

Strengthening the bond with your customers



Business success is increasingly dependent on the development control of the long term relationships you have with your customers, prospects, staff, shareholders, suppliers and any other group that has an influence on the future of your company.

This process has become known as Relationship or One-to-One Marketing and, in the business to business environment tends to focus strongly on the relationship between customer and supplier.

Relationship marketing

It can be argued that the best form of Relationship Marketing is between the customer and telephone or field sales staff, especially where strong and lasting personal contacts are built up. Indeed, sales staff are generally encouraged to own the relationship with their customers, often to exclusion of the marketing or other departments.

There is, however, a fine line between providing a personal service and becoming increasingly overprotective of customers' interests, to the point where the loyalty of the sales person lies with their customer rather than the company they represent.

The situation can be complicated still further if the route to market is via distributors, dealers or value added resellers, as these intermediaries will be even more protective of their customer data and relationships, often seeking to exclude the initial supplier completely.

In each case, however, it is possible successfully to overcome the obstacles to direct contact between individuals within each customer organisation and the supplier of products or services. For example, it can be demonstrated to the sales force that a programme of Relationship Marketing will actually help them sell more products to a wider range of customers, while the manufacturer or supplier can work with distributors and dealers to create a programme that promotes joint interests without threatening margins or sales.

Information is key

The key to successful Relationship Marketing is the information that is fed back through and past the sales structure, giving ultimate ownership of the relationship to the company, not the individual, and creating an environment within which the real needs of each customer can be accurately identified, analysed and met.

Recognising the true value of the customer - in particular those in sectors with good long term potential - can have a dramatic impact on marketing strategy, refocusing it away from the quick sale towards customer retention and the development of ongoing business relationships.

And effective Relationship Marketing pays. Remember that it costs considerably more to find

and convert a new prospect than it does to generate more business from an existing customer, (estimates vary, but 4 to 10 times is a typical figure quoted by most marketing experts). Perhaps as importantly, a strong relationship isolates customers from the activities of competitors, creating an environment within which new business opportunities can safely be developed.

So, how does Relationship Marketing work and what can it do for companies like yours?

Relationship marketing works by directly engaging each customer - each key individual - with your company, developing and building a dialogue so that the customer remains loyal, committed and, above all, active, in terms of both the exchange of information and their desire to place new business.

The important point is that the relationship is with individuals, not with companies. Remember that most purchasing decisions, especially for capital items, will be made or influenced by a number of people. For example, although the decision to purchase a computer or PLC may be down to a department or line manager it will often be made only after reference to the person who will actually be using the equipment; similarly, the decision to purchase an IT or process control system will be influenced by individuals at a number of levels within an organisation, from the shop floor, through middle to upper management.



The secret is to build and maintain a relationship with each individual, with different messages being communicated to each. This can be done in part through the sales force, but to be truly successful at all levels needs to be carried out in conjunction with your marketing department. In addition, success can often depend on taking a medium to long term approach, which integrates a variety of channels through which to route technical information or sales, marketing and corporate messages.

Opening a dialogue

Opening a dialogue and then building and maintaining a strong relationship therefore provides a valuable opportunity:

- to construct a detailed profile on individual customers and market sectors
- to gather continually updated marketing information
- to ensure that all those with an influence or direct input into the decision making process are in regular contact with the supplier
- to use this profiling and market data information for activities such as making accurately targeted offers, cross-selling and measuring customer satisfaction
- to measure the effect of marketing and sales activities.

One of the keys to success is to develop and constantly maintain a good sales and marketing database. This should contain profiles of every prospect, at both a company and individual level, allowing specific messages to be precisely targeted.

Many of the marketing and sales support materials required for an ongoing Relationship Marketing campaign probably already exist within your organisation: newsletters, data sheets, press releases, web site and technical bulletins. All of these can easily be refocused to match the requirements of individuals or groups of individuals; indeed, the emergence of high quality digital colour printing has made this process even simpler.

Relationship Marketing, like your business strategy, is not for the short term. Correctly planned, implemented and monitored, however, the process can have a significant impact on customer retention and revenue growth

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