Prague Brainstorming With Youstice 2015

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Consumer trust: above all a matter of good customer experience

On Sunday September 20, 2015 I attended a brainstorming session in Prague, with a fine selection of experts with a stake in Online Dispute Resolution (ODR) and even the very man who coined the term, Ethan Katsh. Amongst these specialists* were also Doc Searls and his wife Joyce, promoters of the VRM concept, James Roper from [IMRG UK](), AXA's Philippe Rambaud and Jean Manuel Caparros, as well as Zbynek Loebl, co-founder of Youstice and organiser of this meeting at the heart of the beautiful Czech Capital City. This was the follow-up of the Prague meeting I covered in Autumn 2014. The discussion was about trust and its importance in online commerce. A debate which stressed the importance of brand, awareness, reputation, but mainly customer experience.

*Check the end of this piece for a comprehensive list of speakers.

Prague: at the far end of Na Poříčí Avenue, one can catch a glimpse of the Palladium shopping centre. Now, would you buy from them if you were based, say, in Belgium? Would their reputation be strong enough to reach your ears? And how could one tackle that issue?

Is it safe to buy from a given shop? "This a global question", Zbynek Loebl said in his introduction, "it's not limited to the US." This issue is also prevalent in Europe, as emphasised [in last year's conference report]() and the [efforts made by The European Union to develop an embryonic cross border European commerce](). Cross border commerce means distance and "distance trading relies entirely on trust" James Roper, the president of UK's [IMRG association for online retail]() reminded us. So, how do you reassure buyers who are far away from a vendor that the latter can be trusted?

Governments are helpless

"One of the first port of call for an association like us was the Government," James explained. "We worked with the then Labour Government in order to get the .co.uk domain name to mean something," he said, but it failed. "A .co.uk domain name means nothing," he added, it is just a chunk of Internet space purchased by an individual, whoever he/she may be. As a result, there is no guarantee at all that this person can be trusted. Now, if a British Government cannot protect what should rightfully be a piece of Britain on the Net, then who can? James's hunch is that, failing to do what it takes, local European authorities have paved the way for large American retailers like Amazon and eBay to fill that position. "Governments aren't in the game," he added. "They don't get it and their role in all this is extremely limited."

Overlooking the rooftops of the City of a hundred spires, Youstice and its guests offered us a bird's eye view of the future of cross border ecommerce in Europe

A young environment, with which Governments are still coming to terms

Doc Searls, one of the co-authors of the celebrated Cluetrain Manifesto, subsequently pointed out that the "current environment we are in is only twenty years old; and twenty years isn't a long time". The online space is still very idiosyncratic, and Governments are indeed grappling with it, as the history of the Internet has repeatedly proven, from early domain name creations to, more recently, Uber and Airbnb. What changes with the online world is precisely that "distance doesn't matter when you are online" he added, therefore apparently disagreeing with James Roper.

The Internet is a glocal paradox

In my opinion, both of them are right. The Internet is a bit of a global/local paradox in its own right. It abolishes distances by making goods available for anyone, anywhere, to buy from any shop in any country. Well, that's true in theory. It is indeed true for global brands which enjoy worldwide awareness, but those who don't won't benefit from that. Not to mention a truly and obligatory global aftersales service experience. Those who don't have that are left with either of two choices: they must either remain local or entrust global marketplaces which offer that kind of service, with the distribution of their goods. Hence James Roper's remark on Amazon and eBay.

Payment systems as a safeguard of consumer trust?

If Governments can't be relied on to solve the issue of trust, what are we left with? Let's try payment systems then, Ethan Katsh proposed: "In the US one the largest ODR companies is in actual fact a credit card company, the system doesn't work perfectly at all but it's legal requirement." James Roper agrees that this is working in Europe too, but UK Ombudsman Services' Greg Hunt had a point to make about that. "The real problem is not really security but the identity and integrity of the person whom I am dealing with. Not to mention what they

are doing with my credit card and private data?" he added. The debate went on and we were still trying to find a solution to this issue of trust, which "has to be established very early on" as Joyce Searls said.

Scale? Brand reputation? What if user experience were key to consumer trust?

"Trust is shaped like a pyramid," Youstice's Emmanuel Mouclier added, "at the bottom there is security, then trust and at the top we have user experience. Security is indeed a must but it's not sufficient. User experience is the process which will ensure that customers feel confident in the shop they are buying from."

"The real issue is scale," James Roper said. If one trusts Amazon, it's because they are so big and their footprint so international. "The real issue is to compete with that and American businesses at large," he added.
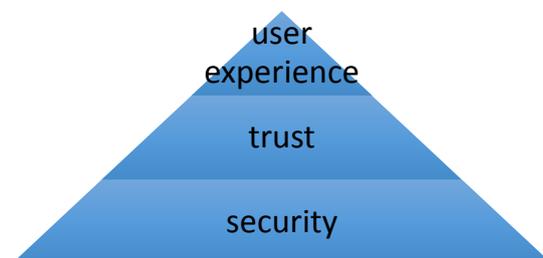
This is exactly where a system of trust, like an ODR platform for instance, can offer an alternative solution to these big retailers and their already dominant position emphasised by James Roper. Smaller vendors could indeed reap benefits from such a system, which would put them on par with larger online American retailers.

When it comes to trust, size does matter

Good customer experience is in essence the foundation on which Claude Bebear built European insurance giant AXA. "There is a low level of trust from consumers with regard to insurers in general," AXA's Philippe Rambaud explained. How to increase that level of trust is a major issue for all insurance companies. "AXA can address this point pretty easily due to its size," he added. "But if you are a smaller company, it's a lot more difficult because your size will not make it possible for you to handle that issue."

"From a marketing point of view, you have to reassure clients about safety and product quality," Jean Manuel Caparros from AXA explained. In order to achieve that, brand awareness and prominence are of utmost importance. Small retailers aren't able to invest that much money in their brands to improve their awareness or image. How can then prove a given consumer then that they can be trusted? "There is a need not just for a piece of software," he added, "there is space here for building a platform for a trusted third party, a go-between which will ensure consumers, whoever they are buying from, they can go ahead without further trouble." A recent example has also shown us that ethics was part of that equation, as much as if not much more than brand reputation.

James Roper: "What is required is an index depicting the level of trust"

Conversely, how could vendors too judge whether clients can be trusted?

In James Roper's eyes, more can be done to establish trust in commerce: this is a process, in which not only customers need to be reassured, but e-merchants too. "I'd like to turn this thing on its head and also be able to look at the trust in the consumer. Some consumers aren't to be trusted because they have failed to issue payments or aren't reliable," he declared.

"What is required is an index depicting the level of trust. If there is a good trust management system there will be fewer disputes and if the number of disputes is lower, there will be lesser impact on our revenues."

What will make a difference, undoubtedly, is customer experience, and it's a two-way process.

*The Youstice Prague meeting participants were Leah Wing, Ethan Katsh, Doc Searls, Joyce Searls, Pablo Cortes, James Roper, Gregory Hunt, Phillipe Rambaud, Jean Manuel Caparros and the Youstice team was made of Iveta Havlova, Zuzka Jakubkova, Zbynek Loebl, Karina Ludz, Juraj Ondriš, Ivan Sivak, and Emmanuel Mouclier.