

## PERSPECTIVE ON CULTURE

# Cradle to Grave, You're a Customer First



Your LTV—life-time value—has already been calculated. Now all you have to do is wait for the pitch.

By JEREMY RIFKIN

**T**hink of waking up one day to find out that every aspect of your being has become a purchased affair, that your life itself has become the ultimate shopping experience.

The emerging "age of access" is defined, above all else, by the increasing commodification of all human experience. In business circles, the operative term is the "life-time value" of the customer—the theoretical measure of how much a human being is worth if every moment of his or her life were to be commodified in one form or another.

To calculate the LTV of a customer, a firm projects the present value of all future purchases against the marketing and customer-service costs of securing and maintaining a long-term relationship. Credit card companies, magazines and mail-order catalogs, which rely on subscriptions and memberships, have long used LTV cost-accounting projections. Now the rest of the economy is following suit.

Determining a person's LTV is made possible with the information and telecommunications technologies of the network economy. Electronic feedback and bar-code data provide continuously updated information on a person's purchases, giving companies detailed profiles on dietary choices, wardrobes, states of health, recreational pursuits and travel patterns. Using computer modeling techniques, it is possible to use this mass of raw data to anticipate a person's future desires and needs and map out targeted marketing campaigns to lure him or her into long-term commercial relationships.

Many in the information sciences are even suggesting that the new technologies be thought of as relationship technologies, or R-technologies. "We need to turn away from the notion of technology managing information and toward the idea of technology as a medium of relationships," says Michael Schrage of the MIT Sloan School's Center for Coordination Science. French economist Albert Bressand says that R-technology is an appropriate way to describe the new

technologies because "relations rather than material products are what is processed in these machines."

Rich webs of interconnections and relationships between suppliers and users are creating the opportunity to quantify and commodify every aspect of a person's lived experience in the form of a long-term commercial relationship. The goal is to become a ubiquitous presence, an appendage of the customer's very being, operating on his behalf in the commercial sphere.

For example, consider financial planning. Many investment companies are making the transition from simply trading stocks and bonds and managing client portfolios to handling every aspect of the client's financial dealings for a lifetime and beyond, including yearly business plans, personal budgeting plans and retirement income plans; estate planning; tax and accounting services; legal assistance, and other services. In return, the client gains access to specialized expertise and trusted advisors who act on his behalf, often as surrogate or advocate.

On the down side, customers may become embedded within a dense web of ongoing commercial relationships and dependent on commercial forces that they little understand and over which they may have less and less control.

R-technologies can be used to reconfigure the most fundamental categories of social existence. Already, in marketing circles, the talk runs to ways of using R-technologies to create new kinds of "communities" made up of like-minded people who come together in a particular activity or pursuit because of their shared interest in the company's brand, products and services. Holiday Inn's Priority Club brings together between 500 and 1,000 of its most frequent guests, twice a year, at one of its resorts for a weekend of entertainment and recreation, peppered with several round-table discussions with hotel management. The idea is to provide a time and place for club members to meet and form bonds of intimacy with one another and Holiday Inn executives.

Although a day is limited to 24 hours, new kinds of commercial services and relationships are limited only by the entrepreneur's ability to imagine new ways of commodifying time. And while we are creating every kind of labor- and time-saving device and activity to service one another's needs and desires in the commercial sphere, we feel like we have less time available to us than any other humans in history. That is because the great proliferation of labor- and time-saving services only increase the diversity, pace and flow of commodified activity around us.

The network-based economy does indeed increase the speed of connections, improve efficiency and make life more convenient by turning everything imaginable into a service. But when most relationships become commercial relationships and every individual's life is commodified 24/7, what time is left for relationships of a noncommercial nature based on kinship, neighborliness, shared cultural interests, religious affiliation, ethnic identification and fraternal and civic involvement?

The fact that marketing professionals and corporations are seriously engaged in developing what they call long-term "customer intimacy" and are actively experimenting with a host of vehicles and venues for establishing deep "community bonding" is disturbing enough. What is more worrisome is that these large-scale efforts to create a surrogate social sphere tucked inside a commercial wrap are, for the most part, going unnoticed and uncritiqued, despite the broad and far-reaching potential consequences for society.

When virtually every aspect of our being becomes a paid-for activity, human life itself becomes the ultimate commercial product, and the commercial sphere becomes the final arbiter of our personal and collective existence.

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**Last in a series.**