

# How to go from a service provider to a trusted advisor



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One of the biggest mind shifts when it comes to managing relationships with customers as a business to business (B2B) company is that the rules of customer engagement have changed. We are no longer in a B2B space, but are now B2P (business to person) organisations.

#### Having a long-term view to customer relationships

Smart brands are obsessing about long-term relationships with customers and communities rather than being obsessed with a one-off sale, or chasing short-term demand generation. They are investing in mindshare and understanding that mindshare as an investment is influenced over time, so your marketing investment today will not always show up on your income statement tomorrow.



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# Everything is digital, but digital is not everything

Technology has made it easy for your companies to present personalised advertisements and special deals to your most lucrative customers, but your competitors have the ability to leverage this, too. Technology is a great leveller of the playing fields in this regard. But what your competitors may not have is a deep entrenched relationship with your customers. And like any relationship, it needs to be nurtured. Everything is digital, but digital is not everything. Investment in customer relationships and engagements should not be underestimated.

# The value of emotion in business marketing

Your enterprise customers are still rational but emotional beings, and aside from the benefits of being able to reinforce your brand with relationship marketing engagements, you also have an ability to make an emotional connection with them (person to person). To <u>quote a recent Forbes article</u>: "The word emotion speaks to that rarified place where few brands and advertisers reside. For just as in any relationship in life, touching on human emotions, preferably the positive emotions, is the key to any happy, healthy and long-term relationship".

#### How to think about ROI

The challenge many marketers face is that quantifying the value of relationship building and influence can be tricky business. In an era where a lot of the focus is on return on investment (ROI), one of the oldest forms of marketing still holds true... the value of relationships. The investment into relationship marketing will pay itself back in terms of customer loyalty and retention. As the old saying goes, a customer lost is more expensive to an organisation than the cost spent in acquiring a new customer. Also take into account that a customer who has walked away from your business would also have to overcome a psychological barrier to admit that they were wrong if you ever convinced them to come back.

There is indeed a 'hard' and a 'soft' side to marketing. A good way to think about the 'soft' investment is to accept that the investment is in order to make sure that your brand remains top of mind for that customer and that you are investing in an emotional connection which will drive loyalty and retention. These investments into the intangible could also have long-term bottom line benefits, as studies show that 5% improvement in customer retention can cause an increase in profitability of between 25% and 85%.

## The South African landscape

The South Africa business-to-business market is still characterised by in person and face-to-face. In the era in which the world is going digital, there is still need for interaction on a face-to-face basis with your customers. Sure, this may not be the most scalable way of doing marketing or doing business on a consistent basis, but what it shows to your customer or community is that you are committing your most previous and scare commodity (your time).

As the CMO for Microsoft South Africa, we are enterprise- as well as consumer-focused. We continually invest in the communities, which are important to our ecosystem, such as the CIO council, an independent community of technology influencers. A community that is increasingly important for us is the marketing community. As more and more marketers are involved in technology decisions, Microsoft aims to nurture and develop this community by providing networking peer to peer opportunities.

## Be in the business of exceeding expectations

A customer engagement is an opportunity to exceed expectation. How brands show up in these engagements will determine whether that emotional connection is established or not. There are a couple of practical ways in which brands can strengthen this muscle. At Microsoft, the primary rules of our customer obsession are based on 3 Es: Empathy, Engagement and Empowerment. Empathy means that your brand needs to really pay an interest and care about your customers' needs. Engagement is the need to have a regular and consistent dialogue with your customers. Empowerment is about making sure that you give your customers what they need (not what you want to sell), because this could make you the favourite rather than the grudge purchase and it could also be what makes you the trusted advisor rather than the service provider.

#### ABOUT FARREN ROPER

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