



RELATIONSHIP MARKETING

Can you name a single competitor who is promising rotten products, poor service or high prices? Probably not. The reality is, you can probably identify dozens of competitors who are promising the best products, terrific services and great prices.

Imagine being the poor business owner, or manager, responsible for making purchasing decisions. You're bombarded with phone calls, and uninvited visits, from sales people making all kinds of promises. "Our products are superior." "We'll be more responsive." Or my personal favorite, "We'll exceed your expectations." Be honest - with the reality of today's business environment, would you believe many of the things even your own sales people are saying?

When dealing with mature products, new slogans and minute areas of differentiation won't work. Buyers are too smart. Generally speaking, they understand what you offer, they know what they want, and they know what they will pay for it. So, under these circumstances, how can you help your sales force do a better job of maintaining or increasing market share?

HERE ARE YOUR ALTERNATIVES:

- **Lower your prices**
The low priced competitor can always win business, but most companies can't successfully occupy this position. They're not efficient enough to make money by offering lower prices. It may work for WalMart, but will it work for you?
- **Focus on an under-served market niche**
There still may be some segments of your industry where client demand exceeds the supply of companies available to provide service. If you know of such a niche, and the demand is large enough to sustain a business, go for it. However, if you're like the rest of us, you have no choice but to work in markets where there are many competitors.
- **Develop stronger client relationships**
Client relationships are the only real competitive advantage that many companies have. A strong relationship with the right people is the best way to win more business. The challenge is to develop more relationships with more clients.

Building a relationship is not easy. It takes time and persistence. Good sales people are natural relationship builders, and know how to make people feel at ease. They create confidence in their company's ability to deliver.

But good sales people are hard to come by. And even the good ones have limited capacity. That is, they can only maintain relationships with a small number of customers.

Take a look at your own sales force. How many of your people derive eighty percent or more of their business from ten or fewer clients? Despite all the prospecting, and sales presentations, most sales people achieve the majority of their production from the handful of key clients with whom they have developed the best relationships. Imagine the impact on your company if your sales people were able to build those same types of relationships with twenty, thirty, or more clients!

To really grow your business, create a process that helps your people build and maintain more relationships. With the right process, you can help them manage hundreds of them. At the same time, you can help them become more efficient - giving them more time to focus on their best customers and prospects. How can you implement a more productive relationship building process?

IMPROVING YOUR RELATIONSHIP BUILDING EFFORTS

- **Monitor current activities**
First, take some time to monitor your sales reps' activities. What percentage of their time is spent in each of the following activities:

prospecting, face-to-face sales presentations, servicing activities, and administrative work? You may be surprised to find how little time is actually spent selling, and developing relationships, with customers!

- ***Eliminate time stealers***

Once you know where their time is being spent, develop a plan to eliminate, or at least reduce, the “time stealers.” Challenge yourself to identify and get rid of those activities that impede your sales reps. For example, in the staffing industry, many sales reps still deliver paychecks and time sheets to clients’ offices. Why? These “calls” rarely lead to sales opportunities. If you look hard enough, you’ll probably find similar activities stealing your own sales reps’ time.

Also, most sales people still make cold calls. This has to be the most expensive way to find new business. Try hiring a telemarketer, or a college student to ferret out opportunities or gather information. Then turn the relationship development work over to the sales person. Finally, take a look at your paperwork. How many hours does it take to report on and review each week’s activities? Could you streamline or automate the process?

- ***Implement a formal relationshipbuilding process***

After eliminating the time stealers, you’re ready to take the next step which is to develop a formal relationship building process. For reference, it takes six to nine contacts with a prospect to begin to develop a relationship. Yet, most decision makers have no desire to see your sales people six to nine times! So what can you do?

Your relationship building process has to find other ways to stay in touch. Use the phone, mail, fax and e-mail to maintain contact. More importantly, don’t always be selling. Buyers won’t believe ninety percent of your claims, so why continue to make them? Instead, try to help make your prospect’s job easier - which may, or may not, involve your products or services. Show them that you understand, and can empathize with, the challenges

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mail does not build a relationship. Pushy telemarketing does not build a relationship. However, personal letters, or those that appear personal, do build relationships. So do newspaper clippings, relevant magazine articles, birthday cards, and other items of interest that your prospects and clients will value.

As another point of reference, you want to maintain contact with prospects and clients at least once every four to six weeks. Beyond this time frame, people will forget who you are. About once a month, do something to remind your clients and prospects that you're ready to help the next time they have a need. But do it without being intrusive! You won't build relationships by continually bothering people who don't have a need.

FORMALIZING AND EXECUTING A PLAN

If you're really interested in creating a relationship building process, here are the things you need to do:

- ***Identify contacts you want to target***
This includes prospects and current clients. Be sure to find out the names of all the relevant decision makers - you can't build a relationship with a job title!
- ***Create a plan to stay in-touch***
Determine what you want to say, and when you want to say it. When determining what you



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would like to send, consider information that will create awareness of your service, provide education, build trust and add value for the recipient. Remember

member to focus on helping recipients with their problems. Show them you understand, and can empathize with the challenges they are facing. Prove to them that you are committed to delivering what is in their best interest. Here are a few quick ideas:

1. Along with a letter, you may include a copy of an article pertaining to a business issue of particular relevance for your audience.
2. E-mail information on beneficial websites.
3. Send a simple survey asking your clients and prospects for their feedback - remember to thank individuals for responding!

Creating your plan is not an easy process. But planning what you want to send will make developing relationships easier and less time-consuming. It will help individuals who are not natural relationship builders do so consistently.

- **Develop an implementation plan**
Devise a system to ensure that your plan is followed. Unfortunately, the best laid plans will be ineffective if you don't put the process in place to ensure your program is properly executed. You may be thinking that implementing a plan like this will be complicated and cumbersome. But, you can use a computer to manage the process, or a simple set of 3x5 index cards. Just be sure to make people responsible and accountable for the execution of your program.
- **Put your plan into action**
Send your marketing communication as planned, and follow-up with clients and prospects as necessary. In addition to mailings, faxes and e-mails, you may want to follow-up with periodic phone calls and in-person visits. Once the program is running for a few months, phone calls and visits should be easier because they are no longer "cold calls." After several contacts from you, the recipient will recognize your name and your firm.
- **Track your responses** Do this to see what's working and what needs improvement. Provide opportunities for prospects and clients to give you feedback. Ask them if they want to continue

receiving information, what topics concern them, and what more you can do to assist them.

Remember, relationship building is not a quick fix. It takes time and persistence. On average, it will take six to nine contacts with a prospect just to get the door open!

A relationship building strategy is not for every company. Some people are not willing to make the commitment of time and resources needed to implement the process. However, in today's market, where business opportunities can be hard to come by, a relationship is your best weapon. Relationships will open doors and win new customers. They will improve communication with clients. And, when you can't fill an order, or something else doesn't go as planned, a relationship is your best defense against the competition.

RELATIONSHIP MARKETING AS A CLIENT RETENTION TOOL

Relationship marketing is ideal for generating new business. But, it's equally effective for retaining your existing clients. After all, the main reason organizations lose business is because of indifference - from not doing enough to make clients feel special.

We are our own worst enemy. We blame customers for their lack of loyalty, yet in many cases it's our own indifference which caused the problem in the first place. We lose business by letting our competitors pay more attention to our clients than we do.



What causes indifference? Most businesses don't consciously choose to ignore their clients. In some cases, sales representatives may not have enough time to focus on all their existing customers, or they may simply take their business for granted.

To compound the problem, most businesses have structured their marketing around winning new clients. They measure sales and marketing performance based on new business generated. Significantly more money is spent on customer acquisition than on customer retention.

Don't fall into the trap of ignoring the value of existing clients, and the importance of maintaining relationships with them. A concentrated effort must be initiated to retain those customers whom you currently rely on to pay your bills. In today's hyper-competitive market, having sales representatives take them out to eat or to a sporting event is just not enough. Instead, create a separate keep-in-touch process for your existing clients. Your effort and attentiveness will be rewarded with happier clients and higher retention.



So, make it easy for your sales representatives to develop strong relationships. Provide the tools and support they need to consistently reach the people who matter most to your business. While a relationship marketing program will require a continued effort on your part, the results will be well worth your investment. Because in today's competitive marketplace, the relationships you build can mean the difference between mere survival and true success.



CONCLUSION

Relationship marketing is common sense. It's what good sales people naturally do. But, you can't rely on your sales force to implement a program themselves. Why? Executing a comprehensive and focused relationship building effort is not easy. It takes time and discipline to identify your contacts, determine the message you want to send, and then faithfully stay in-touch.

