

## RELATIONSHIP MARKETING AND RELATION SHIP MANAGEMENT

**Definition:** The **Relationship Marketing** refers to the activities undertaken by the firm to establish and maintain the profitability and the long-term relationship with the customers.

The Relationship marketing differs from the Traditional marketing in the sense that the former rely heavily on the customer retention and their satisfaction, that results in the long term relationship and the repeated sales, whereas, the latter emphasized majorly on customer acquisition and one-time sales without giving much importance to building relationships.

Nowadays companies have adopted the customized marketing strategies rather than the mass marketing program. Providing exactly what customers want and maintaining a proper communication with them increases the satisfaction level of the customers.

**E.g.** The Dominos emphasizes on relationship marketing by making the feedback calls to the customers, to know about the quality of their pizza, once delivered.

### What Is Relationship Management?

A wide range of abilities and tools to build and maintain effective communications with different people in our work (customers, co-workers, employees, managers, business partners, organizations, and much more)

Relationship management is a strategy in which an organization maintains an ongoing level of engagement with its audience. This management can occur between a business and its customers (business to consumer)] or between a business and other businesses (business to business)] relationship management aims to create a partnership between an organization and its patrons, instead of viewing the relationship as merely transactional.

### WHAT EXACTLY RELATIONSHIP MANAGEMENT IS ? :

Relationship management involves strategies to build client support for a business and its offerings, and increase brand loyalty. Most often, relationship building occurs at the customer level, but it is valuable between businesses as well.

A business may hire a relationship manager to oversee relationship building or it may combine this function with another marketing or human-resources role. Building a relationship with clients yields rewards for all parties. Consumers who feel that a company is responsive to their needs likely will continue to use that company's products and services.

### TYPES OF RELATIONSHIP MANAGEMENT

Mainly of two types—

- Customer Relationship Management
- Business Relationship Management

### **CUSTOMER RELATIONSHIP MANAGEMENT (CRM)**

B2C businesses rely on customer relationship management (CRM) tools to build a solid rapport with their customers. CRM involves a significant amount of data and sales analysis as it seeks to understand market trends, the economic landscape, and consumer tastes. CRM also can include marketing techniques and a post-sales support program.

Typically, a CRM program will consist of written media (such as sales announcements, newsletters, and post-sale surveys), video media communication (such as commercials), and tutorials. Ongoing marketing is critical to a business, as it is more costly to acquire a new customer than it is to maintain a current customer. Marketing helps a business to gauge consumers' interests and needs, and develop campaigns to maintain loyalty.

### **BUSINESS RELATIONSHIP MANAGEMENT (BRM)**

B2B relationships with vendors, suppliers, distributors, and other associates can also benefit from relationship management. Business relationship management (BRM) promotes a positive and productive relationship between a company and its business partners. BRM seeks to build trust, solidify rules and expectations, and establish boundaries. It also can help with dispute resolutions, contract negotiations, etc.

### **Importance of CRM**

- Foresee customers needs effectively & increase business: A CRM system gives you a historical view of your customer's "customer lifecycle" and helps you foresee his needs and use this prediction to retain him as a customer as well as acquire new customers
- Track customer and his profitability to the company: An effective CRM process can give you data to help you track the profitability of your customers. This way, you will be able to identify which customer can be profitable and perhaps focus on improving relations with him with special offers, custom made deals, etc.
- Focus on each customer separately: Because of the data a CRM provides on each customer, you can group customers into types of businesses, location, total receipts and other metrics and assign Account Managers to help meet the needs of customers individually and provide tailor-made services and custom advice.
- Acquire new ones: An effective CRM system allows you to retain existing customers as well as acquire new ones by the process of identifying potential customers, their details maintaining it on the 'Opportunity for business' stream. A call from the sales team could then close the deal.

- Cost effective: CRMs are very cost effective. Also, there is very little paperwork required and does not require a large team to manage it.
- Increase customer satisfaction: Since CRMs provide an overview of a customer's needs and distresses, it's relatively easier to identify his pain points and work to provide a quick solution for him and thereby increase customer satisfaction. Customer satisfaction in turn increases loyalty and as a consequence, business overall.