

Charles F. Kettering, "Keep the Consumer Dissatisfied," *Nation's Business* (January 1929)

Charles Kettering: General Director of Research Laboratories at General Motors.

Not long ago one of the great bankers of the country said to me:

"The trouble with you fellows is that you are all the time changing automobiles and depreciating old cars, and you are doing it at a time when people have three or four payments to make on the cars they already have.

Yesterday I got an engraved invitation from one of your companies to see a new model. Out of curiosity I went. I darn near bought one. I didn't because you people wouldn't allow me enough money for my old car."

A few weeks later I was again talking with this banker. He appeared to be greatly disgruntled. "I bought the new model," he barked. "But it was rotten shame that I had to accept so much depreciation on my old car. You are the fellow who is to blame. You, with all your changes and refinements, made me dissatisfied with the old model." He paused, then added, mournfully, "And that old car ran like new."

I told him I thought it was worth what he paid---that is, the difference between the old and the new mode--to have his mind changed.

He didn't argue over that but he did say something to the general effect that "the only reason for research is to keep your customers reasonably dissatisfied with what they already have."

I might observe, here and now, that he was right. A few weeks back I was sitting with a group of executives. All were admiring a new model. "It is absolutely the best automobile that can be made," enthused one. I objected to that statement.

"Let's take this automobile which, you say, is the 'best that can be made' and put it into a glass showcase," I said. "Let's put it in there--seal it so no person can possibly touch it. Just before we seal it in the case, let us mark the price in big letters inside the case."

"Let us do that and come back here a year from today. After looking at it and appraising it, we will mark a price on the outside of the glass. It will be a price something less than what we think the car is worth today. Probably \$200 less. Then, let's come back once every year for ten years, look through the glass, and mark a new price. At the end of ten years we won't be able to put down enough ciphers to indicate what we think of the car. That is, of course, eliminating its value as junk.

"In those ten years, no one could possibly have touched the car. There could be no lessened value through handling. The paint would be just as good as new; the crank case just as good; the real axle just as good; and the motor just as good as ever. What then, has happened to the car? "People's minds will have been changed; improvements will come in other cars; new styles will have come. What you have here today, a car that you call 'the best that can be made,' will then be useless. So it isn't the best that can be made. It may be the best you can have made and, if that is what you meant, I have no quarrel with what you said. . . ."

Change, to a research engineer, is improvement. People, though don't seem to think of it in that manner. When a change is suggested they hold back and say, "What we have is all right--it does the work." Doing the work is important but doing it better is more important. The human family in industry is always looking for a park bench where it can sit down and rest. But the only park benches I know of are right in front of an undertaker's establishment.

There are no places where anyone can sit and rest in an industrial situation. It is a question of change, change, change, all the time--and it is always going to be that way. It must always be that way for the world only goes along one road, the road to progress. Nations and industries that have become satisfied with themselves and their ways of doing things, don't last. While they are sitting back and admiring themselves other nations and other concerns have forgotten the looking-glasses and have been moving ahead

The younger generation--and by that I mean the generation that is always coming--knows what it wants and it will get what it wants. This is what makes for change. It brings about improvements in old things and developments in new things.

You can't stop people from being born. You can't stop the thing we call progress. You can't stop the thing we call change. But you can get in tune with it. Change is never waste--it is improvement, all down the line. Because I have no further need for my automobile doesn't mean that that automobile is destroyed. It goes to someone who has need for it and, to get it, he disposes of something that is unnecessary to his happiness. And so on to the end where the thing that is actually thrown away is of no further use to anyone. By this method living standards, all around, are raised.

We hear people complaining because of new models in automobiles. If it were not for these new models these same people would be paying more for what they have. Recognition of the fact that progress is inevitable forces us to recognize that we must have improvements in motor cars.

We, as manufacturers, must offer those improvements after they have been found to be capable improvements. The public buys and disposes of what it has. The fact that it is able to dispose of what it has enables us, as producers, to put a lower price tag on the new model. The law of economy in mass production enters here. We are permitted to turn out cars in volume because there is a market for them.

If automobile owners could not dispose of their cars to a lower buying strata they would have to wear out their cars with a consequent tremendous cutting in the yearly demand for automobiles, a certain increase in production costs, and the natural passing along of these costs to the buyer.

If everyone were satisfied, no one would buy the new thing because no one would want it. The ore wouldn't be mined; timber wouldn't be cut. Almost immediately hard times would be upon us. You must accept this reasonable dissatisfaction with what you have and buy the new thing, or accept hard times. You can have your choice.