

Memoirs of a Mangy Marketer

Perhaps it is natural, as one gets older, to become nostalgic for the good old days. Sharing stories of 50¢ slices of pizza somehow brings you back to the old neighborhood, where everything seemed simpler, and somehow, much better. Sure it's true too that somehow the glory days seem a lot better today than they did back then, and that they probably weren't as great as we now remember them. But, they sure are fun to think back on.

Lately I have been experiencing a yearning for a different kind of good old days – the days when marketing stood for something and the craft of attracting customers to a certain product involved fundamentals like creating a brand, building a relationship, delivering on promises, and offering true value. While I admit that I may have on rose-colored glasses as I long for the past, I'm not certain my vision is that tainted as I witness the trickery and emptiness of today's marketers.

In the good old days marketers sought to demonstrate the purpose of a product because they understood that this is directly related to the perceived value the customer would assign. They then sought to back up the perceived value with certain promises of performance, making sure the customer understood the company's commitment to its products by uses terms like "money back guarantee". Today it seems that the company does not need to live up to its promise because the marketing department has very cleverly avoided making any promises. And the use of terms like money back guarantee are dressed in a series of terms and conditions that more or less negate any promise of satisfaction actually being guaranteed.

The same set of "clever" marketing principles has been applied to the notion of value. Somewhere some marketing whiz realized that raising prices hurt sales, and so the solution that was developed was to dilute the product. So products that used to come in 16 ounce bottles were reduced to 14 ounces, all in the hope that the customer wouldn't notice that the price was the same even though less was being delivered.

The result has been a quiet consumer backlash that has diminished customer loyalty almost to the point that the only factor driving consumer decisions is price. It wasn't always that way. Once, when quality was delivered, there were consumers who were loyal to the brand because of the quality. Once the quality was taken out (to save money, no doubt), the consumer decided that if corporations were depriving them of quality in order to make money, they could select products based on price in order to save money.

Is there any better example than the airline industry? Once upon a time travelers were loyal to an airline. Like Chinese restaurants, everyone swore the one they frequented was the best. Then the distinctions started to melt away. The airlines, in pursuit of saving money, slowly took away all the amenities of flying, leaving passengers with little more than a chair to sit in. This opened the door for thrift airlines like Southwest Airlines and Jet Blue to come along and basically say "all we offer is a chair too, but our prices are so low that's all we're charging for". The consumer realized they were paying amenity fares for chair only service. They switched en masse to the discount carriers.

It seems marketers today are not seeking to develop long term relationships with their customers. The idea today seems to be to sap as much money out of each customer as

quickly as possible because there is no expectation that customer will stick around very long. Marketers seem to be reacting to the lack of customer loyalty, not recognizing that their actions instigated the consumer flight and that they reinforce it with pricing structures and customer service habits that fail to provide customers with a reason to stay.

The cellular carriers are a primary example of this repressive marketing trend. The cell companies are only interested in grabbing as much of their customer's dollars as quickly as possible, under the expectation that once the ridiculously long mandatory service agreement expires the customer will switch to another carrier. Why do they fear this high rate of churn? Because they produce it with their own marketing programs. The wireless carriers offer restrictive usage programs and then penalize (with outrageous fees) subscribers when they – get this – use more of the service. That's right. They penalize customers for using more of their service, thereby encouraging customers to cut back on their usage. Why would they engage in such an insane practice? Because they earn more money on the over program charges than they do on the sale of the program. So even though they are alienating the customer and almost guaranteeing that the customer will have not one iota of loyalty when the contract comes up for review, the money grab continues.

The list goes on. Once customers were loyal to gasoline companies, only filling their tank with one brand of gas. They pulled into the station, exchanged pleasantries with the gas station attendant (for those of you 30 years old and younger - that's someone who actually pumped your gas for you), filled their tires with free air, and every now and then got a free gift for filling up. The gas companies were competing for the customer. Somewhere in the mid-70s they decided (collectively or one at a time) that there were enough customers to go around and that they didn't need customer loyalty. Away went the gas attendant, and in came the machines selling air at 50¢ a pop.

Hell, that's what a slice of pizza used to cost.