

Relationship Marketing: Earning the Right to Business

Jack Burke

You have to earn the right to a relationship and a sale.

Business is under assault by a barrage of sales oriented “pitches” today. The telephone brings us telemarketing calls of the automated variety or real people reading scripts and the postal carrier delivers pounds of paper citing numerous reasons to separate a consumer or a business from their money. Despite the best efforts of our electronic filters, the daily e-mail still contains a plethora of unsolicited commercial messages otherwise known as spam. Plus we cannot forget the daily bombarding of our senses from television, radio and billboard advertising.

For most mass marketers, advertising is a numbers game. The more imprints on a consumer’s mind, the greater the likelihood that the consumer will purchase a particular product or service. Mass marketing, however, is not generally applicable to the insurance industry (with the exception of national and regional personal lines). For an independent agency, marketing must be much more carefully targeted. We may advertise personal lines for a specific geographic area, but the commercial niche is much more difficult to reach. Plus, even with specific and focused campaigns, the insurance agency still needs to find a way to cut through all of the clutter.

So how do we initiate a relationship and begin earning the right to someone’s business?

Affinity Marketing

The concept of “affinity marketing” has become very restricted in today’s language. Let’s broaden it a bit to coincide with the definition of affinity: “an attractive force between substances (people/business) that causes them to enter into and remain in combination” and “a causal connection or relationship”. Affinity marketing is one of the easiest paths to instant credibility. It leverages your past years of experience and earned trust to open doors to potential new clients.

Affinity marketing can then include such marketing techniques as:

- Establishing client referral policies and procedures
- Developing ambassadors within your community to promote your services
- Negotiating mutually beneficial marketing relationships with other businesses
- Soliciting association endorsements to members of the association
- Group marketing efforts to individual niches
- Cross-selling products to existing customers

Educational/Informational Marketing

From individuals to businesses, people want to do business with people who “care” about them. They want to feel that the provider of products or services has their best interests at heart. This is a more difficult manner of marketing than affinity marketing. It requires that you take action in advance to “earn the right” to enter a potential client’s space. They need to know that you care beforehand.

Some of the ways that you can begin earning that right is by providing information to help them better manage their business:

- Newsletters (paper or permission-based electronic) -- Don’t make them a billboard for your products or services! Focus on the client needs and deliver information that will be beneficial to the operation of their business. Any sales effort should be almost subliminal.
- Letters – A respectful, personal letter is still an excellent way to begin a relationship. Include a copy of a beneficial article or simply ask for permission to send occasional items of interest.
- Phone calls – I personally recommend against “cold calls”. They are generally treated as a nuisance and an interruption. Better to precede any phone call with prior collateral material. Use the phone as a follow-up.

Testimonial Marketing

This particular style of marketing is closely aligned with both affinity and educational marketing. It can be tremendously effective in building relationships and developing credibility and trust among prospects. There is no more effective method of marketing than to have a satisfied client tell someone about your qualities. Don’t be afraid to ask your clients for testimonials – and when you get them, use them!

Creativity in Marketing

In order to break through the clutter, you need to become creative in your approach. One of the most successful introductory campaigns was undertaken by an agency in the Northwest that wanted to break into the trucking market. Initial cold call visits, letters and phone calls did little to spark any interest, despite having assembled an excellent coverage program with very competitive pricing.

Assisted by some marketing professionals, the agency determined that trucking executives had several major operational concerns:

1. Hiring, training and retaining good drivers.
2. Dealing with federal and state regulations
3. Lack of interaction with their peers (lone wolf syndrome)

Four audio programs were developed to introduce the agency to the trucking industry. One

featured an expert on human resource issues (hiring, training and retaining). A second featured a regulatory/compliance expert. The third was a corporate philosopher who helped CEO's overcome the "lone wolf" feeling. The final program focused on the capabilities of the agency itself and the caliber of its employees.

Every 4-6 weeks, the agency sent one of the programs to mailing list of prospective trucking companies accompanied by a short letter, and the final mailing included the program about the agency itself.

Prior to producers actually hitting the street to follow up on the mailing program, trucking companies were already calling to ask for meetings and quotations. They were impressed that an agency cared enough to help them solve business problems. The campaign worked and the agency insures a large segment of the trucking industry in the Northwest today.

I only cite this as an example of how creative approaches can help you earn the right to someone's business. Aside from the audio aspect, this was simply informational marketing like newsletters or article reprints. Other ideas that come to mind include gifts of hot business books, complimentary subscriptions to magazines that cater to a particular industry (or business in general). Think in terms of items that will position you as someone providing solutions, rather than someone selling insurance.

The Marketing Foundation

Any marketing program or relationship is only as good as the foundation of the agency behind it. We've all seen great marketing campaigns created by companies that can't live up to the hype. Don't be a flash in the pan - make sure that you have the systems and people in place to support any campaign. Never solicit more prospects than you are capable of following through on. Nothing loses its luster faster than a lead that grows old because you are too busy to handle it immediately.

Some common-sense guidelines in assessing the strength of your marketing foundation:

- Expertise on coverages required by a specific industry
- Expertise about the industry itself
- Nurturing a caring culture within your agency
- Focus always on the needs of the client/prospect
- Provide solutions first, insurance second

Marketing is an all-encompassing facet of any business. This article merely scratches the surface on some general marketing thoughts that can help you earn the right to someone's business. If you truly focus on serving your clients and building relationships, the business will take care of itself.

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