



Building brands – and customer relationships

Traditionally, marketing has focused on ‘building brand’. Now that, in the USA at least, chief marketing officers (CMOs) are becoming chief customer officers (CCOs), it seems to be time to re-focus ‘marketing’ on building and fostering customer relationships.

The old view of marketing involved supplying the mass market, addressing it via mass media and engaging in impersonal transactions. When marketing was about building brand, it was a monologue, not a dialogue.

The economic downturn at the end of the ‘naughties’ has prompted marketers to consider customers’ needs. The key points about cultivating customers are the need for:

- **Communication** – remembering that this should be a dialogue, not monologue, genuinely inviting customer feedback. This should be couched in the customer’s (not the supplier’s) language. It should create ‘customer affinity’ and add value. Importantly, it should be bespoke – communicating with customers individually, via social media such as Twitter and LinkedIn.
- **Client relationships** – not only must suppliers keep in touch with their customers, they must give them the chance to give feedback on the product/service as well as the standard of service they have received. This is a multi-level relationship where the marketer must truly understand what drives the customer. This relationship aims to build trust; develop a client plan (on an individual client basis rather than the ‘mass market’ approach of traditional marketing), and manage client service levels.
- **Measuring the value of the relationship** – using the formula $S*(L/T) = TFI$, where S is the average customer spend on each purchase; T is the average time between purchases; L is the length of the relationship and TFI is the total fee income. When measuring this value, you need to determine the client lifetime value; the ‘incubation period’ for that customer, or ‘cost per capture’, and the profitability on each customer.

So the modern approach to successful marketing recommends:

- Move from marketing plans to client plans
- Prioritise client contact
- Treat each customer as an individual
- Take a long term view, adopting cradle-to-grave measurements of client value

Of course, in building these relationships, PR has a vital, complementary role to play.