**“What Customers Value: Relationships and Utility”**

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This research assesses the impact of experiential and functional utility on customer satisfaction. Meeting a variety of consumer needs allows a firm to develop stronger relationships with consumers over time. Understanding how the stage of the relationship development life cycle impacts customer satisfaction evaluations allows firms to identify the appropriate marketing mix elements for consumers over time. Using a sample of over 1,400 retail consumers, the authors demonstrate how the impact of functional and experiential needs changes over time finding that the relationship between functional utility and customer satisfaction decreases in later stages of relationship development. The authors offer implications for this research on retail services operations.