

# Listen. Create. Learn.



## The Customer as Hero

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Listen  
Act  
Measure  
Optimize  
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**T**oday's important dialogues are the digital conversations that are increasingly taking place on the Internet directly between the companies that make and sell products and services, and the individual consumers who purchase and use them.

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We have passed from the time when the main function of a company's marketing and advertising was to create awareness of and favorable attitudes for "the product," to a new *customer-centric* era in which the focus of marketers is to understand the current needs, attitudes, and actions of their customers and prospects, and the dynamics of their ongoing behavior. We, in the world of Direct Marketing, have long recognized this. But it is now getting the increasingly widespread attention of marketers.

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Historically, the dominant player in communications has always been the seller of goods or the proponent of ideas, philosophies and even theologies. But that has changed.

Today, the communications hero, who frequently initiates and controls the sales conversation, is the consumer.  
As a consequence, advertising and communication departments whose classical function was to speak must now also become experts at listening.

Successful *customer-centric* companies now know that to engage in relevant dialogues with their customers and prospects, they must have in place state-of-the-art digital direct marketing technologies and highly trained personnel.

Digital technology has changed the content and the context of advertising. It permits us to capture, store, access and analyze data and to use it to make our relationships with customers more personal and our messages to them more relevant. Direct Marketing techniques applied online are replacing the uses of some older media.

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In today's digital *customer-centric* society, the focus of advertising and promotion has moved from the creation of product trials to the creation and retention of loyal, ongoing customers.

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With current state-of-the-art communications strategies and facilities, we can communicate with discrete audiences of many or as few as one. And we are able to make available convenient interactive-media such as free phone numbers and now websites and text messages so that consumers can with equal ease respond to our messages or initiate communications to us.

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We can raise or lower the nature of these data-based dialogues from the simple one-time delivery of general information to more complex conversations that have the potential of creating higher levels of buyer/seller relationships. And that potential, in a digital interactive environment, has led to the practice now known as Relationship Marketing.

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In brief, we can now know with whom we can and should communicate, and about what.

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If the objective of previous generations was to create new customers, ours is to manage and maximize their lifetime value.

If the customer has replaced the product as hero, then we must create a new set of marketing rules to serve him or her.

The fundamental four R's of our digital *consumer-centric* time remain relevance, relationship, repurchase and retention. Those key concepts are made more effective in the new digital world of advertising that we are busily exploring and attempting to master.

Ask yourselves as consumers which products you buy over and over again and why:

*Do you constantly make and re-make those repurchase decisions?*

*Do you think that you have made repeat purchases because you are "loyal"?*

*Or have you set those decisions on a kind of mental automatic mode?*

*Has some kind of advertising or promotion influenced your actions?*

*And if so, can you remember what it was?*

*Would you like to be rewarded for your "loyalty"?*

*Would you prefer not to have to "shop" over and over again for the same items?*

*What I am really asking is, do consumers who switch brands not feel "loyal"?*

*Would they like to be rewarded for their advertent or inadvertent, ongoing repurchases? I would say no to the former and yes to the latter.*

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I cannot overemphasize that point. I am not "loyal" to products or services in the same way that I am loyal to my family, country or faith. Loyalty is another word for fealty. What I am is not loyal but satisfied. And if I remain satisfied, I will continue to buy the same brands.

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However, despite the exaggerated claims, hypes, boasts and overpromises of some of the medicine men in our industry, I believe that we are still some distance away from being able to create the kind of intimate relationships of trust and faith which the philosopher Martin Buber described as "I and Thou." We professionals at commercial persuasion need to learn to use our new digital tools to do better. We must create meaningful and relevant personal dialogues that grow into productive buyer/seller relationships.

In our search for digital relevance, the ability to call a prospect or owner by name or to include one or more simple facts about him or her in our communications doesn't suffice. Too much of what we now practice as interactive marketing is still at an early stage of development.

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These days, there is also too much loose language and thought that go under the name of Relationship Marketing. I can say that with some authority and pride of authorship since it was I who introduced and named the concept more than 50 years ago. We must recognize the fact that most people lead busy lives that are getting busier all the time. They may already have all the relationships they need or probably want.

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In this digital age, I am as busy as I have ever been. I don't need and would resist having a personal "relationship" with the companies that make my toothpaste, soup, soap, pet food or even my automobile. I have neither the time nor the inclination to do it.

I don't purchase things repeatedly because I am loyal. When I do so it is because I am satisfied.

And I will remain a customer of the brands, products and services for as long as they continue to satisfy my needs. And here I should like to introduce a word that I believe applies most accurately to the concepts of loyalty and relationships in our digital age. The word is "ophelimity," which means the ability to give satisfaction. Satisfaction, relationships, loyalty: you can't have one without the others.

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When we examine and evaluate our concern about our brand, brand image or our consumer relationships, we must also take stock of our "ophelimity" quotient. We need to know how much satisfaction our products, services and prices provide. And, most importantly, is that satisfaction growing, lessening or staying the same?

But you can't know that or find it out unless you have some kind of dialogue and information exchange with your customers. The Internet has given us that opportunity. Knowing the consumers' needs is the first step toward satisfying them.

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Let me give you a personal example. I have been leasing and purchasing Lincoln cars for many years, but I don't believe that I have a "relationship" with the Ford Motor Company. Nor am I certain that either you or I need to have one.

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I don't know the name of the person who owns the franchised Lincoln dealership from which I have bought my cars and had them serviced. What I have wanted is quick, efficient, affordable, knowledgeable service, and much to my satisfaction I have received it. And I have also received special attention when I had an emergency.

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My local dealer doesn't know me, but he knows about me. He has a detailed digital record of the cars that I have purchased from him and the work he has done on them. He knows the models, colors and frequency of my purchases. He knows how I pay and that I pay.

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So, in this Age of Digital Relevance, it is the information-based, data-based, commercial speech in increasingly diverse media that has become the engine that is driving the remarkable economies of the developed world. But other, and perhaps more significant, changes are also taking place.

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In our recent past, and all during the Industrial Revolution, it was the manufacturers or the sellers who were in charge. They had an unprecedented arsenal of powerful marketing weapons, the mass production of standardized products at low cost led to mass marketing, mass media and mass advertising. Consumers became the target of the greatest concentration of media and marketing messages in the history of man.

However, in our postindustrial society things have turned around. Consumers have gained what physicists describe as an equal and opposite power. If the Bible described an ancient time when "the voice of the turtle was heard in the land," today's marketing bible would point out, with equal accuracy, that the voice of the consumer is heard in our land.

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And woe to those who won't, don't or can't listen to those voices. Manufacturers and sellers, in times past, used to declare: "This is what I make, don't you want it?"

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Now it is the consumer who declares, "This is what I need, can you make it!"

Listening, or what we call research, has become as important as speech. What we learn is as important as what we know.

Newspaper editorials, interviews, magazine articles of and by economists and politicians speculate almost daily as to how long consumer purchasing will continue to support today's and tomorrow's economies. For example, the lead article on the front page of a recent *Wall Street Journal* asked, "How Much Longer Can Consumers Keep the Economy Afloat?"

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As we all know, it is consumers and their real or imagined sense of well-being that continue to drive the marketplace.

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My generation, in the advertising business, grew up with a media tool-kit that was limited to one-way communication systems. Whether it was print, radio, television, outdoor boards, point of sale or direct mail, it all flowed from sellers to buyers, and most of it was impersonal. It was addressed to consumers unknown.

The many benefits of The Industrial Revolution had some missing components. While it led to mass production, mass marketing, mass media and the mass communication of mass messages, it lost the vital component of information. We knew what kind of people were in our audience, but we never could identify them as individuals, with unique personal characteristics.

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We have been playing information “catch-up,” and we have made a great deal of progress. New digital media flowing from new information technologies are and will continue to change both media and messages and the ways in which we communicate and employ them.

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We are moving from a culture of mass to one that is digital and information-based. It is and will increasingly be directed to customers and prospects in discrete groups or even one at a time.

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So, in addition to being a time of relevance, this is also an era of Personal Marketing. By that, I mean marketing to individually identified persons about whom we have some information, rather than to a nameless and faceless mass. The Internet has and will increasingly be the mainline through which many new forms of digital communications will pass.

In my book, *Being Direct*, I listed 19 Things That All Successful Direct Marketing Companies Know. The next edition of that book or a completely new one will feature only those rules that conform to the requirements of digital communication and the Internet. And how those are and will continue to create interactive buyer-seller relationships. Let me list some of them for you as I believe they now relate to the digital world and the Internet.

### **1. Interactive Marketing on the Internet Is a Strategy, Not a Tactic!**

It is a commitment to getting and keeping valuable customers.

### **2. The Consumer, Not the Product, Must Be the Hero!**

The product must create value for each of its consumers. It must satisfy the consumers' unique differences, not their commonalities. The Internet provides consumers with the means to tell you what they want if you learn how to listen to them.

### **3. Communicate with Each Customer or Prospect as an Audience of One.**

Advertising on the Web must be as relevant to each individual consumer as the product or service is. General advertising and more targeted personal advertising must both be part of a holistic communication strategy.

### **4. Create Relationships.**

Relationships on the Internet continue to grow—encounters do not. The better the buyer-seller relationship, the greater the profit.

### **5. Know and Invest in Each Customer's Lifetime Value.**

Years ago, one automobile dealer was reported to have calculated that a lifetime of cars sold to one customer would be worth \$332,000 at the prices of that time. At today's prices, we would have to multiply that number. The Internet makes it easier to create such long-term relationships at a much lower cost.

### **6. Media Is a Contact Strategy.**

Measurable results from media, not the number of exposures, are what counts. Measurements such as “reach” and “frequency” are going out of date. In our digital age and with the Internet wireless and other emerging technologies we have the opportunity to not only contact the consumer but to engage in interactive relationships anywhere and at any time!

### **7. Be Accessible to Your Customers.**

Be there for your customers. Be their database and source of information. Use the Internet as the mainline to create accessibility through as many channels of communication as possible. Use the Internet as the anchor medium for consumers.

### **8. Acquire Customers With the Intention of Loyalizing Them**

Promotions and price reductions may create customers who have bought the “deal” rather than the product or the brand. The right customers must be persuaded to want what the product does rather than what the promotion offered.

### **9. You Are What You Know**

Data is an expense—knowledge is a bargain. The Internet helps to collect data that can become information, which in turn, can become knowledge. Digital data based knowledge can build on success and minimize risk. A company is no better than what it knows.

Those are some of the rules of the road of today's digital data-based marketplace on which I have focused my attention. The road keeps developing more curves, obstructions and challenges.

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However, staying ahead of the competition requires that we never look back in the rearview mirror but keep our eyes on the road ahead. In marketing and advertising, as in life, there is no substitute for imagination or leadership.

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