



RELATIONSHIP MARKETING

INTRO
GUIDE

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Introduction

If you're interested in learning how relationship marketing can help your business, this guide is for you.

When implemented correctly, relationship marketing can serve to increase customer loyalty (leading to repeat buying and higher lifetime value), minimize the impact of bad publicity and bring more customers through word of mouth recommendations.

We'll cover the best, most powerful techniques that you can implement in your business starting today, and also teach you how to deal with dissatisfied customers from a relationship marketing perspective.

Section 1: Relationship Marketing - What & Why?

At the core of relationship marketing is communication between business and consumer. Unlike transactional marketing, where every sale is thought of as a single, stand-alone event, relationship marketing focuses on fostering long term customer loyalty and encouraging repeat purchases. By staying in touch with customers and focusing on delivering *value* to them, a business can ultimately become more like a friend than a faceless entity.

With the ever rising popularity of e-mail, social media and other ways to stay in touch with customers, relationship marketing is actually about to become the new norm in many industries. A business that refuses to acknowledge this shift risks being left behind, as all signs point to this being a trend that is going to continue.

So why has it become so popular?

The truth is that the relationship marketing approach is simply better for both customer and business in most situations. The customer gets better service all around, and the business gets a much higher average customer lifetime value.

The main downside to relationship marketing is that it can be difficult to measure the results of the effort since there are so many parts involved (customer service, social media, e-mail, loyalty programs, etc). Another issue is the time, money and expertise required to fully utilize these strategies. For someone who's just starting up a new business and isn't already a marketing guru, it may seem very daunting.

Most downsides can, however, be reduced by not moving at full speed from the get go. Depending on the business, the best approach when starting out is usually to "pick and choose" strategies from both transactional and relationship marketing approaches.

Section 2: Building Customer Relationships

There are countless ways to build customer relationships in order to increase loyalty and encourage repeat purchases.

Before doing anything though, it's important to get the basics right. There are certain traits a company must have in order to be successful with relationship marketing.

First of all (and this is probably the most important piece of the puzzle), customers must be able to *relate* to the company. Consumers are sick and tired of faceless mega-corporations who seem to do nothing but take their money and laugh all the way to the bank. A personal touch goes a long way in this case.

A quick, simple example would be e-mail communications. Instead of sending out newsletters from "<Company> Newsletter", have them be from "<Person> at <Company>". Using the same line of thinking for everything else in the company will significantly improve how much customers relate to it.

It's also extremely important to be as open and transparent with customers as possible. Even when something threatens to give a negative impression of the company, being honest and open about it will serve to increase trust from customers.

When these basics are in place the actual relationship building can start, by utilizing the following strategies:

Customer service

Excellent customer service is arguably the most important part of a successful relationship marketing campaign. If the customer service is bad it doesn't matter how good the other efforts are, as they will be completely negated as soon as a customer needs help with something.

The best advice here is having real, professional people answering. Automated systems and cut-and-paste should be kept to a minimum. Remember, it's all about the personal touch and acting like a person, not a business.

Social media

The first step is devising a social media strategy that suits the company. It's important to be authentic and act in a way that rings true. Many companies fall into the trap of thinking all their posts need to be funny/cute/viral, but that's not the case at all. Sure, these posts may be shared and liked by lots of people, but will they serve to strengthen their relationship to the company? Do people even know which company that is behind them?

No doubt, some companies would be (and are) very successful with these kinds of posts, but there are many other ways to deliver *value* to followers that shouldn't be overlooked.

Just as in other aspects of business, it can help to think about who the typical follower is. Then, create and post content that strengthens the brand and is helpful to them at the same time.

Free resources and information

Another very powerful technique is creating free resources that solves a problem for consumers. The topic should be related to what the company does in some way, but it should preferably be completely free from advertising and branding attempts. It should be a resource that can stand on its own. It is, however, perfectly acceptable to ask for an e-mail address or phone number in exchange for it.

E-mail

E-mail may be old technology, but it's far from dead. In fact it remains the best way to stay in touch with customers.

The most common way of utilizing e-mail for relationship marketing is sending out a periodic newsletter. Almost every company with a strong presence online do this today, but not many of them get it right.

The trick is making sure every e-mail is one that the subscriber really wants to open and read. Too many companies send out automated, boring "newsletters" that are really nothing more than a reminder that they exist and that they want your business.

What the actual content should be depends on the company, of course, but the same rules apply to e-mail as social media and free resources: it should be helpful, relevant and not sound like an ad.

Another way of using e-mail to strengthen the relationship between consumer and brand is automated follow-ups. These are e-mails that are triggered by certain events, like when a customer abandons their shopping cart, or when they make their 10th purchase with you.

Done correctly, the consumer will feel like the company "knows" them and provides content they are interested in. Some care needs to be taken, however, to make sure the consumer doesn't feel like you're just spying on them and pushing them to buy.

Loyalty programs

Loyalty programs have been around for a long time, and they continue to work beautifully. It doesn't have to be anything special, most of the time a simple "Get x% off your n:th purchase" type of deal will go a long way to encourage repeat buying.

Section 3: Dealing with customer dissatisfaction

Every company will sooner or later face an angry customer. What separates a successful relationship marketing focused company from others is how they deal with the situation.

First of all, responding quickly is essential. No matter how angry the customer is, if he/she gets an e-mail response within 5 minutes, they can't help but be impressed. If the reply comes from a real person, perhaps even someone in a higher position, not from "<company> Support", then all the better. It's the same basic concept of being relatable and enabling customers to feel like they matter to the company.

It's also important to leave personal feelings out of it, and staying professional at all times. Just as mentioned before, admitting to mistakes and taking personal responsibility (even when something technically isn't the company's fault) will go a long way to increase the customer's confidence in the company.

What's important to realize is that every time a situation like this arises, if handled correctly it can be the most effective way of impressing a customer and instantly building a strong relationship with them. That's why customer service is so important.

Conclusion

Whether you're just starting a business, or you're simply looking to improve what you already have, you should seriously consider implementing at least some of the mentioned relationship marketing techniques.

Getting started doesn't have to be difficult, as it's possible to start by just improving customer service, and then slowly building from there. In fact, it's highly recommended not to try to do too much at the same time, as it's easy to get burned out on things like social media posting and sending out newsletters.

Now, as you're reading this, consider the fact that your competitors might already have started to implement relationship marketing techniques. Once a customer has started to prefer and connect with their brand on a personal level, it will be very difficult to win them over to your side. And, the longer you wait, the further ahead they'll be, so start today!