



How Much Is Too Much?

Q. Is There Such A Thing as Too Much Customer Contact?

A. Yes, but likely you're nowhere near it.



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Real estate agents often tell us they don't want to subscribe to a monthly marketing program because they don't want to overwhelm their sphere with too much communication. But is there such a thing as too much client contact? And if so, how much is too much?

In July, a research study was published in the *Journal of Marketing* called "Enough Is Enough! The Fine Line in Executing Multichannel Relational Communication." The study analyzed the effect of various numbers of email, phone and direct mail

contacts to past customers over the period of three months and how the quantity and type of contact changed customer repurchasing habits.

There are two theories at play in this study that I want to discuss. The first is "Reciprocal Action Theory." This idea suggests that an investment in customer relationships produces a psychological bond between the company and the customer that results in the "reciprocal action" of a purchase.

The second is "Reactance Theory" which suggests that increasing levels of communication creates a negative

influence as customers begin to feel the communication is invasive or obtrusive.

The goal of any good relationship marketing strategy is to find the optimum point between customer reciprocity and negative reaction. Too little communication and there is no relationship built and no motivation to refer or repeat buy. Too much communication and the customer either ignores you or tags you as invasive or obtrusive.

The good news is that most real estate agents are nowhere near the negative reaction territory. The bad news is that

most real estate agents aren't being nearly aggressive enough with their customer contact to create a reciprocal action.

The study showed that over the period of three months, positive customer response increased for each email, phone call and direct mail piece sent to past customers. Up to a point. "People who received 3-4 phone calls in a quarter spent 50% more than those who received none. After 5

(a referral or repeat transaction) increases with each additional contact you make up to that point.

Your monthly e-mail newsletter just isn't enough. To have a solid relationship marketing strategy you need a multi-channel approach that makes numerous contacts with your sphere each month. You need to start thinking about the word "AND" instead of "OR" when planning

that includes e-mail, traditional mail, phone calls, personal visits, social media and more. Customers report a positive reaction to companies that communicate across multiple channels because it shows a higher level of commitment to the relationship.

Use your customers preferred communication channel.

The biggest negative reaction from

Q: *According to customers, which is the more intrusive form of marketing: E-mail or traditional mail?*

A: *E-mail. According to study author Godfrey, she and her colleagues were surprised to find that traditional mail was generally the most effective means of contacting customers, who were less annoyed by it than too many emails and calls. After 3-4 emails per quarter customers begin responding negatively. Positive response continues for traditional mail all the way to 9 pieces per quarter.*

phone calls, that amount began dropping. The same holds true for email. At 3-4 contacts in a quarter, the repurchase spending increased. More than 4 and the amount began to drop. Interestingly, direct mail showed both the highest amount of repurchase spending as well as the highest tolerance towards multiple contacts. The decrease did not begin until after 9 direct mail contacts in a quarter."

The study also points out that in a professional services situation, such as a real estate relationship, the tolerance for consistent contact is likely higher, as there is no buying pressure.

So when was the last time you called someone in your sphere more than 5 times in three months? When was the last time you sent 9 direct mail pieces in a quarter? Not only do your clients not mind the constant contact, the studies show that the likelihood of achieving a positive response

your monthly contact. Here are a few tips to use when adding to your customer contact to ensure you achieve a positive response and avoid negative reaction.

It's the relevancy that counts.

Communication without a point is just noise. Be sure each time you communicate with your sphere you are providing some form of relevant information. Customers are much more likely to react positively to items of value than they are to irrelevant Facebook posts or an email with a link to the latest "piano cat" video. Impact makes a difference, so have a message that means something.

Use multi-channel communication.

The concept of "integrated marketing communication" applies here. Don't just rely on one form of contact. Just because e-mail is free doesn't mean it should be the only way you interact. Create a relationship marketing strategy

customers came when companies ignored their preferences or dislikes for communication. If your customer expresses a dislike for phone calls, confine your communication to other forms of contact. If they want you to use a personal instead of company email, be sure to keep your database up to date.

My challenge to you for 2012 is to double your client contact. It may just mean double the referrals and repeat business.

REFERENCE:

ENOUGH IS ENOUGH! THE FINE LINE IN EXECUTING MULTICHANNEL RELATIONAL COMMUNICATION. PUBLISHED IN THE JOURNAL OF MARKETING, JULY, 2011 ANDREA GODFREY, KATHLEEN SEIDERS, & GLENN B. VOSS

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