Cooperative brands: The importance of customer information for service brands

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When most people think of branding, they automatically think of high-profile product brands like Coke and Nike. Service brands, such as those in financial services, telecommunications, or utilities receive somewhat less attention. However, these are the brands for which communication is changing the face of customer relationships, changing the way in which information secures—and more important, retains—customers and market share.

Service brands operate essentially on the promise of an experience, and consumers choose one brand over another in the expectation that the experience it delivers will be a good one. In many service sectors, there is no difference between the products themselves; they are commodities, such as phone calls, supplies of gas or water, or bank accounts. The technologies these sectors rely on are mature. It is not a novelty to have a phone that works, everyone wants to give you a credit card, and in most societies electricity can be relied upon. For service brands, therefore, the key differentiator is the quality of the relationship promised to the customer. Because this promise is extended through information communicated through print or digital media, or the spoken word, that information becomes a huge determinant of the quality of the relationship. It might make sense, then, to think of service industries as information industries, because, although product brands tend to represent a trade between money and objects, service industries are a trade that is based mainly on money and information.

Cooperative brands: The importance of customer information for service brands

by Rob Waller and Judy Delin

Focusing on a critical aspect in the relationship with consumers, Rob Waller and Judy Delin urge designers to create “cooperative” communications—media that are relevant, clear, concise, truthful, and informative. These attributes strengthen brand and build loyalty. Ignoring them causes confusion and doubt, weakening the connection with customers. Violating them—a “final straw” experience—can end the customer relationship.
It is tempting to think of advertising and marketing communications as the most critical for customer relationships, and these are certainly the areas that traditionally attract the highest spends. However, many mature service sectors are concentrating more and more not on attracting new customers, but rather on keeping the ones they already have. This shifts the focus away from marketing activities that promote awareness of a product to some of the more fine-grained differences among the services offered by competing brands: the way in which their tariffs are structured and invoiced; their terms of business; their bundling of benefits—all features that are cognitively, rather than physically, experienced by the customer.

A central plank of this experience is information—how sometimes-complex tariffs, concepts, and terms and conditions are communicated, and how they are understood. Beyond awareness of the brand, therefore, and the products it offers, what keeps customers loyal is the quality of the information, and the quality of relationship that it represents.

This is a crucial distinction that many service brands fail to grasp. Although chocolate manufacturers know their product has to taste good, and car manufacturers have learned that their product must start, go, stop, and not rust, few pension providers have grasped that their products have to be understood. By the same token, a utility needs to understand that it is not the quality of its electricity that matters as much as it is the quality of its bill. Is it on time, accurate, clear, and courteous?

In this paper, we want to focus on the centrality of information to the success of service brands, and in particular on how the achievement of understanding—and hence the success of the relationship—is a cooperative process between the company and the customer. Moreover, it is now a multi-channel process. It can be achieved across a wide range of media, from paper to PalmPilots. New challenges are emerging for companies with well-established structures for producing certain kinds of communications, which nevertheless find themselves bewildered by so many channels of communication and so many possible messages.

It is a rare organization that has managed to fully integrate all of its customer information and communication channels. But as Jeremy Bullmore points out in a recent essay (see the quote in the panel at left), although channel integration may be a distant ideal for marketers, it is the reality for their customers, whether they like it or not. In other words, even though a bank or a utility might direct a succession of uncoordinated communications at a customer—TV ads, posters, emails, direct mail, statements—customers will receive each message as if it were part of a single conversation, and they will make every effort to make sense of it, feeling entitled to assume it is deliberate and coherent. Of course, the likelihood is that they will draw an unintended conclusion.

### Channels and their affordances

We contend that it is not the distinction between digital, voice, and paper channels that is crucial. Digital channels simply expand the range of possible contacts, and possible times and places to make them. We are going through a shake-up in which the adoption of new technologies means that our use of existing media needs to be rethought. This reshuffling of resources and communicative habits has happened before—for example, with the widespread adoption of the telephone. What is important is that we adopt a principled approach to the use of new channels that prevents us remaking the mistakes we made with the old. We suggest, therefore, that an idea that might stop us doing this is the distinction between cooperative and uncooperative uses of the available channels. Cooperative uses are those that facilitate interaction with the customer in a way that is desirable, understandable, and effective. These uses depend on the targeting and uptake of the different channels, and the agility of companies in developing their abilities not just to operate new channels, but to synthesize all available channels, new and old, in sequences of responsive communications that customers will know to be coherent.
Some service sectors have been transformed by digital media—in particular, retail banking, where in some countries around 25 percent of customers now rely on the Internet. But in other areas, particularly utilities, the transformation has been substantially less than some predicted, with a slow uptake of e-billing. This should not surprise us—after all, most of us pay a lot more attention to our credit-card statement than to our water bill—but it tells us something important about channels: Each one does a different kind of job. Our finances are critically important to us, so we want immediate access to information, and immediate control. Our water bill is not urgent, and there is little we can do to control it, so we are perfectly happy to hear from our water company just once or twice a year. However, that is not to say that when our water bill does arrive it should not be as well-presented, as personalized, as easy to navigate as we expect Internet banking sites to be.

Paper is a channel too—and, in fact, the technology that creates paper documents has a lot in common with newer digital channels. Data-driven digital documents, such as the TXU Energi bill (see figure 1), use customer data to personalize messages, integrate marketing and service information, and dynamically lay out information, based on a complex logical specification—just as Web sites do. The paper version simply has different affordances, as the writer Donald Norman has termed them. Affordances are, according to Norman, the “fundamental properties determining just how the thing could possibly be used.” So a paper document encourages or allows people to write on it or to highlight its information, to share it with someone else, to stick it to the fridge, carry it in a handbag, or file it. You can flick through many pages very quickly, and you can rely on information remaining in the same position on the page next time you look. On the other hand, you can’t reorder the content, or click on a line to get more detail, or get at it instantly from any PC in the world. These are some of the affordances of digital documents.

Figure 1. When TXU Energi was launched after the acquisition and merger of two older utilities, the new brand was launched with the promise of “extraordinary customer service.”

The new bill is a cooperative document. It anticipates the information most people want from a bill and presents it as news headlines on the front page. The information is fully personalized, so answers to questions are provided even before they are asked—a large number of alternative layouts and messages are specified, each triggered by customer data. Full information about customers’ meter readings is provided on the back for customers to check if they desire.

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**Using channels cooperatively—or otherwise**

Research shows that, given a choice, people prefer to get information from other people. Most people would, for example, prefer to ask another person how to configure a piece of software, set a VCR, or use a microwave oven, rather than use the manual. This is because a conversation is a two-way event in which they can ask questions—it is a cooperative medium. They prefer it to user guides, which, despite being written to anticipate a reader’s questions, are still somewhat uncooperative.

A cooperative channel is one that allows participants in a conversation to respond to each other. In an ideal world, for example, bank customers could visit a branch, pick up a phone, or log on to the Web, and get answers to all their questions, conduct any transactions they want, and perhaps even be presented proactively with ideas for new products that fit their needs perfectly. So long as the process is collaborative and cooperative, it is not important whether it is achieved through a human being or a machine. And if a paper document allows the customer to achieve as much, because it has perfectly anticipated the order in which he or she wants to receive information and has provided answers to all his or her questions, then it too can be considered a cooperative channel.

The concept of the cooperativeness of channels is half a century old, and has been partly superseded by the notion of interactivity. But the older term allows us to make a rich set of connections with insights about social cooperation and the way in which the cooperative assumption works in human communication—insights that can help service brands to understand how their communications, digital or paper, are received by their customers.

**The cooperative instinct**

Human beings are social creatures, and the success of the species is based on our ability to cooperate with one another. The instinct to cooperate is very strong, and is something that brands make use of—whether they are exploiting the simple instinct to proclaim our membership in a tribe, or our propensity to seek more-complex structures to belong to in relationships of mutual dependency (for instance, a family, a team, or even a bank).

There are a number of corollaries to the cooperative idea. For example, the cooperative instinct assumes a two-way relationship—we believe, or at least hope, that the group wants us to join, that fellow members of the group are as altruistic as we are, and that they are making an effort to cooperate too. There are limits to this, of course, but every society has rules of basic politeness that act as a substitute for sincerity in the absence of a genuine relationship.

Everything that happens between us is interpreted within this framework of assumptions—for example, contributions that go beyond expected levels of mutual service are especially valued. This is why relatively small gestures (like the ice creams given out by Virgin Atlantic during the in-flight movie, or the letters sent by Barclaycard, the UK’s leading credit card, on a customer’s tenth anniversary with the company) can have a positive impact that is disproportionate to their cost. On the other hand, violations of the principle of cooperation are seen as serious social offenses. A colleague recently received a letter from his bank because he was a few days late in paying his credit card bill. It was rude, patronizing, and poorly printed. But it was seen as particularly offensive because it failed to acknowledge the fact that he had been a customer for 30 years and had a substantial sum in various accounts with the same bank. The bill has now been paid, but he also cut up the credit card and threw it away. (The name of the bank? The Cooperative Bank, of course.)

It is a common enough problem, and something similar has probably happened to most of us. The bank breached the basic rules of politeness that govern human cooperation, and by doing so shattered the illusion that it is a coherent personality engaged in a sincere dialogue—an illusion fostered by its brand and by its

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marketing communications. This is very understandable. Large organizations are complex organisms, and it would be a miracle if the thousands of people who work for any large bank were all equally aware of every customer, product, price, or marketing campaign. But the fact that it is understandable does not make it easy to forgive for the customer who feels betrayed. Driven by the cooperative instinct, the customer cannot help but see each communication as personal and intentional, since it has come from a source in which he has placed his trust.

The philosopher H.P. Grice crystallized these ideas in what he termed the Cooperative Principle. Summarized, the principle states that participants in a conversation expect each other to cooperate in a joint effort to create a meaningful exchange. Translating from Grice’s more technical explanation, each contribution to the conversation is assumed to conform to four rules or maxims:

- **Relation:** Be relevant.
- **Manner:** Be as clear and brief as possible.
- **Quality:** Tell the truth, as far as you know it.
- **Quantity:** Give the right amount of information (neither withholding anything that is relevant, nor swamping with unnecessary detail).

The Cooperative Principle is so strong that even if its maxims are broken, people are likely to use inference to salvage a meaningful scenario in which the rules are being followed. This explains why apparent non sequiturs can be understood. It is, for example, the reason that “I’m driving” is a meaningful response to the question “Do you want a drink?” Because we assume the responder is providing an adequate and relevant response, we can all immediately call to mind an assumption that the drink in question is alcoholic and that driving after drinking alcohol is a bad idea or illegal. If we could not use inference in this way, human communication would grind to a halt.

**The Cooperative Principle and the brand**

Just as the Cooperative Principle is in play in conversation between individuals, it is also present when customers are dealing with companies. We attribute personality to brands as if they are people, and we are encouraged to do so by the careful construction of visual and verbal identities that are themselves often based on human qualities. Indeed, brands are often conceptualized in branding guidelines as TV personalities, as representatives of particular customer segments (she’s in her 30s, she works out, she drives a VW Golf), or as sets of qualities that people might have (warm, open, friendly, professional, committed, for example).

It is this assumption of attributed personality that companies seek to support in their development of brand guidelines for visual, and now increasingly, verbal identity. To feel secure, customers need to be able to make licensed assumptions about the way they can expect the company to behave. Every communication relating to a company creates and redefines the personality customers will attribute to it. In this way, communications can make, or mar, the perception of the brand. If a company creates in a customer’s mind a coherent personality, any departure from it will be treated as a social breach, and will create dissonance, insecurity, and eventually cynicism about the brand. Instead of doing the extra mental work to salvage the Cooperative Principle on behalf of the brand, customers will feel not only hurt, but also duped. They know their attribution of personality was a mistake, and that they are really dealing with an uncaring or stupid organization.

For example, think about the following scenarios, similar to ones most of us have experienced:

- A chart comparing rival credit-card interest rates features only the more expensive leading brands and not the more advantageous rates of new-entrant competitors. This information is incomplete.
- You receive a special offer voucher for free drinks with every pizza, but upon presenting it you find that your local restaurant is a franchise that is not participating in the promotion. This information was not relevant.
- You make an insurance claim, only to discover that you haven’t spotted an essential disclaimer given on a page you didn’t see on the Web site. This information was not adequately clear.
Violations of the Cooperative Principle are annoying, and they also introduce the suspicion that the organization is not attempting to act cooperatively. Such violations therefore damage irreparably the attributed personality, and indeed the whole assumption that any coherent human values can be attached to the brand.

As a result, if customers are loyal to service brands, it is often with a reluctant loyalty. They don’t leave until pushed to go by a “final straw” experience, like our colleague’s letter from the bank. This makes cross-selling—the service brand’s Holy Grail—increasingly difficult.

Ensuring cooperativeness through customer communications

Compared with commissioning the next TV ad campaign, bills, statements, and customer correspondence (even if they are delivered via digital channels) are not the most glamorous, career-enhancing responsibilities a marketing executive can have. But as we’ve seen, for most service brands they are critical customer touchpoints. They are personal, scheduled, and legitimate incursions into the customer’s home, and can be used proactively to add value to the relationship. Crucially, they deliver the promises made explic-
itly in marketing—on the bill, the customer can see what the service really costs—as well as the promises made implicitly through the brand.

The instinct to cooperate is built-in, and customers will respond with loyalty to organizations that don’t let them down. In their recent, influential book, *The Support Economy*, Shoshana Zuboff and James Maxmin talk of customers’ longing for “deep support.” “Individuals want honest assistance in meeting the challenges of their intricate lives, not subterfuge, patronization, or the false solicitude widely regarded as the best that can be hoped for in a commercial exchange…. Deep support provides an ongoing relationship based on advocacy, mutual respect, trust, and the acute alignment of interests.”

There are numerous books on customer relationship management and other forms of customer service, as well as numerous consumer Web sites and TV programs packed with anecdotes and evidence that testify to the longing consumers have for sincere and consistent customer service—reciprocation for their loyalty—from service brands. Zuboff and Maxmin predict a major paradigm shift in the economy to provide that “deep support” people seek. Whether or not we need go that far, or seek such an idealistic solution, we are convinced that future winners among service brands will be those that deliver the relationships they promise—that cooperate with their customers. And we are convinced that design and brand managers have a key role to play. They can ensure that every customer communication presents a message that is consistent not just visually, but in its values, personality, and message.

**Suggested Readings**


Bullmore, Jeremy. “Why every brand encounter counts.” (Downloadable at www.wpp.com.)
