

Demystifying Relationship Marketing

Many companies are still under the misconception that there is something complicated and mysterious about relationship marketing. But, at its most simple, says Estelle Gorby of Acorn Marketing, relationship marketing is simply about understanding people and putting that information to work for your business.

Put The Customer First.

In the current economic environment, relationship marketing is relevant for all, from the biggest business to the smallest. And, it needn't be expensive. Everyone talks about putting the customers first and, indeed, many companies go to great effort to personalise campaigns, but in the end up, the majority of campaigns become product-driven. Tone is usually derived from brand guidelines and, depending on the direction taken by the creative team, the focus can be driven further away from the customer and more onto the product. Add internal edits and the odd error in the database and the customer can be forgotten. Relationship marketing is all about bringing the focus back to the customer.

Get to know your customers better.

Estelle believes, that in the current economic environment, companies need to put the focus back on the customer:

'It's about finding out who your customers are; what they engage in, what they read, what they watch, what they listen to. Not just at the point you first meet your customer, but throughout their lifetime with you. Their needs will change and to successfully interact with your customer, you need to react to these changes.'

But exactly how do you do that?

It's About Understanding People.

Company data can have its limitations and market research won't help you segment your data, so many companies have begun to use Mosaic Profiling. This is a technique by which you can categorise people into 40 categories.

'It's all about focussing on the person instead of data. Once you understand their behaviour, you can see what people will respond to in terms of creative and tone of copy. You know what titles or media to go to for your campaign.'

'When it comes to DM, you can cut costs and boost your return on investment by going for the lowest hanging fruit. You might end up

spending a little more at the outset, but you will get more back in return.'

Businesses, says Estelle, aren't too different from people. Companies simply need to go from a blanket approach to a targeted approach based on where your targets are in their life cycle:

'Are they a sole trader, start-up or well established? All will have different needs and should be approached differently.'

The Difference Is In The Results.

Estelle says by using this targeted approach, clients can see an increase in response rate of as much as 22% and an increase in ROI of as much as 29%. Direct Mail costs are reduced too, as direct mail resources go to those who are most responsive. It's clear to see how attractive those figures look in times like this when budgets are declining and costs are increasing.

'The secret is, 'says Estelle, 'to keep your data simple, keep it up to date and understand it. Know its limitations and put people first.'