Preventing the premature death of relationship marketing.

by Susan Fournier, Susan Dobscha and David Glen Mick

The premature death of relationship marketing can only be attributed to the perverted use of the concept by marketers, whose concept of the relationship is one-way. Marketers are listening to customers only in terms of what they want in the product and not how they are sold. The selling techniques of many marketers oftentimes are being interpreted by customers as an invasion of their privacy.

To save relationship marketing, managers will need to separate rhetoric from reality.

RELATIONSHIP MARKETING is in vogue. Managers talk it up. Companies profess to do it in new and better ways every day. Academics extol its merits. And why not? The new, increasingly efficient ways that companies have of understanding and responding to customers' needs and preferences seemingly allow them to build more meaningful connections with consumers than ever before. These connections promise to benefit the bottom line by reducing costs and increasing revenues.

Unfortunately, a close look suggests that relationships between companies and consumers are troubled at best. When we talk to people about their lives as consumers, we do not hear praise for their so-called corporate partners. Instead, we hear about the confusing, stressful, insensitive, and manipulative marketplace in which they feel trapped and victimized. Companies may delight in learning more about their customers than ever before and in providing features and services to please every possible palate. But customers delight in neither. Customers cope. They tolerate sales clerks who hound them with questions every time they buy a battery. They muddle through the plethora of products that line grocery store shelves. They deal with the glut of new features in their computers and cameras. They juggle the flood of invitations to participate in frequent-buyer rewards programs. Customer satisfaction rates in the United States are at an all-time low, while complaints, boycotts, and other expressions of consumer discontent rise. This mounting wave of unhappiness has yet to reach the bottom line. Sooner or later, however, corporate performance will suffer unless relationship marketing becomes what it is supposed to be: the epitome of customer orientation.

Ironically, the very things that marketers are doing to build relationships with customers are often the things that are destroying those relationships. Why? Perhaps we are skimming over the fundamentals of relationship building in our rush to cash in on the potential rewards of creating close connections with our customers. Perhaps we do not understand what creating a relationship really means; that is, how customers' trust and intimacy factor into the connections we are trying to forge. Relationship marketing is powerful in theory but troubled in practice. To prevent its premature death, we need to take the time to figure out how and why we are undermining our own best efforts, as well as how we can get things back on track.

Seeing Through the Eyes of the Consumer

Caught up in our enthusiasm for our information - gathering capabilities and for the potential opportunities that long-term engagements with customers hold, is it possible that we have forgotten that relationships take two? Is it possible that we haven't looked close enough to see that the consumer is not necessarily a willing participant in our relationship mission? Consider relationship marketing from the consumer's point of view.

The number of one-on-one relationships that companies ask consumers to maintain is untenable. As a result, many marketing initiatives seem trivial and useless instead of unique and valuable. Every company wants the rewards of longterm, committed partnerships. But people maintain literally hundreds of one-on-one relationships in their personal lives-with spouses, coworkers, casual acquaintances. And clearly, only a handful of them are of a close and committed nature. How can we expect people to do anymore in their lives as consumers?

"It's overkill," said one woman we interviewed, referring to the number of advances she fields from companies wanting to initiate or improve their relationship with her. "One is more meaningless than the next. I must get ten mailings every day. When I go away for vacation, the accumulation is remarkable. I never look inside the mailings anymore. I just throw them all away.

"The flood of advances from companies undermines any one overture so that it doesn't matter which company you end up doing business with," said another disillusioned customer. "I started with phone company A, then switched to company B. I got some reward from the second company for switching - I don't remember what. Then company A paid me to come back. It was like I was hunted prey - $50 here, $50 there, $100 to leave company A a second time. I was a college student at the time,improved? and the money was great. But it was crazy. The salespeople on both sides kept telling me how important a

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customer I was to them, but who pays you to be their customer? I wasn't developing a relationship with either company. I was just taking the money."

There's a balance between giving and getting in a good relationship. But when companies ask their customers for friendship, loyalty, and respect, too often they don't give those customers friendship, loyalty, and respect in return. How do we follow through on the assertion that we value one-on-one relationships with our customers? One woman told us of her frustration at being asked to disclose personal information each time she patronizes a certain hotel chain. "I volunteer vital statistics every time," she explained. "Name, I address, method of payment, travel for business or pleasure, number of hotel visits per year. The use to which this information is put remains a mystery to me. Do the clerks know who uses the information and how? No. Are product offerings improved? Not to my knowledge. Do I get a special discount? Certainly not Am I greeted in some special way each time I return? No. And for that matter, suppose I was? If a company did `remember' what drink I ordered from room service the last time I stayed in the hotel, who's to say that I'd want it again? I don't always order a diet soft drink."

The disconnect between the I "give" and the "get" was particularly revealing in one consumer's story of his interactions with a catalog company. "The company has what seems to be a good idea," he recounted. "Each year around the holidays, I it sends out a reminder to its customers, telling them what they ordered the year before and for whom. The problem is, several years ago I ordered presents for the physicians who took care of my mother when she was hospitalized for an emergency medical condition. And each year now, the company reminds me I of that awful time. I even called the company and explained that I don't generally buy presents for the people on that list. I told them why, and I asked for those names to be deleted. The operator was nice enough on the phone and said that the names would be taken off my list. But this fall, there they were again. "

The net effect, according to another consumer we talked to, is relationship marketing that is all `tone way": "Sure, they can call me at dinner, but I can't reach them on the phone. They can send me 100 pieces of mail per year, but I can't register one meaningful response with them. You really want to be my friend? Sure you do. Well, then, what are you going to do for me? Or more to the point, how much is it going to cost me? Companies claim that they're interested in the customer. But the focus is not on the customer - it's on the company."

Companies' claims that customer relationships are valued don't hold water. Sometimes people feel put at a disadvantage by their loyalty. And sometimes a company's preoccupation with its so-called best customers leaves other revenue-generating customers feeling left out and underappreciated. New customers at certain credit-card companies get special introductory interest rates while fees for long-standing customers skyrocket. Loyal customers are inundated with inappropriate or seemingly insignificant corporate mailings-mailings that sometimes treat them as brand-new marketing targets, ignoring their long-standing tenure. One savvy consumer summed up the phenomenon: "Are these the rewards or the punishments of relationship marketing?"

And what of those loyal customers who don't happen to spend enough money to get into a company's inner circle? "I rent cars from one particular company," said one man. "You could call me a loyal customer. I never rent from any other company. But as I learned on my last trip, I am apparently not one of the company's valued customers. We were taking the van from the airport to the rental lot, and the driver asks, 'Who here is a club member?' three people raise their hands and, one by one, get dropped off at their cars. They get all this special treatment, and the rest of us are just sitting there looking around at one another, feeling uncomfortable. Finally, one guy looks at me and says, 'What makes them so special?' I started to explain that those are the company's big-ticket customers, that they spend a lot of money with the company. But as I was talking, I was thinking, Hell, I spend a lot of money here, too. I should be a valued customer. But instead, the company is making me feel like chopped liver. It made me really mad."

In their role as relationship partners, companies need people to think of them as allies and friends; but more often than not, they come across as enemies. Companies claim to offer solutions to consumers' problems; but in fact, they are creating more problems than they solve. Supermarket SKUs have risen to 32,000, with more than 2,500 new products on the shelf vying for attention. Coke is available in more than 50 product and packaging variations, Crest in 55. Snapple at one time logged more than 70 flavor varieties on grocers' shelves-despite the fact that 6 flavors commanded the majority of the company's sales. Some cable television systems on the market today offer more than 700 different channels, though research has shown that the average user is happy to handle 10.

Companies are trying to satisfy-and log a sale on-customers' every desire or fleeting whim. But customers view the scene differently. They see a bewildering array of seemingly undifferentiated product offerings. Companies tend to center their efforts on the potential advantages of being first to market with new, technologically superior products. They view negative

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feedback from consumers as merely temporary resistance to change. An alternative explanation begs notice, however: optimal levels of choice exist, and current product policies consistently exceed those marks.

"I nearly cried the last time I went to buy something for my headache, " one woman said. "Did I have a tension, sign, sinus, or recurring headache? Did I want aspirin, ibuprofen, acetaminophen? Store brand or major brand? I don't know all the answers, but I do know that my headache got worse thinking about them. I just stood there looking at the shelf. I was paralyzed."

"I tried to do something about the chaos," another disgruntled customer recounted. "I was being deluged by catalogs-three, four, five a day. I was saturated with options. I had to put a stop to it. So I called one company that I actually like. I asked where the company had gotten my name. After a few calls, I finally got someone who could tell me. It was another company. So I called that company. And so on, and so on. With every call, I registered my deep disappointment that the company would sell my name and my purchase preferences without my permission. No one seemed to care. The best any of them could do was to agree to take my name off their list - a change that most said wouldn't take effect for about six months. Finally, I gave up. New catalogs kept coming in. I was defeated."

Loss of control, vulnerability, stress, victimization: these are the themes that emerge when we listen to people talk about the products they use, the companies that supply them, and the marketplace as a whole. In fact, we are more likely to hear consumers vent their frustrations about newly acquired products than we are to hear them extol their virtues. Control is experienced simultaneously as loss of control. Gains in efficiency are offset by the creation of more work. Freedom of choice is interpreted as a bind of commitments. These frustrations run deep, threatening the very quality of consumers' lives.

As one consumer said, "The answering machine is great. I catch all these calls that I would have missed otherwise. I don't have to be home to receive calls. But at the same time, I become a slave to that technology. The machine makes me come home and check it every day. The first things I do when I get home: check the mailbox, check the answering machine. And then you are responsible for returning all those calls. If you had no machine, who would be the wiser? It's like a plant. You have to water it to keep it alive. "

"We got a weed eater, and what I have found in having that thing is that you tend not to be quite as conscious about what you are going to trim," said another consumer. "My wife planted little flower beds here and there, and around trees, and it was like, 'No, problem. We have the weed eater!' The problem here isn't that you bought a product and it didn't do its job. The problem is that because the product made something easier, you ended up working more than you would have before. The weed eater led to more weeding! Most technological products do their jobs, and do them well, but they end up generating more work."

The net effect is a consumer who is more likely to view companies as enemies, not allies. Our research suggests that consumers develop coping strategies designed to eliminate, minimize, or otherwise control the deleterious effects the marketplace has on the quality of their lives. Consumers develop "purchase and consumption rules" to get them through the day. They may refuse to set the clock on their VCRs, for example, or they may put off purchasing an item to avoid the challenges of owning it. They also may constrain the use of certain products to limit the negative effects those products have on their lives, say, by leaving their portable phones behind when they work in the garden. They may even hire a professional organizer to help them sift through the chaos and downsize their choices to manageable levels. Consumers don't welcome our advances. They arm themselves to fight back.

Regaining Trust

In 1985, psychologists Michael Argyle and Monica Henderson, professors at Oxford University, defined several basic universal rules of friendship. Among them: provide emotional support, respect privacy and preserve confidences, and be tolerant of other friendships. We've violated each of these rules. In so doing, we've forfeited our customers' trust and, with it, the chance to build the intimacy that results in truly rewarding partnerships. How can we regain that trust? We must start to behave in ways that will show consumers that companies can be valued partners. We, have to prove through our actions that marketing relationships need not be empty, meaningless, or stressful at best.

Judging from consumers' tales, the best place to start is with our new-product-development policies and projects. Time-to-market imperatives, for instance, should be reconsidered from the consumer's point of view. According to marketing researcher Jonlee Andrews, the key reason companies launch extensions that customers perceive as meaningless is that, from inside a rigid brand-management organizational structure, managers simply can't tell what will resonate with consumers and what won't. We need to break out of that mold, recognize that endless introductions create noise not need, and be more rigorous about evaluating consumers' likely reactions to our new products and extensions.

For example, in the area of product design, we might do well to engage social scientists. Their expertise would help engineers eliminate the kinds of features and functions that frustrate or overwhelm consumers. Sony regularly engages cultural anthropologists for this task, whereas Sharp prefers sociologists. Both practices make salient the "human" side of design - where concerns about product performance are augmented by aesthetics and a genuine effort to improve the quality of people’s daily lives. Similarly, we could try harder to ensure that our existing product lines adhere to a quality-of-life-based mission. Some companies seem to be addressing that issue. Procter & Gamble has standardized its products’ formulas and packages, reduced its deluge of promotions and coupons, pruned marginal brands from its lines, and cut back on its dizzying array of new-product launches. Computer manufacturers are offering more user-friendly features and enhanced service support. Auto manufacturers have trimmed product lines on many models and brands by offering platform-based value packages. Some thoughtful initiatives offer customers tangible tools to control the frustrations that overwhelm them. America Online has designed software enhancements that allow customers to block unsolicited E-mail messages; many major department stores now offer "purchase pals" to help customers sort through the dizzying array of products; and a Microsoft-led initiative, called the Simply Interactive PC, promises to make it easier for users to upgrade their machines, quelling the fears of premature obsolescence that plague leading-edge buyers.

But we must ask ourselves, Are these initiatives, and others like them, undertaken with a genuine concern for consumers’ emotional well-being? In positioning for simplicity, are we solving the problem or taking advantage of it? When consumers have to pay a fee for telephone-software-support service after only go days of owning their computers, has the fundamental problem been solved? When consumers pay extra each month for the privilege of overriding their caller-identification feature, have we addressed the basic issue? Are SKUs being cut for the consumer’s sake, or is an empathetic stance just a good way to spin cost cutting?

Once we have our product policies in line, we must rethink the way we solicit and handle our customers’ personal information. The information that companies need to build lasting long-term relationships is extremely private and valuable, so we must treat it with care. We need to remember a forgotten rule: that intimacy and vulnerability are entwined. For example, if a company routinely asks its customers for sensitive information but doesn’t put that information to use, it should stop asking those questions. We must force ourselves out of that safe place where information may someday prove useful for an as-yet-to-be-articulated question and recognize the cumulative price of eroded consumer confidence along the way. We pay for those invasions, so let’s make sure the cost is worth it.

Finally, we must begin to confront our own relationship goals honestly. We can’t expect to develop intense, devoted relationships with every consumer of every product or brand we offer. Why pretend that we can? Let’s put our relationship motives on the table: no fluff, no faked sincerity, no obtuse language, no promises we don’t keep-just honesty about commercial intent. We want consumers’ money-let’s tell them that, and let’s tell them why the deal’s a good one. Nielsen Media Research has recently converted its panelists into "members" who have the "privilege of volunteering to be Nielsen households." Do those families feel any different now than they did before? Are the company’s panelists allied to the company in a more meaningful way than they were in the past? Or has the language fallen flat because there’s nothing to support it?

Attaining Intimacy

Even if we approach all of the above directives with the same zeal with which we have embraced the call of relationship marketing, we still face a tough hurdle. True customer intimacy-the backbone of a successful, rewarding relationship - requires a deep understanding of the context in which our products and services are used in the course of our customers’ day-to-day lives. Put simply, it requires a comprehensive view of consumer behavior. And the foundations of our marketing work-our Western analytic research methods-are simply not capable of providing that view. They have set us up to fail, time and again.

Consider for a moment how we measure the capstone of relationship marketing: customer satisfaction. Is it simply a question of expectations versus actual performance on a given attribute of a product or service? Is it a static, context-free rating on a five-point scale? The stories of consumers on the edge suggest that they aren’t simply pleased or displeased with their computers, their answering machines, their trips to the grocery store. They are satisfied or dissatisfied with the quality of their lives in today’s world. For contemporary consumers, product satisfaction is linked inextricably with life satisfaction, and companies must attend to both these dimensions if they expect to win.

Let’s face it: problem-focused research studies and runaway numbers crunching are misleading. They are not designed to reveal the kind of consumer discontent we're describing; and in fact, they may get in the way of such insights. Isolated ratings of the sugar content in cereal or the readability of digital displays tell us nothing about despairing consumers and the role that marketing policies play in exacerbating their discontent. To get inside people's heads, marketers need to turn to the tools of ethnography and phenomenology: qualitative social-science methods dedicated to richly describing and interpreting people's lives. Videotapes and photography also are good reporting tools. They can reveal what a "day in the life of the customer" is all about. Finally, longterm studies work better than ad hoc surveys in painting an accurate picture of how consumers react to and use products.

We also can tap into underutilized data scattered within organizations to develop a more complete and intimate picture of consumers. Customer-service hot lines, for example, are a source of great insight, but few companies use them for that purpose. Ironically, many have outsourced their 800-number services and customer:response hot lines in the wake of cost cutbacks. Another underutilized resource is the World Wide Web. Because marketers do not directly maintain or intervene in product discussion groups, the conversations that develop there are especially revealing. Managers at Intel learned quickly-but not quickly enough- about the role played by discussion groups in fueling marketplace crises such as the one the company experienced with the Pentium processor. Soap opera writers regularly monitor viewers' reactions to evolving story lines, changing characters and plots in response to the voiced concerns of viewers. Middleburg Interactive Communications in New York has launched a new service called M-3 to serve this very need. M-3 scans the Internet daily for consumer discourse about companies and their brands and then offers its clients advice on how to respond.

There also are many readily available sources of relevant information outside companies. For example, more formal use could be made of trend analyses, such as those offered by the Yankelovich Monitor, Roper Reports, and the Public Pulse. These services provide cutting-edge indicators of shifts in the consumer psyche. Ad agencies also are likely purveyors of trend information. And there's the recently formed International Society for Quality-of-Life Studies, which sponsors annual conferences and publications. Secondary data are another overlooked source of valuable information about consumers. We should be reading our target groups' magazines, watching their television shows, learning what issues dominate their fields of vision, and tracking how those concerns evolve and change over time.

Understanding the consumer will above all require us to get out into the field. And that doesn't just mean the researchers. It means senior managers, middle-level managers, engineers. If the target customer that a Kraft Foods manager is pursuing is the so-called middle-American mom, that manager should rent a van, drive her team to DeSoto, Missouri, and "live with the natives." She should go to church with them, hang out at the local VFW, attend the parent-teacher conference on Thursday night. One of the authors of this article did just that when working for Young and Rubican Advertising. Ten years later, video reports from that field-based research on the "new traditional woman" still inform creatives' opinions about the real consumers of Jell-O and other classic mainstream brands. Perhaps it's time we take the philosophy of "customer visits" embraced in business-to-business marketing into the customer domain.

To be truly effective, however, these methods require grounding in a strong disciplinary base of theory. Simple mastery of methods-long the kingpin of power in a data-intensive world-will no longer suffice. Understanding consumers' experience means embracing theories of philosophy, communications, counseling, psychology, and religious studies. Even such disciplines as medicine, law, and literature have a lot to offer. Each can give us a new, broad perspective on the emotional lives of our consumers and help us get past the narrow views that training has inured us to.

We can't do all this without redressing the role of marketing research. If researchers were truly the consumer specialists we intend them to be, primarily responsible for understanding their customer-mainstream Americans, technophobes, or whatever segmentation is deemed relevant - we would no longer think of them as tacticians, reporters, data crunchers, or facilitators of focus groups on a company's latest ad campaigns. Instead, they would be strategic specialists with a mandate to develop and communicate throughout the company an empathetic understanding of target consumers. The researcher would serve as kingpin of the entire relationship-marketing function, ensuring that the consumer was represented accurately and responsibly in the company's value creation and delivery processes.

In the 1980s, advertising-agency account planners and qualitative research consultants performed the task of consumer specialists. Clients didn't have time for such basic research, what with all the scanner data there were to process and all the new-product concepts there were to screen. With downsizing, cutbacks, and identity crises within the discipline, there was no one left inside the company to assume these responsibilities anyway. But is this a function we want farmed out? If ever there was a

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capacity that must be served within the organization, this is it. This is where the consumer intermediary function is performed. This is, in effect, the foundation of the entire marketing discipline.

Marketers serve as the boundary between the consumer and the company. And in that capacity, they are both representatives of the company and advocates for the customer's point of view. Both roles are critical; and yet in recent years, the balance has become selfishly skewed. Relationship marketing as it is currently practiced has not brought us closer to our customers. Instead, it has sent us further afield. Our misguided actions have sparked a consumer backlash that endangers the reputation of relationship marketing, calling into question the viability of the entire marketing discipline going forward.

Relationship marketing can work if it delivers on the principles on which it was founded. It's startling how wrong we've been about what it takes to cultivate intimate relationships with customers. And it is alarming how quickly and thoughtlessly relationships can be destroyed through the muddled actions we often engage in. We've taken advantage of the words for long enough. It's time to think about - and act on what being a partner in a relationship really means.

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