

Why customer communication is marketing

Not every business needs to spend lots of money on marketing communications (ads, PR, etc.) but every business should spend time/effort/money on communicating with existing customers. Why? Because these businesses probably depend on referrals for their livelihood.

Even if you don't have a marketing budget (although you should have some dollars set aside for your website and social media efforts), you must budget for customer communications. Keeping in touch with current customers is a serious no-brainer. There are several ways to do it, depending on the size of your customer base: newsletters (electronic or print), postcards, letters, blogging on your website and even phone calls.

At a bare minimum, your existing customers need to hear from you once a year. And yet, how many businesses do not communicate with customers at all?

Let me give you a personal example. I bought my home insurance from an agency recommended by my real estate agent. In the three years I have had this insurance this is the number of times I have heard from the insurance agency: zero. Not once. This past week, I got a policy renewal that listed a 20% increase in my premium. I called the insurer to find out what happened. It turns out that there has been a statewide, across-the-board increase, which, by the way, was announced in February. Except that I didn't know. Because my insurance agency did not bother to inform me.

Since my agency does not communicate with me at all, I will be shopping for a new agency this week. I have no need to be loyal to the agency because they have shown absolutely no loyalty to me as a customer. They haven't kept me informed

about insurance changes. They haven't inquired as to whether I need any type of other insurance. They have never even asked me if I am satisfied with my insurer.

Having a customer communication program is marketing. It can help maintain current customer relationships and it can lead to referrals. It keeps your business top of mind. The company that painted my house knows this, which is why it sent a card at Christmas. My heat/AC contractors send out postcard reminders in the spring and fall that it is time to have the system checked. The mechanics send discount coupons and reminders it is time for service on the car.

Set up a customer communication program

The first step is to develop and/or refine your **customer database**. You must collect basic customer information: address, phone number, email.

Assign a **budget**. Call it marketing or call it customer retention or call it a referral program. Just budget for it.

Decide how many times per year you will have contact with your customers, taking into account factors including your budget, how you will communicate with customers, and the nature of your business. If you are a seasonal business (you sell Christmas baskets or you do taxes for example), then you could send out your communications once a year. If you depend on having informed customers (you deal with investments), you may need to have a monthly or even weekly newsletter.

Decide what **type of information** your customers need.

Line up the right **vendors** (printers, direct mail companies, e-marketing, etc.)

Do you have a customer communications plan? If so, what do you take into account?

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