

Marcin Lewicki
Uniwersytet Ekonomiczny w Poznaniu

The Reciprocity Rule in Electronic Commerce

Summary

The main purpose of this article is to present the principle of reciprocity as one of the main techniques of persuasion commonly used in e-commerce. In the first part of the article, the principle of reciprocity is defined and studies indicating its impact on human behaviour is discussed. The principle has been mostly popularised by the publication of R. Cialdini; nevertheless, it is emphasised that the first studies in that topic were conducted in the 1960s by Alvin Gouldner. In the following section, the basic techniques for the principle application is discussed. Then, based on different examples, application of the principle in e-commerce is widely discussed. At the end of the paper, the common application of the principle in e-commerce is clearly stressed. A clear cognitive gap is identified, referring to the lack of empirical data on the actual impact of the principle of reciprocity on e-commerce effectiveness.

Key words: reciprocity, e-commerce, persuasion, influence, consumer behaviour.

JEL codes: D70, D80, M31, L81

Introduction

The principle of reciprocity is one of the main techniques to influence people distinguished by Robert Cialdini. The author in his best-selling book identified six manipulative techniques (Cialdini, 2014, p. 36-75) i.e.:

- Reciprocity,
- Commitment and Consistency,
- Social Proof,
- Liking,
- Authority,
- Scarcity.

The abovementioned principles find their application in the daily life of almost every human being. Moreover, customers often do not realize that they are under their influence. Undoubtly, this situation is a consequence of, among others, aspirations of retailers to seek new ways to increase their sales and their constantly growing knowledge of human behaviour. Cialdini's principles represent in this case an invaluable tool for any entrepreneur, including those who operate in Internet. Accordingly, the main aim of this article is to present norm of reciprocity as one of the main technique of persuasion used in e-commerce. Specific aims include: an explanation of the reciprocity principle working mechanism, an exempli-

fication of studies within the indicated field, a presentation of e-commerce companies who successfully use the reciprocity norm.

Source material and research methods

Implementation of the aims adopted in the article required the use of data from both, secondary and primary sources.

In the case of secondary sources, the primary method of data collection carried out by the author were literature studies. The main emphasis in their area has been put on discussion about the conducted research on the subject. On their basis, the norm of reciprocity has been defined and its working mechanism has been presented.

Used in the article primary sources were collected using the non-survey method i.e. the observation method (Kaczmarczyk 2011). The subject of observations were the activities of companies operating in e-commerce, especially the way of presenting the offer to customers. The data collected from primary sources enabled the realization of the objective of identifying areas of application of the reciprocation norm in e-commerce.

The norm of reciprocity as a technique of persuasion

The rule of reciprocity implies that if a person does a favor to the other, a bond between the persons will be created, which in result will cause the recipient to reciprocate the favor (the recipient will feel a strong sense of commitment). At the time, in which a person is doing a favor to the other with a hidden aim of achieving something in return in a future – the norm becomes a tool of manipulation.

The principle of reciprocity has been undoubtedly highly popularized through R. Cialdini's book „Influence The Psychology of Persuasion”. Nevertheless, the term itself is present in the literature since 1960 when Alvin Gouldner, did describe it in his article (Gouldner 1960). Gouldner stressed the importance of reciprocity to the sustainability of social systems. The norm was also the subject of discussion in later works, where it was emphasized that the existence of a specific chain of commitments is not only the essence of what makes us human, but also an element binding individuals in highly effective teams (Cialdini 2014). The norm of reciprocity is the subject of many scientific fields, from anthropology, through psychology, ending with economics. As Marcel Mauss pointed out in his work (Mauss 1954), the obligation to give, the obligation to receive and the obligation to reciprocate occurs in almost ever human culture. The fact that these obligations are deeply rooted in human cultures is one of the main determinants of the principle strength – which in a certain sense is a natural human impulse. Another important determinant that should be named in this very moment is also the simple fact that request rejection has a negative effect on a person who refused and is creating unpleasant psychological tension which also results in condemnation from

the social group (Wedekind, Milinski 2000). Both determinants make defense against the influence of the norm very difficult.

One of the first attempts to prove the strength of reciprocity rule was the experiment conducted by Dennis T. Regan in 1971 (Regan 1971). The main question that Regan tried to find answer to in his experiment was: „*Will receiving a favor make a person more likely to comply with a request from the favor-doer?*”. In order to achieve the experiment goals, subjects (i.e. 81 freshman males of Stanford University) were randomly assigned to the six different experimental conditions that were designed based on three different favor treatments and two different levels of liking. Liking was manipulated by the fact that half of the subjects saw confederate behave in a pleasant and reasonable way, while the other half saw him behave unpleasantly or even in a nasty manner. Favor was manipulated by the fact that one third of the subjects were subsequently given a soft drink by the confederate, another third were given a soft drink by the experimenter, the rest of the subjects did not receive a favor. One of the most important was the last part of the experiment in which all subjects were asked by the confederate to purchase some raffle tickets – this way, the number of tickets purchased has become the measure of the subject’s compliance. The results did prove that a favor will strongly increase compliance with a request (on the other hand, worth noticing is the fact that liking as factor that could affect compliance was not supported by the results).

The experiment from Dennis T. Regan, through the years, was followed by many other studies, that confirmed the norm of reciprocity and its influence on human behaviour, eg.:

- In 1976 Phillip R. Kunz and Michael Woolcott (Kunz, Woolcott 1976) did publish the results of studies in which they sent Christmas cards to people they had never met, as it turned out most of the recipients responded by mailing back Christmas cards. It should be also noted that results of their experiment did show that each of the main factors taken into account (location of receiver, receiver status, card quality, and sender status) had a significant effect on responses.
- In 2000 group of researchers (Singer, Hoewyk, Maher 2000) took an effort to carry out experiments about incentives and how they influence response rates to surveys. The studies did show that prepaid incentives, (i.e. in this case small financial reward) paid to respondents before they actually answered survey, increased the response rate.
- In 2002 (Strohmetz, Rind, Reed, Fisher, Lynn 2002) another two experiments were conducted to evaluate the impact of giving an unexpected gift (i.e. candy when delivering the check) on the tip percentages received by servers. Experiment 1 found that customers who received the gift tipped more. Experiment 2 found that tips varied based on the significance of the gift (i.e. amount of candies given) and the manner it had been offered. Both of the results proved again the strength of reciprocity.

There is no discussion as to whether reciprocity norm influences human behaviour or not. In fact any further studies in the area lead to very similar conclusions – proving that reciprocity can be successfully used in order to achieve different goals. Where most of the experiments differ is the research subject and the field of studies. Examples of reciprocity use can be found in various areas of interest including politics, fundraising, negotiations. Nevertheless, one of the most commonly studied field is retail.

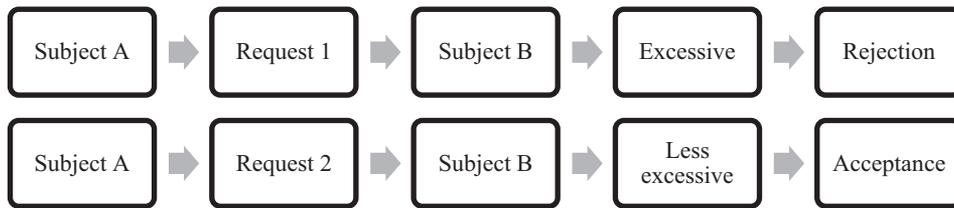
The basic tactics to use the norm of reciprocity

There are three basic tactics to use the norm of reciprocity (Cialdini 2014).

In the first case the subject A formulates the request 1, which is very high (almost ridiculous). The subject A expects that the request 1 will be rejected by the subject B due to the request character. After the actual rejection of the request 1, the subject A takes another attempt, this time by formulating the request 2, which is much smaller in relation to the request 1. The subject B takes into account that it has already rejected the request 1, and that the request 2 is actually much smaller than the requests 1. This situation creates strong psychological tension and as a result, the subject B decides to fulfill the request 2 (See Graph 1.).

Graph 1

Rule of reciprocity scheme 1 – Lowering requests

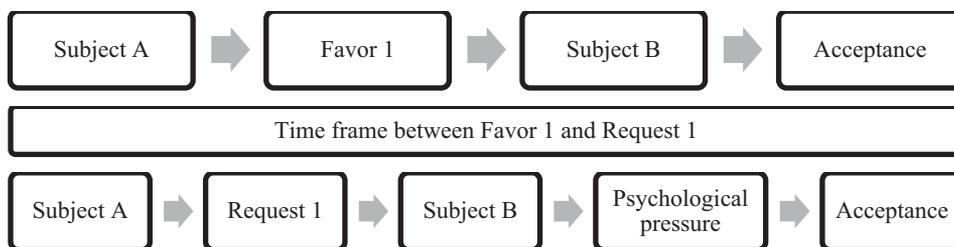


Source: Own work based on: Cialdini (2014).

In the second case, the subject A does the favor 1 to the subject B and does not want anything in return. After waiting some time, the subject A returns to the subject B with the request 1. The subject B is under psychological pressure because of accepting favor 1 and not reciprocating it back then. As a result the subject B decides to reciprocate by fulfilling the request 1 (See Graph 2).

Graph 2

Rule of reciprocity scheme 2 – Postponing requests

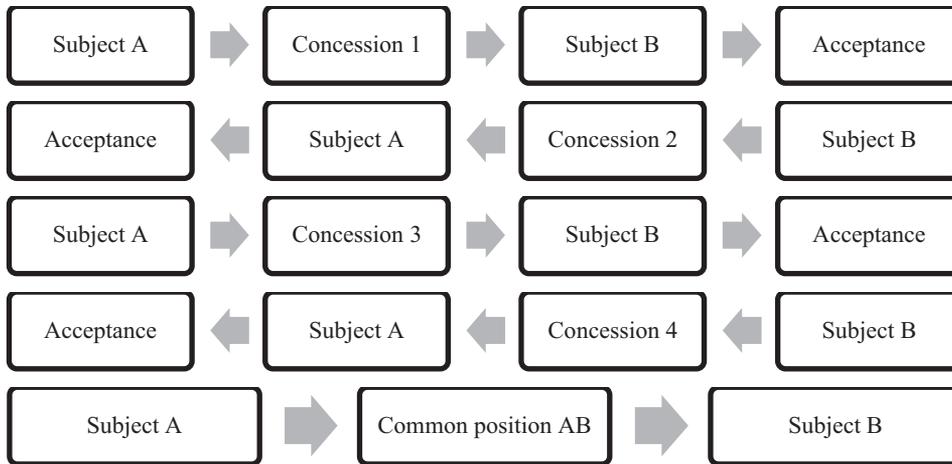


Source: like in Graph 1.

In the third case, the reciprocity principle is used as a technique for negotiations to achieve desired end state. Individuals participating in the negotiation process, i.e. the subject A and the subject B, both make concessions in relation to their proposals based on the rule “concession for concession”. The process continues until reaching a solution acceptable to both parties.

Graph 3

Rule of reciprocity scheme 3 – Concession for concession



Source: like in Graph 1.

Given the scope of this article, it should be noted that each of the tactics described above is applicable in the field of retail, as a result it is also applicable for e-commerce. At the same time, relatively, the most commonly used technique is the one presented on Graph 2. (confirmation of this statement are the observations that are presented further in the paper).

Examples of the reciprocation principle use in e-commerce

There are many different tools to use reciprocity principle in e-commerce (See Table 1). It should be noted that most of them have been known for a long time for their use in stationary commerce and retail (where they are part of the marketing mix e.i. the promotion tool). In general it is possible to distinguish two main groups of reciprocation tools that are widely used in e-commerce.

The first group includes all kinds of free gifts that e-shop/e-service can offer to its customers. This may encompass special offers (in a form of discount or any other sales promotion), product samples (both in material and electronic form) and other gifts (often small

surprises delivered with an ordered product). Looking at different e-commerce websites, it is very hard to find any exception of a company that would not use these tools to increase its conversion rate. One of the biggest e-commerce businesses, i.e. Amazon.com may be used as a benchmark in this case (Yacubovich 2015). Amazon in its offer is making a lot of concessions, where one of the most obvious is offering free shipping along with reduced price (Picture 1). Another form used by Amazon is Amazon Prime (Picture 2) service where those who decided to subscribe it, “*in addition to Free Two-Day Shipping, also enjoy access to thousands of movies and TV shows, ad-free music, unlimited photo storage, and Kindle books*”. To strengthen the effect of reciprocity, customers can start 30-day free trial, after which they need to pay for the service continuation 99\$ a year. Importantly, enrolling in the program is also opening up many new possibilities for further personalization (i.e. more personalized gifts).

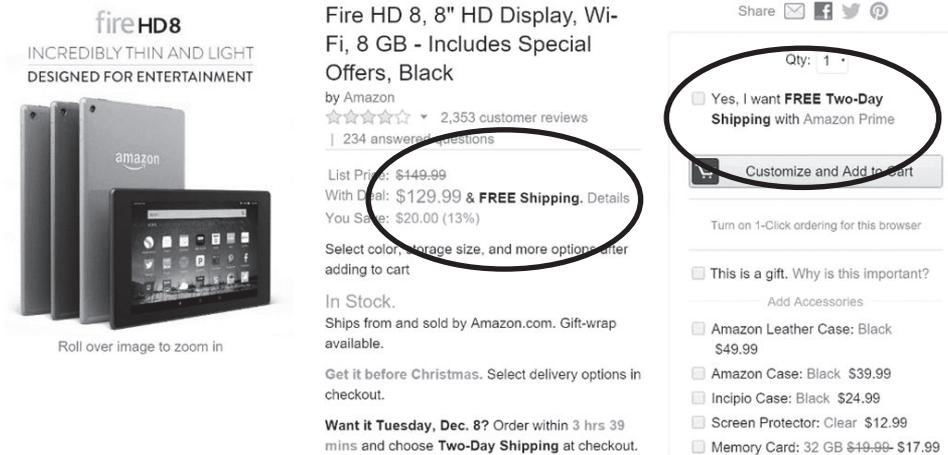
Table 1
Methodes of reciprocation use in e-commerce

Tool group	Tools
Free Gifts	<ul style="list-style-type: none"> • Special (discount) offers • Product samples • Other gifts • Access to free information
Customer contact	<ul style="list-style-type: none"> • Appreciation cards/notes • E-mail marketing • Engaging customers through social media • Points collecting programs

Source: Own work.

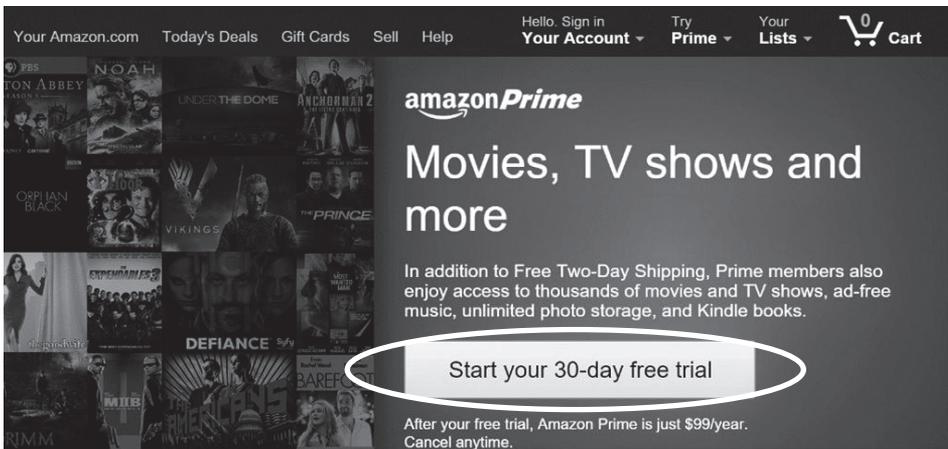
The second group of tools is strongly connected with nurturing a contact with customers. There is no doubt that Internet gives almost unlimited capabilities for the personalization – including fully personalized contact with customers. One of the simplest tool used within the group is an appreciation card/note that given e-shop/e-service can either add to a delivered product/service or mail to a customer during any part of purchase process. To name an example of perfectly using the tool it is worth to look at Jawbone.com, a world-leader in consumer technology and wearable devices, building hardware products and software platforms powered by data science. To appreciate their customers, the company has a habit of inserting in its deliveries a handwritten thank-you cards. (Picture 3). Worth noticing, the action taken by Jawbone led automatically to engaging customers through social media (Picture 4). Naturally, once discussion has moved to social media channel, another possibilities have arisen. The last tool in the indicated group i.e. e-mail marketing may be used in a variety of fashions. The tool itself is relatively complexed (when compared to the other in the group). Nevertheless, the value of succesful e-mail campaign should not be underestimated (Królewski, Sala 2014) as its ROI often reaches even 3800% (i.e. 1 PLN invested can

Picture 1
Reciprocity norm on Amazon.com



Source: Own work based on: Amazon.com (2015).

Picture 2
Reciprocity norm and Amazon Prime

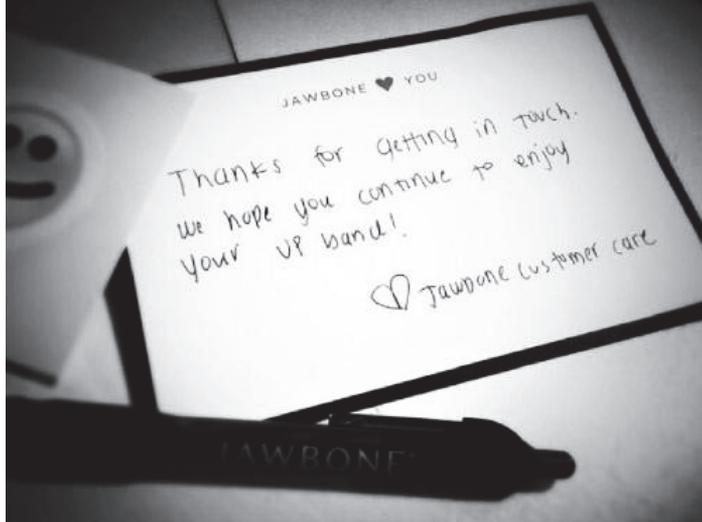


Source: like in Picture 1.

possibly bring 38 PLN of income). A simple example of reciprocity norm in e-mail can be seen in WarbyParker.com, a company selling glasses (Picture 5). In its e-mail, the company reminds a customer about an expiration of glasses prescription, moreover WarbyParker.com offers help with an appointment with an optometrist to get a new prescription.

Picture 3

Reciprocity norm on Jawbone.com



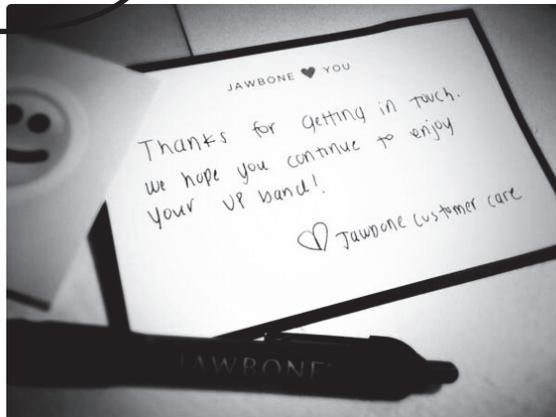
Source: <http://www.helpscout.net/blog/customer-service-tips/> [access: 07.12.2015].

Picture 4

Social media effect of Jawbone.com handwritten appreciation cards

Dear every company that cares about its customer service: this is how you do it. Bravo, @Jawbone.

© Zobacz tłumaczenie



Source: Own work based on: https://twitter.com/forsie/status/340277540415500288/photo/1?ref_src=twsrc%5Etfw [access: 07.12.2015].

Picture 5

Example of WarbyParker.com e-mail marketing

WARBY PARKER

DEAR JOE

Greetings from Warby Parker!
Hope you're doing great.

We're writing because it looks like your prescription will expire on

8/24/2014

(That's pretty soon)

If you're thinking about new glasses, it might be convenient to purchase them before your prescription expires. We'd be happy to help you find an amazing pair!

[SHOP MEN >](#) [SHOP WOMEN >](#)

NEED A NEW RX?

Getting a new prescription can be a hassle. Luckily, it's easy to make an appointment with an optometrist at our Newbury Street Store or through our friends at ZocDoc.

Our eyes are constantly changing, so we recommend annual eye exams to maintain good eye health and to ensure your prescription is giving you the best possible vision.

Let us know if we can help with any prescription questions.

WARBYPARKER.COM | BUY A PAIR, GIVE A PAIR | 888-492-7297 (M-F 9AM-9PM, ET)
FACEBOOK TWITTER INSTAGRAM

Source: <http://blog.hubspot.com/marketing/email-marketing-examples-list> [access: 07.12.2015].

The last tool distinguished within the second group are points collecting programs. As a tool it is used in a manner in which a company rewards its customers for different actions. These actions may include: writing product/service review, sharing news about product/service on social media, purchasing a product, taking a photo of customer using a product/

service from a company etc. The PhilipKingsley.co.uk (an UK based hair care company) is an example of successfully implementing one of the most developed points collecting program. The company offers variety of ways to earn points, moreover it also introduces bonus points levels (Picture 6).

Picture 6
Points collecting program in PhilipKingsley.co.uk

WELCOME TO THE PHILIP KINGSLEY LOYALTY PROGRAMME

£1 = 1PK
 SPEND EARN

HOW TO EARN PK POINTS?
 SPEND
 EARN
 REDEEM

WAYS TO EARN PK POINTS

You can earn additional PK Points by interacting with the Philip Kingsley website.

- 10 PK POINTS REGISTER AN ACCOUNT
- 15 PK POINTS REVIEW A PRODUCT
- 10 PK POINTS SIGN UP NEWSLETTER
- 5 PK POINTS SUGGEST TO FRIENDS
- 10 PK POINTS LIKE ON FACEBOOK
- BONUS PK POINTS SEE BELOW

Source: Own work based on: <https://www.philipkingsley.co.uk/customer-services/loyalty-programme/> [access: 07.12.2015].

Conclusions

The principle of reciprocation undoubtedly is one of the most commonly used techniques of persuasion used in e-commerce. It is possible to distinguish three main tactics for its implementation i.e. lowering requests, postponing request, concession for concession, from which the second one is by far the most popularized in e-commerce. It is also possible to define two main groups of tools that could be used by companies operating in Internet i.e. free gifts and customer contact. Both of the defined groups tend to be used equally by e-shops/e-services. Often companies try to implement in their websites as many tools as possible – trying to increase their sales this way. Despite there are some „ultimate” solutions that try to build their position on the broadest possible use of reciprocity norm (eg. Amazon Prime service), most of the e-commerce businesses use the simplest solutions in form of free delivery option, „thank-you” message in e-mail sent or discounts for their customers. The examples presented within the paper prove however that more sophisticated approach can be taken even when it comes to simplest solutions (eg. handwritten gift cards from Jawbone.com).

There is no question if the reciprocity norm can increase customer retention and subsequently company profits. The Internet is full of blogs and articles about increasing conversion rate on website in which reciprocity principle stands out as one of the best solutions. One of such websites is Nielsen Norman Group (Budiu 2014). Nevertheless it should be noted, that there is significant cognitive gap (similar to the one identified previously by the author in his paper about principle of scarcity and its use in e-commerce (Lewicki 2015), i.e. the absence of any data that would show the effectiveness of reciprocity in the form of profit or CR (Conversion Rate) value increase. Therefore further research in the field, that would help decrease the gap is required.

Bibliography

- Amazon.com (2015), <http://www.amazon.com> [access: 07.12.2015].
- Budiu R. (2014), *The Reciprocity Principle: Give Before You Take in Web Design*, <http://www.nngroup.com/articles/reciprocity-principle> [access: 07.12.2015].
- Cialdini R. (2014), *Wywieranie wpływu na ludzi Teoria i praktyka*, GWP, Gdańsk.
- Ciotti G. (2015), *15 Traits of Top-Tier Support Departments*, <http://www.helpscout.net/blog/customer-service-tips> [access: 07.12.2015].
- Gouldner A. (1960), *The Norm of Reciprocity: A Preliminary Statement*, „American Sociological Review”, No. 25, <http://media.pfeiffer.edu/lridener/courses/NORMRECP.HTML> [access: 07.12.2015].
- Kaczmarczyk S. (2011), *Badania marketingowe Podstawy metodyczne*, PWE, Warszawa.
- Kolowich L. (2015), *12 of the Best Email Marketing Examples You've Ever Seen (And Why They're Great)*, <http://blog.hubspot.com/marketing/email-marketing-examples-list> [access: 07.12.2015].
- Królewski J., Sala P. (2014), *E-marketing. Współczesne trendy. Pakiet startowy*, Wydawnictwo Naukowe PWN, Warszawa.

- Kunz P.R., Woolcott M. (1976), *Season's greetings: From my status to yours*, "Social Science Research", Vol. 5(3), <http://www.sciencedirect.com/science/article/pii/0049089X7690003X> [access: 07.12.2015].
- Lewicki M. (2015), *Reguła niedostępności w handlu elektronicznym*, „Marketing i Rynek”, nr 10, http://www.pwe.com.pl/files/1276809751/file/mir102015zawartosc_cd.pdf [access: 07.12.2015].
- Mauss M. (1954), *The gift. Routledge Classics. London and New York*, <https://libcom.org/files/Mauss%20-%20The%20Gift.pdf> [access: 07.12.2015].
- PhilipKingsley.com.uk (2015), <https://www.philipkingsley.co.uk/customer-services/loyalty-programme> [access: 07.12.2015].
- Regan D. (1971), *Effects of a favor and liking on compliance*, "Journal of Experimental Social Psychology", Vol. 7, Iss. 6, http://med.stanford.edu/doi/journal%20articles/Regan_DT-Effects_of_A_Favor_and_Liking_on_Compliance.pdf [access: 07.12.2015].
- Singer E., Van Hoewyk J., Maher M.,P. (2000), *Experiments with Incentives in Telephone Surveys*, "Public Opinion Quarterly", Vol. 64, Iss. 2, <http://poq.oxfordjournals.org/content/64/2/171.full.pdf+html> [access: 07.12.2015].
- Strohmetz D.B., Rind B., Fisher R., Lynn M. (2002), *Sweetening the till: The use of candy to increase restaurant tipping*, "Journal of Applied Social Psychology", No. 32(2), <http://scholarship.sha.cornell.edu/articles/130> [access: 07.12.2015].
- Twitter.com (2015), https://twitter.com/forsie/status/340277540415500288/photo/1?ref_src=twsrc%5Etfw [access: 07.12.2015].
- Wedekind C., Milinski M. (2000), *Cooperation Through Image Scoring in Humans*, "Science", No. 288, http://www.researchgate.net/publication/12520400_Cooperation_Through_Image_Scoring_in_Humans [access: 07.12.2015].
- Yacubovich O. (2015), *6 Scientific Principles of Persuasion All Smart Ecommerce Founders Know*, <https://www.shopify.com/enterprise/44331971-6-scientific-principles-of-persuasion-all-smart-ecommerce-founders-know> [access: 15.10.2015].

Reguła wzajemności w handlu elektronicznym

Streszczenie

Głównym celem artykułu jest przedstawienie reguły wzajemności jako jednej z głównych technik perswazji powszechnie stosowanej w e-handlu. W pierwszej części zdefiniowano pojęcie oraz odwołano się do badań wskazujących na siłę oddziaływania reguły. Reguła wzajemności została spopularyzowana głównie przez publikację R. Cialdiniego, podkreśla się jednak, że pierwsze badania na ten temat przeprowadzono w latach 60. XX wieku, zaś za twórcę terminu należy uznać Alвина Gouldnera. W dalszej części omówiono podstawowe techniki zastosowania reguły, co stanowiło punkt wyjścia do zaprezentowania podstawowych narzędzi służących jej zastosowaniu w e-handlu. Na koniec podkreślono powszechność zastosowania reguły oraz zidentyfikowano wyraźną lukę poznawczą, tj. brak danych empirycznych na temat rzeczywistego wpływu zasady wzajemności na efekty działań w handlu elektronicznym.

Słowa kluczowe: reguła wzajemności, e-handel, wywieranie wpływu, perswazja, zachowania nabywców.

Kody JEL: D70, D80, M31, L81

Правило взаимности в э-коммерции

Резюме

Основная цель статьи – представить правило взаимности в качестве одной из основных техник уговора, общепринятой в э-коммерции. В первой части дали определение понятия и сослались на исследования, указывающие силу воздействия правила. Правило взаимности было популяризовано в основном публикацией Р. Кьялдини, тем не менее подчеркивают, что первые исследования по этой теме провели в шестидесятые годы XX века, а автором термина следует признать Алвина Гоулднера. В дальнейшей части обсудили основные техники применения правила, что представляло собой исходную точку для представления основных инструментов, служащих его применению в э-коммерции. Наконец, подчеркнули популярность применения правила и выявили заметную познавательную брешь, т.е. отсутствие эмпирических данных насчет действительного влияния правила взаимности на эффекты действий в электронной торговле.

Ключевые слова: правило взаимности, э-коммерция, оказание воздействия, уговор, поведение покупателей.

Коды JEL: D70, D80, M31, L81

Artykuł nadesłany do redakcji w kwietniu 2016 roku

© All rights reserved

Afiliacja:
dr Marcin Lewicki
Uniwersytet Ekonomiczny w Poznaniu
Wydział Zarządzania
Al. Niepodległości 10
61-875 Poznań
tel.: 61 856 94 24
e-mail: marcin.lewicki@ue.poznan.pl