’s immediate need over the company’s short-term profit.

 **Equitable** – It shared information it could have kept to itself and could have controlled.

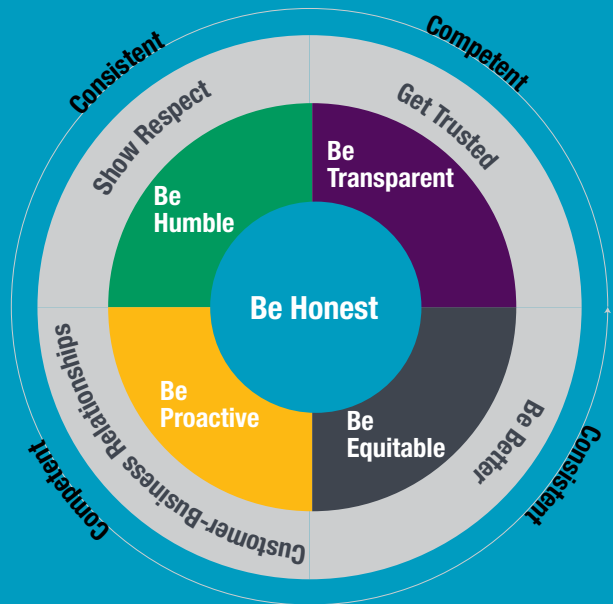


The diagram shows that being honest, as we have pointed out, serves as a proxy gesture, one that appears to be a catch-all for all 5 Gestures and often the most visible of them; that is, regardless of which combination of the 5 Gestures interact to build trust with a customer, the customer is likely to perceive (call) the experience as either honest, dishonest, or somewhere in between.

However, as the data we discerned and stories recounted by consumers above illustrate, all 5 Gestures are important, and serve to create a sense of honesty in the relationship between company and customer. This honesty supports trust, which in turn forms the support for the relationship itself.

Figure 14 – 5 Gestures of TrustSM Framework for Better Customer-Business Relationships

A conversation with Mike, a director of sales for a technology company, reveals how being equitable can go a long way to winning customer loyalty, and it takes the form of a clear, consistent, simple, and generous return policy. When asked about positive experiences he has had with businesses as a consumer, Mike immediately identified ordering from a known online retailer as one. He said that when he “clicks that buy button,” he feels completely protected because he will have 60 days to return the items he has purchased, no questions asked. He always feels comfortable ordering from this online retailer for this reason, as he has experienced that the company backs up the offer. In this instance, the company has won a loyal customer because it is:



Equitable – It shares power in the transaction by offering the customer a simple way to get their money back if they are unhappy. This removes risk from the equation, whereas it might otherwise exist because the customer is turning over money to the company ahead of receiving delivery of, and experiencing, the product.



Honest – Information that is relevant to the customer is presented when it is needed and throughout the experience, helping to ensure that the company delivers on its promise in a precise and meaningful way.

As we continue to analyze the feedback we’ve received from consumers through our in-depth, observational interviews, and surveys, the way in which the gestures interact becomes clearer. Figure 14 presents the 5 Gestures of the TrustSM Framework for better customer-business relationships.

CONCLUSION

One doesn't have to read very far in the daily news to find instances of companies breaking trust with customers and, in many cases, losing long-term relationships they have with them. Using the 5 Gestures of TrustSM as a framework can be a cautionary and instructive exercise. It can help companies identify specific cultural practices and rituals of their own that either build or undermine customer trust and, ultimately, relationships. We hope that building a company culture based on behaviors tied to the 5 Gestures can provide a foundation for lasting customer relationships and simultaneously serve as a bulwark against practices that may destroy a company's public reputation. Below are specific actions you might take to put this insight into service for your immediate benefit:

1. Ask your employees and customers about experiences they've had that made them like doing business with you, or, alternately, that made them less comfortable. Ask them to give you examples and talk about them. Apply the 5 Gestures and see if you can detect either an example of success or a breakdown in any of the five areas. Keep in mind that those giving you feedback will not likely use the terms that we have (e.g. humble, equitable), but may describe instances that are characteristic of the examples we described. Be prepared to see cross-over or interaction among the gestures.

2. When you receive a customer compliment or complaint – whether in the form of a comment, letter, email or something more formalized – apply the 5 Gestures framework. See if you can identify where the customer perceives that a gesture is missing or has been grossly violated. Doing so can help you pinpoint the root of the problem that the customer is experiencing and properly address it. Sometimes a customer simply may be angry, and cannot clearly identify for themselves what is angering them about an experience. Applying the 5 Gestures framework to the situation can help you uncover the problem interfering with your relationship and effectively bridge the chasm that generated the complaint.

3. Plan a discussion with your employees around the 5 Gestures. Ask them to identify the gestures in their own daily practice. Use real examples from their daily experience with customers – positive and negative – and break them down using the 5 Gestures framework. This will not only help all your employees to become more aware of and empathize more deeply with your customers' needs, but will help develop a culture of respect and trust within your company. Your employees may become more sensitive to how they are building trust with one another and with customers.

4. If you use customer surveys or solicit feedback from customers regularly, incorporate questions addressing the 5 Gestures that go beyond asking about mere satisfaction. If you solicit open-ended responses on surveys, ask how an experience with the company made the customer feel and then listen (read) for clues that may point to one or more of the 5 Gestures. Keep in mind that "honesty" is often a catch-all for the other gestures, so you may have to listen deeply for what the customer may really be responding to.

5. Use the 5 Gestures of TrustSM framework to strategically plan how you approach your customer relationships. Start by assessing where you are in terms of each of the gestures and then target where you want to be. Identify the gaps and plan how to close them.

In closing, consumers see most business transactions – particularly service ones that involve relationships – as human transactions, rather than strictly financial ones⁵. Despite technological advancements, in-person is still the preferred method of customer service for the majority of consumers, even younger ones⁶. Thus, humanizing business relationships is important. We hope that the 5 Gestures of TrustSM can assist businesses in their quest to become more "human."

⁵ <https://www.bbbtrusted.org/better-series/2016/06/customers-trust-business/>

⁶ <https://www.bbb.org/trustindex/>

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- BBB of Metro Atlanta, Athens & NE Georgia
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- BBB of Los Angeles & Silicon Valley
- BBB of Saskatchewan
- BBB of Hawaii
- BBB of Eastern North Carolina
- BBB Serving Northern Colorado and Wyoming
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- BBB Serving Arkansas
- BBB of Greater Maryland
- BBB Serving Central and Western MA and Northeastern CT
- BBB Serving North Central Texas
- BBB Serving Greater Cleveland
- BBB Metro Washington DC & Eastern Pennsylvania
- BBB Serving Utah
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Resources for Better Businesses:

- BBB Accreditation Standards - <http://www.bbb.org/accreditation-standards>
- BBB Code of Advertising - <http://www.bbb.org/code-of-advertising>
- BBB Center for Character Ethics from the BBB Institute for Marketplace Trust - <http://bbbmarketplacetrust.org/category/295591/center-for-character-ethics>

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