

Relationship Marketing and CRM!

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Combine a Low-cost Postcard System with Technology

Relationship marketing is one of today's most powerful business marketing techniques. It is an extension of "1 to 1 marketing," where you satisfy each individual customer's needs and wants. You can make more money, save time, and deliver outstanding customer service. You gain a larger *share* of each customer's business, and you benefit from their referrals.

Accountants, real estate agents and brokers, financial companies, and other businesses where building strong customer relationships really make a difference are increasingly using Customer Relationship Management (CRM) techniques. CRM uses today's powerful, low-cost technology to help you "work smarter."

CRM is widely used by large field sales forces. IBM, Xerox, Omaha Steaks, Eddie Bauer, Harry & David, and other direct marketers have built businesses worth hundreds of millions or even billions of dollars using CRM. Today, the cost and complexity of CRM technology has come way down, and anyone can make money with it. Service businesses, such as real estate agents and brokers, are especially suited to make money with CRM.

With 1 to 1 marketing, you value each of your clients as individuals. You give each of them *individual* attention with CRM. You understand each of their wants and needs. You make each of them feel special, even though you may have a thousand or more prospects and clients on your list. They come back again and again, and they bring their friends!

You need three basics to grow your business with CRM: (1) a computer, (2) some easy-to-use software, and (3) a low-cost and effective "building block" media method to communicate personalized messages to your customers and build your brand image and name recognition. Very likely, you already have invested in a computer, so it makes sense to get started right away and *put your investment to work today*.

CRM works on your personal computer, on the Internet, or in some cases even with index cards. Clients are becoming less loyal all the time, and yet they are demanding more personalized service. Smart operators of small and medium business are using CRM to match those demands. You need these techniques too, or smarter competitors will steal your business!

Keep it simple! Get a Day's Work Done in One Hour

You probably already use a primitive CRM system like index cards to keep track of customers. You may keep more complex records in file folders – one for each customer or prospect. These systems capture the spirit of 1 to 1 Marketing, but they have fatal flaws. Index cards do not keep track of enough information to personalize your relationship, and file folders soon become too cumbersome to find the information you need quickly. Neither system allows you to do a systematic client search or sort, and neither are "scalable" – you can't keep track of more and more prospects as you grow your business. Regardless of how successful you are now, you will run out of time or energy.

Any successful marketing relies on numbers and probability. It's not rocket science! You know you probably won't succeed with every one of your clients and prospects, so you do two things: (1) you improve the *probability* of succeeding with each individual customer (you apply proven 1 to 1 marketing techniques), and (2) you increase the *numbers* of clients and prospects on your address book list (from double digits to hundreds or even thousands). Index cards or file folders absolutely limit you in both ways. You run straight into a wall, and you stop!

That's where the investment in your computer comes in. You have already paid for that power on your desktop. You simply put your investment to work.

Today, modern CRM (Customer Relationship Management) software can be so easy to use that even a beginner can use it with no specialized training. Even people who have never used a computer can become productive in a few hours and turn all those index cards and file folders into useable information. You get point-and-click sorting, grouping, automatic updating, one-click e-mailings and personalized letters, automatic reminders, checklists, and much more. All those little slips of paper go away! It's all in the database.

Your CRM software keeps a list of your clients, prospects, service providers, other professionals, and even your competition (the technical term for this is a "database," but it's just a computerized address book). It allows you to find them instantly and group or sort them by a simple point-and-click. With almost no work, you build general notes about each customer – the kids' names, dogs' names, other basics – and automatically record every telephone call, to-do item, mailing, e-mail, and meeting in a contact history. Then, simply review these in seconds before your next telephone call, and your customer will believe you think about *them* every day!

It takes less than a minute to create a new client database "record" (less time than creating a new index card); less than a second to find everyone on your list; less than a second to sort by city or zip code. Some CRM software has special speed features, such as a button to immediately select everyone you haven't contacted in the past 30 days. To group and sort all the records you want to contact *today* takes just a few seconds.

Then, simply point-and-click to take immediate action. You may wish to review each record separately, and then call some by telephone or mark some for mailing or another action. At the same time, you automatically create a history record to review before your next meeting with the client or prospect. Choose a pre-written letter or a postcard, and point-and-click *personalized* messages can come streaming out of your printer. Postcards can be your baseline media system. They can have a powerful visual impact and are easy-to-handle and low-cost (more about that later).

Some CRM software has special speed features, such as a button to "export" your mailing list to an outside mailing service or postcard company. In any case, you should be able to manage a monthly mailing of a few hundred names in about two hours. If you use postcards as your basic mailing, you can complete your mailing in less than an hour, including an updated history record for each customer who received the mailing. Using index cards would take an entire day, or more.

Use a Complete System to Build Your "Brand Image"

For many professionals, "brand image" means your name. Accountants, real estate agents, doctors, dentists, and other professionals depend on clients and prospects to recognize their name

– and call when they need you! A basic building block for this brand building is repeated name exposure through regular communication, usually a mailing. Once your list of clients and prospects grows to hundreds or thousands (the numbers you need to build a strong business), it would take you hours or days to do a mailing. So, *you simply don't do it!* And, your business doesn't grow. You hit the wall!

So, get some easy-to-use CRM software, and then spend the rest of the day building up your list of prospects with *every* qualified individual prospect you meet.

Most CRM packages do much more than just manage your client communication. They include time management, powerful sales tools, money management, and much more. Big companies typically pay up to \$5,000 for each user, but today smaller businesses can have it all for less than \$500. Built-in e-mail is essential, even if you use it only occasionally. Don't buy a complicated program that tries to do too much. It must be easy-to-use and stick to basics, *or you simply won't use it.*

Historically, the three market leaders in real estate software have been Top Producer, PowerMate Software (which also makes a small business CRM program), and On/Line Agent (now Agent Office). Top Producer keeps your data on a Web-based server outside of your control, which makes many agents uncomfortable. Agent Office has been taken over by a title company. That's happened before with other software, and it usually ends badly. Title companies have their own agenda for selling title insurance and less interest in keeping the software up-to-date and fully supported. Only PowerMate Software's Business Builder series works directly with a postcard system. It resides safely on your own computer, so you always have access, even if the Internet is down, and hackers can't get at it.

How to Cut Your Marketing Cost in Half

Let's say you already have the computer, and you have invested in some easy-to-use, low-cost CRM software. You have several hundred prospects and clients. You can easily find, group, and sort them. Now, how do you minimize your marketing expenses, maximize your marketing effectiveness, improve customer service, and cut your costs by half? You simply apply proven 1 to 1 marketing techniques—and a postcard system. You use a “basic building block” strategy to implement effective and low-cost communications that improve your *probability* of success with each client. Marketers call this “working smarter.”

Traditionally, marketers have communicated with large groups of prospects through mass media. A real estate agent might advertise in a newspaper or a handout flyer. It reaches large numbers, but most of them toss out the marketing message – they ignore you! With traditional media, you have no accurate idea of how many you have reached because you don't know who saw the ad or read your name (your “brand”). Unless you have laid a proper foundation, you are wasting *way* too much money on these traditional media!

Today, modern marketing is evolving toward 1 to 1 marketing for products or professional services that benefit from building relationships. It's called Direct Marketing. Successful marketers use direct interaction with clients and prospects through a low-cost building block media, and then they create *synergy* with other, more expensive media. Let's explore that.

Direct marketers use a mix of four proven components to reach their clients and prospects: a mailing *list*, a compelling *offer*, proper *timing*, and appealing *creative media*. The mix of these

four components must be optimized to satisfy customer needs. Let's look at each of these components, and then we will explore the next step—the power of personalization.

The *list* is usually most important. These are the names in your CRM database. However, all names are not created equal – some are more valuable than others. Your “house list” are names you have worked with in the past. They could buy again or refer friends and family to you. A “farm list” is much less useful. Most of your time and money should be directed at your best prospects.

It is essential that you have a CRM database where you can assign a priority to each client, and the ability to find, group, and sort them with a simple point-and-click. Successful marketers “stratify” the list by assigning the highest priority to the top level prospects, say the top 20%, and lesser priorities on down the list. They spend most of their time and marketing dollars on the top two or three strata. Most of us do that intuitively, but it needs to be *systematic*.

The importance of the *offer* depends on the circumstances. If you are offering a service, it must be valuable to the client. For accountants, doctors, and real estate professionals, the offer is often open ended and focused on name recognition (“brand” building), perhaps including a “call me for more information.” Sometimes it is “tactical,” such as asking for an immediate sale, inviting the prospect to an open hours, or offering a demonstration or free evaluation to generate new leads.

Timing is also important. Brand building communications need to be delivered on a regular schedule, say once a month. Special offers or seasonal messages can be inserted as is appropriate, but regular communication should be your basic building block. The trick is to get your customers to read it!

The *creative media* can make or break your marketing. *The best strategy* is to adopt a low-cost, high-impact building block media and augment it later with one or more of the more costly media for prospects higher on your stratified database list. A proven postcard system makes an ideal basic building block.

The Stay In Touch Follow Up System® is one of the best. It is inexpensive and requires very little work, often only an hour or two per month. Postcards maintain regular contact and establish a strong brand image (your photo and/or name on the back). They are almost always read. The best quality postcards are high-prestige with stunning images—so good that they are often hung on a refrigerator and become a daily reminder of *you!* And, given the terrorism situation, they have a big advantage over letters—they don't need to be opened!

Think postcards! If you send a different form letter every month for seven years, your prospects will think of you as a purveyor of junk mail! E-mail (“spam”) is almost universally resented, and most often is deleted. The occasional telephone call can add a truly personal touch, but they take time and can be intrusive. Newsletters are expensive, but without some groundwork, often go straight into the trash. These media all have a place, but none are as cost effective as postcards.

Double your Marketing Power with Personalization

Research shows that personalized messages increase the likelihood that a message will be read and remembered. Before you invest in a postcard system or a CRM database, *make sure that they both work together* so you can add personalized messages that can *double* their effectiveness.

Most CRM software packages can create automatically mail-merged personalized letters, but often postcards are more effective and less costly. It only makes sense to add personalized messages to your postcards. If you have CRM software designed to personalize your postcards (such as PowerMate Software's Agent Business Builder), you can build a strong foundation with postcards at very low cost.

Putting it All Together

Once you have a quality postcard system, consider adding other media to your mix to create *synergy*. If you have established positive brand identification through using monthly postcards, your prospects are much more likely to open your occasional letter, or read your e-mail, or take your telephone call, or actually read your newsletter, or complete your survey.

These other media can be very effective if used sparingly and with proper timing. You need to carefully track them in your CRM database, however. Overuse them, and your customers will think of you as a pest! With media *synergy*, each of these elements supports the others, and your marketing dollars and time are well spent. One plus one *can* equal three!

After your basic building block foundation is in place, it may make sense to do some mass media advertising, too. If your clients already recognize your name and/or picture, it is much more likely that they will notice your advertising and tell their friends. *More synergy!*

The instruction manual for PowerMate Software's Agent Business Builder™ has a section at the end entitled, "Putting it All Together" that sets out a sample plan for integrating postcards with other media. Samples of the software can be found at www.powermatecorp.com. That's a good place to begin.

It's easy to build a strong all-referral business, and cut your marketing costs in half. Use these proven techniques to make your marketing more effective, save labor costs and wasted mailings, and differentiate yourself from your competitor down the block. Good selling!