

Customer Attention-Deficit Disorder

Ford Motor Company has been in the news a lot lately and we've been thinking: How's it possible that a company which a few short years ago was making record profits—indeed even made a profit last year—is *suddenly* in such dire straights?

One possibility to consider: Ford suffers from customer A.D.D. (Attention Deficit Disorder*).

Remember the Ford Taurus? In 1992, it was a big hit with customers and the industry's best-selling car, with sales of more than 400,000 units. Include the Mercury Sable, and sales exceeded 515,000 units in 1996. Today, the Taurus is history—gone from Ford's lineup! In its stead are two new "F-cars," the Fusion and the 500, competing in the same (now shrinking) space where the Taurus had once held its own alone.

One can't help but wonder what happened here. How can a company with the leading sedan in the U.S. market and a car that had attracted many loyal

Here's another case: Interstate Bakeries, once the leading baker in the U.S. and famed for Andy Warhol iconic products—Wonder Bread and Twinkies—driven into bankruptcy no less for failure to connect to their legions of fans. Really, how many companies can one think of with two such loved brands? But, they got customer A.D.D. too. How does such misfortune befall such powerful brands?

There were other serious management failures along the way, all contributing to the final filing. But had Interstate remained true to its customers, it would be in much better shape today. In some ways, we can empathize with management—quite a lot in fact. It's hard not to develop customer A.D.D. when the foundation brands in your company are so relentlessly attacked by the nutrition-troopers.

Nevertheless, despite all attacks, boycotts, (you name it) Wonder Bread and Twinkies still rock for many customers—deep fried Twinkie medallions with berry sauce and powdered sugar anyone? Thinking about carb-loaded delights, Krispy Kreme and donuts also come to mind. In fact, the all-time award for customer A.D.D. could be coming their way soon. Talk about greed trumping the customer.

Or, take Wal-Mart's present foray into "fashion." Despite a significant commitment (backed by high-profile designers and trend spotters) to offer more profitable, designer-apparel, Wal-Mart has little to show for its four-year effort. Recent results show virtually no improvement, and apparel sales "failed to meet our expectations," according to a recent company statement.

Is it customer A.D.D.? It certainly seems to be a case of "*we don't really need to talk and listen to the customer; all we need to do is put our fashion line out there and it'll fly off the shelves.*"

We're not picking on these companies in particular. They are just current, prominent examples of what happens when companies become remote from, stop listening to—and consequently lose—their connec-

Ford, Wonder Bread and Wal-Mart got A.D.D. and lost their customers.

But they might find a cure at Nissan, Motorola or Ann Taylor.

customers just drop the ball? There aren't many companies we can think of where models (or brands), after years of investment and recruiting of loyal customers (what do they say the lifetime value of an automobile customer is? \$400,000?), are dropped so blithely.

In A.D.D.ition to Ford's Taurus, there's the Contour, the Windstar, the Escort—and don't forget the Galaxy. That's just to name a few now-gone Fords. It would seem that at least a few of the millions of Taurus owners Ford attracted over the years would have formed an attachment to the Taurus model, as in "I drive a Taurus." An attachment worth cultivating for the long haul?

But Ford caught customer A.D.D., forgot the Taurus customer, and now the model, too.

*Attention-Deficit Disorder (sometimes referred to as A.D.D.)

“is thought to be a neurological disorder, always present from childhood, which manifests itself with symptoms such as hyperactivity, forgetfulness, poor impulse control, and distractibility.”

SOURCE: Wikipedia.com

tion to their customers. They develop customer A.D.D.

A few years ago the same could be said of Nissan, Motorola or Ann Taylor—three successful, respected companies with strong customer franchises that came to the brink, or failed, with new products or customer initiatives because they forgot about the people who purchased their products.

Now look where they are: If not paragons of customer connectedness, then these three companies are at least great examples of what can be accomplished when companies find the cure for customer A.D.D. by listening to and connecting with their customers. In each case, a new CEO came in, radically changed the culture to being customer-centric, and fairly quickly was able to right the ship.

Now, we aren't so naive as to suggest that curing customer A.D.D. was all that was necessary to right these companies, because all three companies had serious other problems that needed fixing too. But we are saying that customer connectedness is a necessary condition if a company is to effect a complete cure.

Ford failed with the Taurus in part because it ceased making a car that appealed to, and could be afforded by, its core customer group of 50-plus, less affluent customers. The 1996 Taurus redesign, in an attempt to capture the younger, more affluent Camry and Accord customer, was loaded with features and technologies and priced at a level that the Taurus driver didn't need and couldn't afford. Naturally, they went elsewhere.

Recent sales statistics for the Ford 500 suggest again that mature 50-plus customers account for a significant portion of sales. Here's a major opportunity for Ford to get connected with the 50-plus crowd and mold the 500 to their needs. And, unlike the segment occupied by Camry and Accord, the 50-plussers, otherwise known as Baby Boomers, are the largest and fastest-growing target out there.

Ford—go for it, cure your customer A.D.D., and ride the wave of maturing customers.

There's still hope for Interstate. If they can reconnect with their customers they could yet find strength by rediscovering those qualities—and the emotions they engendered—that made their brands so powerful in the first place. The trick will be for Interstate to tap

that reservoir of goodwill, to make the products people so love and develop a viable business model to support them. As for Krispy Kreme, maybe their best hope is to return home to North Carolina and begin again.

Wal-Mart, too, could understand, through connecting with customers that it takes more than just “stuffing” fashion items into apparel sections without considering complementary changes to the sales environment—like less crowded racks, mannequins dressed to display the fashion, upscale merchandising, accessible and comfortable changing areas and knowledgeable staff. These things are all necessary to woo customers to buy your fashions.

Connecting with customers, listening to their needs, and having the gumption to try new approaches in inexpensive experiments that allow customers to interact with (and react to) new ideas can build lasting franchises, new product lines that succeed, and ease extension into higher-margin, fashion-oriented lines.

Customer A.D.D. is a common and understandable state-of-mind that most companies suffer from to one degree or another. With the press and rush of everyday business, customer A.D.D. can easily become the default mindset that leads to losing customer connectedness, spiraling sales losses, failed new products and missed opportunities.

Curing customer A.D.D. requires a concerted and conscious effort by everyone within the organization to understand, relate to and internalize the customer and their needs. Placed in the forefront of company strategy, customer connectedness as inculcated by Carlos Ghosn at Nissan, Ed Zander at Motorola and Kay Krill at Ann Taylor shows how companies can be successfully re-oriented to face down customer A.D.D., reconnect with customers and find success again in the marketplace. ■



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