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

PREVENTING THE PREMATURE DEATH OF RELATIONSHIP MARKETING

BY SUSAN FOURNIER, SUSAN DOBSCHA, AND DAVID GLEN MICK
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
Do marketers understand the customers' trust and intimacy factor into the connections they are trying to forge?

And for that matter, suppose I was: If a company did 'remember' what I drank 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 "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, 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 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.

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The operator was nice enough on the phone and said that the names wouldn't 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 "one 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 customers' problems; but in fact, they are creating more problems than they solve. Supermarket SKU's have risen to 35,000, with 5000 new products on the shelf vying for attention. Coke is available in more than 50 product and packaging variations, Crest in 52. 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 feedback from customers 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 want aspirin, ibuprofen, acetaminophen? Stone 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 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. They don't welcome our advances. They arm themselves to fight back.

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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...
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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. Instead, it has sent us further afield. Our misguided relationship-marketing function, ensuring that the consumer was represented accurately and responsibly in the company's value creation and delivery processes.

Marketeters 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 afoul. 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.

Relationship marketing can work if it delivers on the principles on which it was founded. It's starting 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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