

From Hunting to Farming

We all know it costs a lot more to acquire a new customer than it does to keep an existing one. So common sense tells us there's inherent value in maintaining relationships with your existing customers.

However, not everyone has the same perspective on what it takes to build and maintain relationships with customers. Some take the approach of hunters, while others are more like farmers – a distinction that has significant impact on overall success. While the former can provide a short-term boost to bottom line results, it is the latter that will help sustain longer-term benefits – and greater profitability.



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A hunter by definition is a predator - one who pursues with intent to capture. Bear in mind that in this world, a hunter's prey is generally eaten or disposed of. This is not exactly a long-term type of relationship.

Sales "hunters" have a similar approach: find the customer, use the customer to the company's best advantage, then move on to the next target. While this may be a way to increase sales revenues in a hurry, it does nothing to foster those relationships and sustain revenues over time.

The farmer, on the other hand, manages and cultivates. The farmer's approach is all about propagation and continuity. It's about knowing that every step taken affects the next. The farmer knows that if he or she manages resources judiciously, many benefits can be reaped during the growing cycle. And if, at the end of each harvest the soil is carefully nurtured and prepared for the next growing cycle, farmers know their yields will be generous year after year.

Obviously, the "farmer" approach to selling is grounded in the premise that the sales process doesn't end at the sale itself. It is a perpetual process that requires continuing customer contact to ensure satisfaction, share knowledge about complementary products and services and understand new trends. It is sales paired with service – an approach focused on building long-term relationships with customers to aid in sustaining future sales.

The farming approach to customer relations can extend beyond the sales cycle and be applied to business activities on other fronts, including personalized marketing and promotions, budgeting and product development. It stands to reason that if you know your customers, you can identify their needs and understand the ebbs and tides of their buying habits. You can segment your customers based on their specific needs and budgets, and prepare cost-effective promotions and offers to groups with like requirements and schedules. You can plan your resources and even support product development with the information you've learned.

Over time, and given the right approach, your company can become the customer's indispensable resource. Though they'll have many opportunities to switch suppliers, if your customers have a strong, long-term relationship with you, they will less likely to make a move. Because you've shown you care, you will always be top of mind for any new business that may come along. There is no question that customers will appreciate this and respond in kind.

Closed loop marketing is built on the "farmer" approach to customer relationships. It is the practice of measuring the results of communication initiatives by tracking the response of targeted groups, then

adding this information to a database for tracking and evaluation to improve future marketing, communications, and product development decisions. Communications can then continuously adapt to the customers' wants and needs, allowing a true relationship to grow.

A well-thought out 'CLM' strategy can help cut marketing costs, by making your interactions more targeted, concise, and precise. It means getting to know your customers, to ensure you're talking to someone who's relevant and who is listening, rather than casting a wide net and broadcasting to a lot of people who aren't paying attention.

This same strategy can also cut sales costs by pre-qualifying the audience and building a rapport that gives the sales force solid prospects to work with. Less sales time spent on establishing a relationship and closing a one-time sale means more opportunity to establish longer relationships that generate more sales.

The key objective of a closed loop marketing strategy is to get to know your customers to the extent that you can not only accommodate today's need, but also proactively approach them, armed with real data, to meet their future needs.

But it's not just about collecting data. It's also about the ability to add purpose to that data, and use it for relevant, relationship-building tools. A solid customer intelligence strategy can mean the difference between recognition and anonymity, between strong personal bonds and ambiguity, between success and status quo - or even failure.

As competition increases and the value placed on relationships gets stronger than ever, any business not using a "farming" approach and methodology will find it increasingly difficult to attract, retain, and grow profitable customers. Your survival could depend on how well you cultivate those key relationships.

Chris McCarten, president of Myriad Marketing, is one of Canada's leading marketers. He is a recognized entrepreneur with an exceptional track record for skill and innovation in marketing, business development, and the architecture and evolution of customer intelligence strategies.

Chris, who founded MYRIAD in 1997, has developed an approach to "Closing the Loop" between marketing and sales revenue by accumulating and evaluating customer data via tactical marketing activities.