

THE BIG PICTURE:*The Lure of the Easy Target**Or, why the CRM process gets lip service, and often little else**by Scott Hornstein***sales&marketing
management**

Most marketing is realizing only half its potential because folks don't understand it's a two-prong effort. Yes, you need to create short-term sales opportunities. But secondly, it's essential to nurture long-term customer relations. Long-term stability is achieved via the customer relationship by having happier customers who stay longer and buy more.

This is logical, right? Except that despite all the talk, hoopla, and gnashing of teeth regarding customer relationship management, measurement and reward systems are largely short-term oriented (toward the maxim: What did we sell today?). And one of the comments we hear in customer research is that the fastest way to be forgotten is to buy something. The company now needs new sales, so it turns its attention elsewhere.

But this is expensive and exhausting, constantly lurching for the low-hanging fruit. It's like the movie *Groundhog Day*: No matter what you do today, tomorrow is essentially, and exasperatingly, a replay of what you've already done.

This marketing churn requires ever more reach, often through impersonal e-mail blasts that push messages to customers, prospects, suspects, and barely warm bodies. It's so cheap, goes the rationale, that just one sale will pay for it all.

But—and this is no news, really—personalized, targeted e-mails get better results.

What we need is a commitment to customer relationships. What makes customers happier, stay longer, and buy more? Value. That means a simple, transparent, immediate answer to the question, "What's in it for me, today and tomorrow?"

Why increase your attention and investment in your best customers? Let us count the ways:

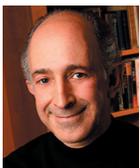
- Your company has already acquired the relationship, and the cost of having done so can be amortized going forward.
- Those customers already have invested in the value your company provides.
- This approach produces the best return-on-investment, now and in the future.

A customer relationship begins as an interaction. Marketing addresses a need, and a sale is consummated. That's pretty straightforward. However, customers themselves do not lead straightforward lives. As they use your product or service over time, their needs change. Your own staffing changes, even while marketplace demands change. All of this affects customer satisfaction.

Mind you, satisfaction is not a "soft" metric. Satisfaction drives retention, and retention in turn drives customer lifetime value. To nurture satisfaction, engage your best customers in a dialogue where the objective is to educate, listen, and learn.

For a technology manufacturer, say, segment your best customers by what they bought, their industry, and their mission-critical application. Then ask how they're doing and how you can help. Let them know what's on the drawing board for the next release, and gauge their response.

A while ago, IBM engaged its best software customers in this type of a dialogue with its IBM Software Premier Club, and the results speak for themselves. Fully 90 percent of the Club's members expressed satisfaction with the program, and 35 percent said they made purchases they would not have otherwise considered. That's marketing that works! ■

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