From Stranger to Friend
How digital structure affects trust & consumer-brand relationships

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The Behavioral Science

People make decisions using heuristics.
Efficient...but prone to bias.

Nudges may improve judgments.
What Is A Nudge?

• A method of influencing people’s behavior by changing the context in which they act.
• Typically affect the “automatic” vs. “reflective” brain system.
Nudge Opportunities Abound in the IoT Context

New Touchpoints:
Choice Mediated By Technology

Shapes the Experience & Locus of Control

Digital Mediates Relationship

Marketer Control

Consumer Control

B2C2C...2B
Trust is a Heuristic

This is fundamentally changing the way people relate to one another and the companies with which they interact.
What makes a friend?
Jonah Hill

(Double Academy award nominee, 14M followers)

“You were my favorite, and you stabbed me in the back. I feel like I just married you and you slept with my best friend.”
Consumers can relate to brands in much the same way that they relate to one another (Keller 2006; Fournier 1988).

Resonance

Judgments

Feelings

Performance

Imagery

Salience
Can you trust a machine?
A brand?

It’s a preposterous notion. Or is it?
Some experiments percolating as we speak…
1. Trust in Wearables

How do the timing of health-related information (pre-during, post) and the form (detailed vs. heuristic) affect choice?
2. Trust in Machines

Facial recognition deep learning: we are able to make precise and nuanced measures of facial emotions.
Emotional Matching to Nudge Decisions

Can we trust machines to make up for our shortcomings?
- Future anticipations
- Heuristic guides
- Risk judgments

<table>
<thead>
<tr>
<th>Positive Moods</th>
<th>Negative Moods</th>
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</thead>
<tbody>
<tr>
<td>Creativity</td>
<td>Attention to details</td>
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<tr>
<td>Integrative Thinking</td>
<td>Detection of errors and problems</td>
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<tr>
<td>Inductive Reasoning</td>
<td>Careful information processing</td>
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Some Experiments on CX and Trust
“DreamCar” Concept App

Random Assignment

Co-Creation Customization

Source of Information

Social Network Embeddedness
Customization (Hi/Low)

Choose

Dog Person
Business class
Ski Bum
High-tech
Discovery (Low/High)

Food for Thought
Nice Work! Below are some similar vehicles as well as links to uncensored reviews and discussions about cars. Check out at least one of these links in order to progress in the DreamCar app; we’ll ask you about what you discovered later.

Official Car Sites
### Social Networking: Discussion

**thebrowning32938**

<table>
<thead>
<tr>
<th>Topics</th>
<th>Replies</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pulling a trailer</strong>&lt;br&gt;Latest post by JenK, 05-19-2011 9:50 AM</td>
<td>10</td>
</tr>
<tr>
<td><strong>Advice, Input, Recommendations.... ALL appreciated.</strong>&lt;br&gt;Latest post by vvfast56, 05-19-2011 11:57 AM</td>
<td>12</td>
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<tr>
<td><strong>The World</strong>&lt;br&gt;Latest post by vvfast56, 05-19-2011 11:46 AM</td>
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<td><strong>Clovers?</strong>&lt;br&gt;Latest post by bpex12, 05-17-2011 1:35 PM</td>
<td>6</td>
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<tr>
<td><strong>Hello</strong>&lt;br&gt;Latest post by jsrlickstah, 05-15-2011 11:37 PM</td>
<td>2</td>
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<td><strong>TOYOTA - How Do You Feel About Their Reparations?</strong>&lt;br&gt;Latest post by acapel1, 05-15-2011 1:18 PM</td>
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<tr>
<td><strong>Best used 5-door hatchback/small wagon</strong>&lt;br&gt;Latest post by acapel1, 05-15-2011 1:14 PM</td>
<td>6</td>
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<tr>
<td><strong>Lexus or Infiniti</strong>&lt;br&gt;Latest post by acapel1, 05-15-2011 1:12 PM</td>
<td>25</td>
</tr>
<tr>
<td><strong>Share your tips and tricks for the &quot;Create a Car&quot; Feature...</strong>&lt;br&gt;Latest post by acapel1, 05-13-2011 6:02 PM</td>
<td>11</td>
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<tr>
<td><strong>Ambien</strong>&lt;br&gt;Latest post by acapel1, 05-13-2011 6:26 PM</td>
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<tr>
<td><strong>First time buying used. No clue what to get my brother.</strong>&lt;br&gt;Latest post by acapel1, 05-13-2011 6:24 PM</td>
<td>8</td>
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<tr>
<td><strong>Scavenger Hunt - Making Friends</strong>&lt;br&gt;Latest post by acapel1, 05-13-2011 6:14 PM</td>
<td>107</td>
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<td><strong>Vehicle favorites</strong>&lt;br&gt;Latest post by krissy08, 05-12-2011 2:27 PM</td>
<td>52</td>
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<td><strong>Member Information: Rules for Earning Points</strong>&lt;br&gt;Latest post by DanielleC, 05-12-2011 11:42 AM</td>
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<tr>
<td><strong>BEST movie you've seen recently</strong>&lt;br&gt;Latest post by Echo, 05-10-2011 4:21 PM</td>
<td>50</td>
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Results

1. We measured consideration, preference, and trust.
2. We coded qualitative data shared in the social network.
3. We measured brand relationships along 6 dimensions.
Trust → Relationships

Trust in the brand increases the strength of the relationship.

<table>
<thead>
<tr>
<th>DV: Relationship Descriptor</th>
<th>IV: Trust (P2)</th>
</tr>
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<tbody>
<tr>
<td>Friend</td>
<td>1.16***</td>
</tr>
<tr>
<td>Hope to Know Someday</td>
<td>.452***</td>
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<tr>
<td>Fun Fling</td>
<td>.154***</td>
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<tr>
<td>Business Acquaintance, Get the Job Done</td>
<td>-1.136***</td>
</tr>
<tr>
<td>Stranger</td>
<td>-1.400***</td>
</tr>
<tr>
<td>Do not like</td>
<td>-1.848***</td>
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As trust increases, the consumer-brand relationship deepens.

Logistic regression coefficients, *p≤.1, **p≤.05, ***p≤.01. Controlling for ingoing same relationship at T1.
65% of the total effect of liking the app is mediated by trust.
Co-Creation → Trust?

Traditional Organization

Digital Organization

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“Digital” Organizations: Collaborative Touchpoints

- Idea/Support Forums
- Loyalty Programs
- Open Source
- Ecommerce Platforms
- Social Editions
- Wearables
- Self-Service Kiosks
- Personalization
- Social Platforms
- Recommendations/
  Reviews
Collaborative Touchpoints: Who wins?

Two-sided phenomenon where each party abdicates some control via information currency.

Consumer:
• When is it judged as Exploitative vs. Innovative?

Firm:
• When can it be Leveraged vs. Wasteful?
Let’s use stories to investigate...
Narrative Structure
Stories are Powerful for Choice

Consideration Sets

- Stages of Memory
  - Encoding
  - Storage
  - Retrieval

Self-Brand Connection
Narrative Impact

The Rhetorical Triangle

Fig. 1.1: The Rhetorical Triangle
Brands can Co-Create Impactful Narratives

3 Studies demonstrate causality…
2. Context & Authorship (Wed & YouTube)

**X1: Context**

1.

**X2: Authorship**

“This video was made by…”

1. Suruga
2. Consumer

**X1: Medium**

1. Big B: Suruga Website
2. little b: YouTube Channel:
   - Suruga Channel
   - “Real Estate Investment Channel”
3. Authorship (Facebook)
What leads to Trust in Digital?

Co-creation → Trust → Relationship
Why?
Perceived Authorship → Authenticity

Note * = p < 0.10, ** = p < 0.05, *** = p < 0.01, **** = p < 0.001
The Goal

• Neither an over-socialized or under-socialized view of the human-firm relationship.

• Rather, understand the circumstances under which:
  – Our decisions can be enhanced or hampered by these relationships
  – The behavioral science behind what we “need” to feel in the experience (neither in complete control, nor at the mercy of machines).
Thank you!
@renneegosline 🦃