



Powerful Marketing Minutes
50 Ways to Develop Market Leadership
in the 21st Century

Book Excerpt
Chapter 13

Relationship Marketing

Relationship marketing is a concept that has yet to be clearly defined by anyone, even though much of today's marketing literature and many marketing consultants and gurus are in agreement that relationship marketing will be a critical success factor for the large majority of organisations throughout the 21st century.

I won't attempt to define relationship marketing here, but I will give you what I consider are the key elements of any relationship marketing program. These are:

- Understanding customer needs
- Relevant product offer at appropriate time
- Relevant reward at appropriate time
- Relevant surprise at appropriate time
- Two-way, interactive communication
- Forward looking, long-term, bi-mutual engagement

Whenever I think of the third and fourth points --- giving a relevant reward or a relevant surprise at an appropriate time, I remember what happened to a close friend of mine recently.

This friend is a very heavy traveller, and has a MasterCard credit card from one of the banks here in Singapore. This bank decided to give him an end of the year gift, and sent over to him a lovely hamper containing two bottles of wine and a box of chocolates.

Nice, right?

The only problem is that neither my friend, nor his wife, drinks wine. And neither are big chocolate eaters either!

This bank thinks it has a good relationship with my friend because he is a heavy spender on their MasterCard card. But they don't know enough about him as an individual to truly have a relationship with him.

How much easier — and smarter — would it have been for the bank to call my friend on the phone and say: “we'd like to say thank you for your large volume of business with us on your MasterCard credit card. Your business is very important to us and we'd like to say thank you by presenting you with either two bottles of wine and a box of chocolates, or a gift certificate so that you can take your wife out to dinner. **Which would you prefer?**”

Your gifts of appreciation need to be relevant to your customer.

And since not all customers have the same dislikes and preferences, you need to check in advance before you send them a gift.

Otherwise, your efforts in relationship building will backfire on you.

By the way, I do enjoy both wine and chocolate, so if I'm your customer, feel free to send these my way any time!

Key Point: *your gifts of appreciation need to be relevant to your customer.*

Discussion Topics: *do you reward all your customers, or all your “VIP” customers the same way? Do you send everyone the same seasonal gift? Why?*

How do you track differences in preferences, likes and dislikes among your most important customers?

What effort would it take for your organisation to identify the top 15% most important customers and then to start identifying ways to individually approach, understand, and reward these customers?

This Chapter is excerpted from Powerful Marketing Minutes by Steven Howard.

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