Advice on How to Succeed in Relationship Marketing
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The experience of recent years shows that CRM strategies are gradual processes where one has to check how customers react in each project.

*Designjet Online* is a management strategy for customer relationships that Hewlett-Packard set up in 1997 to gain customer loyalty in large format printers. Seven years later, the company calculates that the rate of purchase repetition is around 90%. The success of this CRM strategy seems to be an exception, in an environment where the norm is the reduced return on investment. What strategy is followed by companies whose CRM strategies are successful?

**Premises**
Before putting a marketing relationship strategy into place, companies must take three premises into account to discover whether it is suitable for them to implement a customer relationship programme. Firstly, it is imperative to identify, inform, sell, satisfy, make loyal and develop the relationship with customers, apart from calculating the cost of putting those actions into practice. In other words, the company must analyse its “potential relationship” to find out whether future profits are higher than the cost of implementing the strategy.
Secondly, relationship marketing is not so equally accepted across the customer board. Thirdly, the customer relationship programme does not necessarily have to aspire to cover all the stages of relationship marketing: low intensity marketing relationship programmes can be applied, which focus on a single point.
Once the three abovementioned premises have been studies, the first step is to define the mission, values and culture of the company. Although it is quite apparent that a CRM system cannot be set up without previously defining its objectives, this is not done by all companies.

The second step is to design the relationship strategy, which consists of defining the set of relationship activities to be developed, which customers it is offered to, the conditions to access or participate in it and whether or not it is free.

The third and last step is to acquire the means as well as the technological and human resources required to efficiently and successfully put each of the relationship activities into practice. The technology must always be subordinated to the strategy.

**Key points**
The successful CRM cases show that long-term sustainability of the programme depends on a set of factors that enable the strategy to be translated into tangible results.
The first key point is that the core relationship, which consists of products and services, is one of quality relationship; if the transactional area does not work well, a satisfactory relationship is hardly likely to develop.

A second key is a gradual implementation of the relationship strategy, as it is unadvisable to offer a wide range of relationship activities from the first day.

The third key point is that an authentic bilateralism must be created and this comes about when the profits of setting up and maintaining the programme (for the company) as well as the profits from the relationship with the company (for the customer) are higher than their respective costs.

The fourth key point is to neutralize the so-called relationship hindrance, which is when the customer is reluctant or expressly or tacitly shows that he does not wish to maintain a relationship with the company.

Another point to keep in mind is the likelihood of creating virtuous circles. As the programme advances, the knowledge about the customer and his satisfaction increases. This will be reflected in a greater personalization of the offers and after-sales services, which in turn contribute to more satisfaction and receptiveness.

Sixth, from the onset and throughout the years, one must be able to count on the support of the Management. Finally, the seventh key is to be committed to multi-channelling, which comes about when each of the contact channels with the customer is integrated with each other.

The experience of recent years in the implementation of relational marketing has shown that it is a gradual process in which one has to check how customers react to each of the projects, where not to invest immediately and that profits are made as the program advances. Those enterprises that keep the above three premises in mind, follow the three steps and try to strengthen the seven key points will have significantly greater chances of success in their programs. At least they will avoid falling into the CRM trap when the most sensible thing is to invest in other projects.

**What is needed so that CRM can, once and for all, fulfil its promises?**

**The Three Steps of Marketing**

**Lluis Renart, IESE professor**

First things first or to put it another way, the horse goes before the cart. The starting point of a relationship marketing strategy must be to clearly know what the mission, the values and the culture of the enterprise are. The mission must explicitly state which of the customers’ real needs the company wishes to satisfy. It must show that, apart from acting out of extrinsic motives (getting certain rewards for itself), the company also acts out of intrinsic motives and, at least in part, out of transcendent or altruistic motives.

The second step is to design a set of relationalship activities and invite customers to freely participate in them. Ideally, those activities must make up a coherent set and create added value for both parties. Finally, the third step is to identify, acquire and put into play all the technological means and resources, and have the human team required to put this into practice. Both should be flexible and expandable as the number of relationship activities and /or customers increase.
The Role of Technology
Inés Bajo, Senior Consultant PwC
Technology plays an important role in the success of a CRM project, but it should never be regarded as enough in itself. Many CRM initiatives have not reached the success expected from them because they regarded technology as an isolated element, without taking into account determining factors on which a relationalship model must support itself: a customer focused strategy, consistent processes and a suitable management of change.
Once the objects are identified and a model is defined it is possible to construct an efficient technological design. It is then that technology can cover the commercial processes, eliminating the barriers between the different departments (sales, marketing, commercial services, accounting, etc.) in order to offer a consistent and customer focused service. The construction of an efficient technological environment must also depend on a suitable quality of information of customers, the design of a process of integration interconnecting CRM with the business applications and a shared access to the unified customer information.