

NANO TOOLS FOR LEADERS®

DIGNIFY YOUR CUSTOMERS: THREE LEVERS TO PULL

Nano Tools for Leaders® are fast, effective leadership tools that you can learn and start using in less than 15 minutes—with the potential to significantly impact your success as a leader and the engagement and productivity of the people you lead.

GOAL

Gain and retain loyal customers by affirming their marketplace dignity.

NANO TOOL

Marketers have long tried to crack the code of consumer behavior, yet the mystery endures—why do even the most outstanding products sometimes fail to capture consumer interest? Most theories acknowledge the role of reason and emotion in purchasing decisions, but fail to take into account a third dimension of customers' behavior and decision making: dignity.

Research shows that when consumers have a marketplace experience that compromises or denies their dignity—being valued and respected by others for who they are—they are less likely to return for future transactions. And they're more likely to share their negative experience with others.

Alternately, marketplace dignity can significantly increase the likelihood of repeat business, while also elevating your brand and its reputation. And advancing dignity doesn't conflict with effective business practices. But respecting your customers' dignity at every touchpoint with your brand can be trickier than it sounds—having a vision, articulating a purpose, driving for sustainability, or broadening your social impact don't guarantee it. And many brands have learned the hard way that doing the right thing in the wrong way can backfire dramatically (as Burger King found out in 2021 with its "Women Belong in the Kitchen" tweet on International Women's Day, designed to draw attention to the gender disparity in the culinary industry).

To affirm marketplace dignity to every customer throughout their journey with your brand, implement three distinct levers in your marketing and customer-care practices. Strengthening your focus on dignity can help you ensure that you truly deliver on your purpose in ways that bring value not only to your target consumers, but to the marketplace as a whole.

ACTION STEPS

The three levers in the Marketplace Dignity Framework were identified through 25 large-scale studies conducted over seven years in the U.S., Africa, Latin America, and India. They are intended to be applied throughout the customer journey.

- 1. Representation:** Making people feel seen and heard can be as simple as using their name (as long as you pronounce it correctly), employing people who look and sound like your customer base, or representing your customers in advertising. But to work it has to be done authentically (LGBTQ representation only during Pride Month, for example, is often seen as inauthentic). Representation has relevance in every stage of the customer journey, from product design to customer service to marketing.



- 2. Agency:** When your customers feel they have options and a meaningful chance to consent about their experiences with your brand, they feel empowered, enfranchised, and in control. Require consent when you collect data about people, give them control over their subscriptions, and don't overload them with choices.
- 3. Equality:** Customers want to know you see them as peers, and that everyone receives the same even-handed and nondiscriminatory consideration and treatment regardless of traits such as age, sex, size, or race. Loyalty programs and premiums for different customer segments can still work, but your explanation of differential treatment must be seen as fair.

HOW LEADERS USE IT

Southwest Airlines recently announced it was doing away with its open seating policy, which had been framed as offering consumers choice. In reality, unassigned seating creates a stressful and chaotic boarding process, which makes consumers feel as though they don't have control over their experience. By moving choice farther up the consumer journey to time of booking, and offering additional options like extra legroom, Southwest is actually doing more to affirm their consumers' dignity than under the former plan.

Specialty retailer and staple of U.S. malls for decades, Spencer's is known for its edgy, novelty product offerings that cater to a youthful demographic. CEO Steven Silverstein says the company affirms its customers' dignity by stocking an eclectic assortment of items that provide real choice with no judgment from its employees (who are referred to as "party hosts" to their customer guests). "Because we've been here for such a long time ... people understand our brand [and] they can opt in. They can choose to be part of Spencer's. And once they cross the threshold, we accept them—and they can control their experience."

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ABOUT NANO TOOLS

Nano Tools for Leaders® was conceived and developed by Deb Giffen, MCC, director of Custom Programs at Wharton Executive Education. *Nano Tools for Leaders*® is a collaboration between joint sponsors Wharton Executive Education and Wharton's Center for Leadership and Change Management. This collaboration is led by Professors Michael Useem and John Paul MacDuffie.