

Talk to your customers if you want loyalty and business growth

There are many extensive and sometimes overly complicated definitions of Customer Relationship Marketing detailed throughout a plethora of marketing text books. But, long before the phrase was coined and the theory developed, successful business owners knew that keeping customers happy and giving them what they wanted was the guaranteed path to sustainable growth and profit.

Companies that merely chased sales and didn't listen to what customers had to say once the sale was closed, often fall by the wayside rather quickly. Over years of analysis it appeared that the big difference between sustainable businesses and those that failed was the former's ability to act upon their customers' desires and also to anticipate their future needs. Although that is a simplified statement and there are many other factors that obviously contribute to success and failure, if all other business parameters are the same amongst competing companies, the way that they respond to customers will be the deciding factor.

Customer Relationship Marketing (CRM) is a formalised application of tried and tested sales and marketing philosophy, and is extremely important to today's customer-focused businesses. The term is also used to describe the strategies, methodologies, software, and web-based capabilities used to manage customer relationships.

The fundamental belief underpinning CRM is that every customer interaction with the business provides an opportunity to build loyalty, strengthen the company's brand, make other offers, increase revenue and improve retention. In a nutshell, it is an effective way for the company to better understand their customer's needs. It allows for a more accurate assessment of each customer's value to the company, and at the same time improves the efficiency and effectiveness of customer communication.

CRM has superseded the traditional marketing technique of the 4P's - product, price, promotion and place - which notably ignored the customer once the sale was made. [Customer relationship management](#) concentrates squarely on customer retention as opposed to customer acquisition, and is one of the most viable tools in a company's arsenal when it comes to a successful sales and marketing strategy.

Indeed, marketing strategy tended to concentrate only on sales and marketing, whereas CRM has introduced the all-important element of service to the mix. All three activities are fully co-ordinated in successful businesses, many using state-of-the-art technology to ensure effective communication throughout elements of the company, and also to their customers.

CRM works differently in different companies, but what is certain is that its successful application helps them build growth and retain loyal and happy customers.

About the Author

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