



H-Paper

## **Relationship Marketing**

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## Businesses Are Built On Relationships

It's one of those age-old truisms in the business world – successful businesses are built on successful relationships.

As consumers, we structure our lives around product and service relationships. We shop at the same grocery store, use the same dentists and doctors, use the same bank, dry cleaners and even restaurants. Once we establish trust in a business relationship that fills our needs and fits our budgets, we are less likely to shop around each time we buy.

As businesses, we simply need to remember the dynamics of relationship building and do what we can to keep the trust in our customer relationships strong. Some businesses focus their energies and resources on the beginning of this relationship, on encouraging the initial sale, and maybe for a short honeymoon period afterwards. They skew their budget heavily on advertising and then forget to follow through with the care and maintenance of the valuable customer relationships they've begun.

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## RELATIONSHIP MARKETING

**A successful marketing strategy** in a crisis, or anytime, should include a consistent communications program that first builds trust with prospects during the sales process and continues to nurture customer relationships throughout the life of the relationship.

### **Relationship Marketing – a new name for a familiar strategy**

A relatively new term for an old concept, relationship marketing (also called customer relationship management or CRM) is a business process that identifies your best customer relationships and through regular communications and incentives, grows those relationships so that they increase in value over time. Relationship marketing doesn't replace prospecting for new customers, but in an economic cycle when advertising and marketing budgets are being cut, relationship marketing can reap a higher return on your marketing investment than prospecting and is therefore a more crucial part of your overall plan for growth.

**In part 1 of this H-Paper series**, we discussed the net promoter score system. This efficient one-question survey measures how willing a customer may be to refer you to a friend or business associate. It is also a simple relationship-marketing tool. Surveys in general help a business learn how well they're doing to satisfy their customers' needs and discover areas that could use improvement in service or product quality.

### **Customer “touch” system**

A touch system is simply a formalized process for keeping “in touch” with customers, vendors and other important business relationships throughout the year. Each time you communicate with a customer, it is a “touch” point.

Each touch reminds your customers that you're thinking of them, that you appreciate them, or that you wish to share your expertise to help their business, because you understand that their satisfaction is directly connected to your success. It takes an average of 7 touches to generate a response, and each touch point is an opportunity to add value to a relationship, make it stronger, and build trust and loyalty in the process.



## RELATIONSHIP MARKETING

### Examples of touch points:

- **Publish a newsletter / blog / e-zine**– A business newsletter is an ideal venue to share your business knowledge and experience with your customers and prospects. In it you can comment on trends, share knowledge about products and the marketplace, and initiate discussions about current issues. It helps demonstrate your expertise, build confidence and trust, and even generate new business. Today, e-mail, blogs, and websites make delivery of periodic newsletters easier than ever. You can even archive past newsletters on your business website, making your site a valuable resource for helpful consumer information. This shows that you understand the issues consumers face in making buying decisions and that you are an expert in providing helpful solutions to those issues.
- **Make phone calls to follow-up** – Maybe you've had an exchange of e-mails or haven't met in person in a while. A personal phone call adds a level of personal attention that reaffirms the strength and trust of your relationship.
- **Deliver a personal hand-written note** – Never underestimate the power of a hand-written note with a personal sentiment to express your appreciation of a person and the importance of your relationship with them.
- **Send birthday, anniversary, and holiday cards and gifts** – These touch points help remind your customer that you value your relationship and also applaud and celebrate their life's important milestones.
- **Send articles or websites of interest** – Newspaper and magazine articles in print or on the Internet with subjects about industry news, current business issues or hobbies is a friendly way to say you're thinking about your clients and care about their success.
- **Send a book, audiotape or CD** – If it contains some new idea or concept that could be useful for their business or personal growth, this can be a helpful and memorable touch point.
- **Suggest and introduce people who can be helpful** – Introductions and network building can help a client's business or personal future.



## RELATIONSHIP MARKETING

- **Make a referral** – If you value your customer and his or her business, show them. Refer them to others who can use their products and services. They'll return the favor and you'll both grow in the process.
- **Invite to lunch, breakfast, dinner or coffee** – Face-to-face meetings are a great way to discuss business in an informal setting.
- **Make a charitable donation in the client's name** – This is a way of giving a gift that is also a way of sharing support for a cause that you know is important to the client.

### Customer retention strategies

Another part of relationship management involves using business tactics that give additional reasons for customers to continue doing business with you. They add value to the relationship and encourage customers to use your products or services and discourage them from switching. Some examples include:

- **Make a charitable donation in the client's name** – This is a way of giving a gift that is also a way of sharing support for a cause that you know is important to the client.
- **Product bundling** – This involves combining several products or services into one package and offering them at a price that's lower than buying them separately.
- **Cross selling** – This strategy offers related products to current customers based on their past buying preferences and interests. It shows them that you are paying attention to what they buy or use and understand their likes and needs.
- **Cross promotions** – With this strategy, you provide exclusive incentives or discounts to customers for other products or services that may fill additional needs.
- **Loyalty programs** – This strategy helps bond customers more closely to your brand by providing incentives to customers for more frequent or higher value purchases. These programs often involve the use of special cards, or identifiers that immediately distinguish them as a preferred customer.

# WHAT DO YOU STAND FOR?<sup>TM</sup>

The H Agency is a branding, marketing and design agency founded in 1990 by owner and creative director Winnie Hart and now with offices in New Orleans and Houston. The company has grown from a local New Orleans design firm into a regional agency that specializes in developing marketing programs and brand strategies for health and wellness companies, though our business relationships also include financial services, real estate and retail businesses.

The “H” in The H Agency stands for the things that make us unique — hybrid, health, heart and helpful. It also stands for the systematic approach, uncompromising principles and unparalleled energy we bring to our work.

For more information about how to make your next marketing project more successful, contact The H Agency, 504-522-6300.

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