

# TRUST IS A FIVE-LETTER WORD

## **In Spite of Relationship Management, Marketers haven't Earned Trust.**

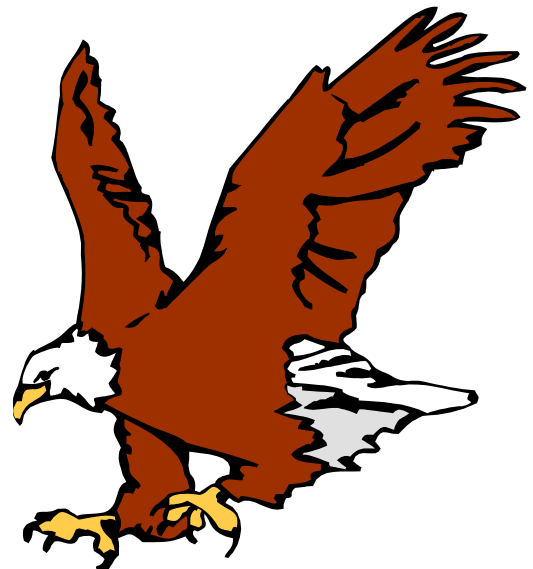
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I've just read that Microsoft is delaying the introduction of its new Customer Relationship Management software (CRM). Lord knows we could all use a little, loving CRM.

I think they should call it Hal.

In the ledger of modern marketing, a customer is an *asset*, a brand is a *property*. Following that Scroogish construction, we can calculate the Consumer Lifetime Value (CLV) of current users and monetize them into an estimate of Total Brand Value (TBV?).

But that kind of accounting is fragile. Consumers create the value of a brand and no one owns consumers. I think when we grow too possessive or too sentimental about the relationship between brands and buyers we get confused and begin to believe our own nonsense.



## The Roving Eye



For example, have you noticed how advertisers are torn between warm and fuzzy strategies to build “relationships” and “trust” with consumers, and their hardedge database and pricing programs to squeeze profits out of them? I guess there’s nothing as warm and fuzzy as shearing sheep. When “trust” is mouthed as a marketing strategy God save us Tiny Tim. It’s as naïve as it is cynical.

The customer/brand relationship is built on performance. When trust becomes an issue consumers call the FTC.

You don’t build trust by using the profits from old customers to subsidize price-off for new ones.

It’s not as if they don’t read, watch TV or open their mail. It simply shows a lack of respect. The marital equivalent of a roving eye.

### **Branding is a bladder-word.**

Then there’s branding. Words may be the skins of ideas. But some words are more like hot air balloons. “Brand” and “branding” qualify as balloon words. It astonishes me how steel-edge micro-managers turn squishy when they talk about *The Brand*. That kind of self-absorption can’t be helpful.

“Brand,” as a noun, is a name or trademark. Brand as an idea, is a cluster of consumer perceptions attaching to a product sold under a specific name. Sure, the idea of a brand also exists in the mind of the marketer, but of the two minds, it’s the consumer’s that counts. Consumers create powerful brands. Marketers manage them.

The abstraction of “brand” as a thing in itself, independent and more important than the consumer response that creates it, focuses corporate America on the wrong thing--the product, which they control, and not the customer, who they don’t. In this sense branding is not marketing. It is simply another form of selling.

### **Relationship Marketing**

Our sudden focus on “relationship marketing” is a symptom of the narcissism encouraged by brand-centric thinking. Unless my bank or long-distance carrier or car dealer has something significant to add to the quality of my life, I would much prefer they not interrupt dinner. And millions of consumers (and now the Government) agree.



It's not just the disruption and the trivialization of “relationship,” but the cynicism. You really want to be my friend? How much does that cost?

Hard to say what it will cost, since there is no one price anymore. Rebates, coupons, special deals abound. Airlines, telecom, credit

cards -- how much the consumer pays is often a matter of timing and the effort the consumer is willing to make to get the better deal.

We have created the high-tech equivalent of a Turkish Bazaar.

Worse still, brands seldom give loyal customers the better deal. They're treated as hostages. I can open a BankOne Visa account and "*save with a low introductory APR of 0%.*" But if I'm a cardholder in good standing, I pay 9.74%. AT&T sends others a check for \$80 to switch, but since I'm a customer they send me a bill. AOL gives away 1,020 free hours, but not to me because I'm a member. The result is I'm never certain I'm getting the right deal from the brands I'm loyally buying. Are you?

What ever happened to the sturdy old relationships built on "a good product at a fair price to everyone?"

Perhaps we need to think less about our brands and more about our customers. They do the real branding in America and they don't read the plan book. They also think about what a brand represents, like: "*It tastes really fresh.*" "*There are no extra charges.*" "*They answer the phone.*" Or "*There's less in the box.*" "*They make me*



*buy a package of six when I only need two.” “They call me at home, but I can't reach them at work.”*

And there's that telephone message, *“we apologize, but all of our agents are busy helping other customers.”* As if it's our loutish impatience, not their short-staffing that has created the problem.

Now there's nothing wrong with imaginative pricing, database mining and a modern phone system. But if trust and relationships are important, that's not how to build them.

And I suspect new Microsoft software will make it worse.

(This revisits a landscape first visited in a 1996 article in Ad Age. Not much has changed.)