

Business Relations and Networking as One of the Best Marketing Practices¹

Relacje biznesowe i networking jako jedna z najlepszych praktyk marketingowych

Streszczenie. Networking to doskonały sposób na rozwój i nawiązywanie nowych kontaktów biznesowych. Artykuł zawiera zagadnienia związane z funkcjonowaniem klubów biznesowych, sposobami pozyskiwania nowych klientów, a także zaletami przynależności do wspomnianej organizacji na przykładzie „Partnerskiego Klubu Biznesu”. W kolejnych częściach skupiono się na działaniach networkingowych stosowanych w ramach klubu biznesowego, jego obecnej sytuacji w Polsce oraz wpływie pandemii koronawirusa na jego funkcjonowanie. Niniejszy artykuł dowodzi, że networking powinien być podstawą każdego przedsięwzięcia biznesowego, gdyż bardzo skutecznie zwiększa sprzedaż.

Słowa kluczowe: networking, klub biznesowy, sprzedaż, działania networkingowe, relacje biznesowe, kontakty biznesowe.

1. Introduction

Creating and maintaining business relationships lays the foundations of marketing. Nowadays, standard marketing practices are often not enough – our clients or contractors expect something more that will underline how important they are to us. Such a strategy aids the acquisition of loyal customers that feel appreciated

* The University of Łódź, Faculty of Management (Student), Senior Business Customer Advisor in PLAY.

1 This article is based on the fragments of Małgorzata Michatus Bachelor's Thesis titled “Business Clubs as an efficient tool for building business relationships and increasing sales”.

and experience special treatment, which ultimately leads them to treat our services or products with special consideration. They also put the choice of our brand on a pedestal in terms of their consumer decisions. Relations play a significant role in the B2B area, especially when we cooperate with another company and want our contractors to express positive attitude towards us. Nurturing these relationships is a vital part of applying the most effective marketing practices. As the name suggests, these are effective marketing methods that aim to successfully attract the client by skillfully drawing their attention to a given project and therefore making them become loyal. Thanks to effective marketing practices, we can exert a tremendous impact on the acquisition of customers or companies through various contact channels, best suited to the industry in which the company operates. Building lasting relationships with customers should become the main pillar of functioning of any company, as it is the customers that bring profit, which will determine its position on the local and international market.

Nowadays, many people see marketing as advertising. However, marketing is much more than advertising. It includes advertising, but it is the relationships that create modern business. This is where networking begins. Unfortunately, there are still multiple educational gaps in this area. Even today, many entrepreneurs remain oblivious to such concepts as the model of networking cooperation and building a network of contacts. Every entrepreneur should actively strive to expand the network of their own contacts. They constitute the base on which we can build business successes in the future and therefore increase our profits. Apposite understanding of the idea of networking and the business club is a key aspect not only in building a network of contacts, but also in creating your own personal brand. A skillful approach to the application and the benefits of networking is bound to help you understand the importance of lasting relationships and recommendations in business, as well as the advantages of building your own network of contacts.

Companies have always gone to great lengths in order to attract customers, make them loyal and eager to come back. There are many proven marketing strategies that result in the acquisition of such a customer. However, nowadays consumers are overloaded with intrusive advertising, telemarketers and slogans such as “buy now or regret later”, “great offer”, “this price only today”. We are currently dealing with customers who become increasingly conscious and able to analyze the competition. It is highly unlikely that we find an area in which only one brand has a monopoly on a product. Consumers have begun to notice the aforementioned phenomenon and therefore, they compare and analyze their options, wondering which company offers a better, more attractive service or product. Entrepreneurs have to give more of themselves, reach out to the client, go beyond known and tested schemes and start presenting a more innovative approach. It finally becomes more noticeable that the relationship we build with a client exerts a tremendous impact on client’s future loyalty towards our product or service and the possibility of them recommending us further.

2. The concept and methods of implementing networking

Networking is primarily about building a network of contacts. It is a very broad concept in which the key aspect is establishing lasting relationships in business that will result in mutual recommendations. Networking should be seen as a network of connections, means of exchanging valuable contacts. One member of such a community can help us on multiple levels by sharing their business contacts. Networking is largely based on trust and reliability. When we recommend someone, we want to make sure that the person or company is trustworthy. Otherwise, our reputation as a referrer is likely to be tarnished, as it may seem that other contacts in our network also offer poor quality services, and we cannot be trusted with our recommendations.

We can implement networking into business in two ways – by either personally building a network of contacts or by becoming a member of a networking group. Business club membership gives its members numerous benefits, not only businesswise, but also in terms of relations and integration between its members. Other advantages worth mentioning are: establishing new business contacts, increasing sales of your products and services, as well as finding new ways of cost reduction. In addition, we have to bear in mind that there are three pillars of network marketing, thanks to which much less than usual involvement in typical commercial activities results in faster and more significant business results. The aforementioned principals are as follows: powerful leverage (time and money), passive income and geometric growth through duplication.

Partner Business Clubs in Poland founded by their president Radosław Rogiewicz are the example of such networking organizations. They are divided into two types: clubs that belong to sports organizations and clubs without sports affiliation, operating independently. In the first case, sports clubs can give their sponsors the invaluable possibility of establishing new business contacts within the created networking structure by getting to know other entrepreneurs who are also sponsors of the club. Members have an opportunity to integrate with each other and become acquainted with their enterprises on a deeper, even personal level and therefore, trust their recommendations. In the second case, the Business Club is primarily a place to establish business contacts, a place to cultivate business relationships in a very exceptional atmosphere that boosts creativity and increases the incentive to talk business. Due to the fact that every club member knows the enterprises of other members, the recommendations become even more valuable. Member companies start to use each other's services more often, and thus effectively implement and develop a strategy of networking, building their corporate or personal brand. Furthermore, such activities are also extremely

helpful as far as gaining direct access to the owner or other decision-making person at a given company is concerned. By promoting a request in our network of contacts, we are able to quickly find a person who is willing to help us reach someone who is within our range of interest and therefore, we create an open negotiation path.

Personal networking is based on individual network building via creating and promoting your own brand. We can build a network thanks to our professional activity either internal to the company, or based on contacts with external contractors. Thanks to this, we become acquainted with worthwhile enterprises, CEOs and other decision-making people. Nonetheless, in this model of networking we do not venture beyond our business field. We utilize acquired contacts ourselves or we share them with a selected group of people only. Such a network can be created by anyone who works or owns a given company. However, this networking model is quite limited as it does not allow us to expand our contacts beyond the aforementioned business field and therefore, it is less efficient than the second model, which is open networking.

Open networking is based on being a member of one or more networking organizations. Thanks to our participation in various business meetings, we can establish new business contacts, share current ones, provide recommendations and spend time in an exquisite atmosphere surrounded by people who share our values and interests. Such a model is very intense and oftentimes requires a lot of commitment in terms of time, money and patience so that our company can be welcomed to the network and seen as trustworthy, which is an indispensable but time-consuming process. We can compare a networker to a sower who sows a seed of business and must properly nurture it via their loyalty, active participation in meetings, discussions and recommendations, as well as use of the services of member companies. If they do the above and patiently wait for results, they are bound to be pleasantly surprised by the yield. It shall not be forgotten that everything we do in networking is associated with the desire to increase profits and decrease costs. However, there is a handful of people whose sole purpose of attending the aforementioned events is to spend time in an environment conducive to creativity and innovation or celebrate success. Such individuals treat doing business as a byproduct – a pleasant addition to their evening.

3. Essence of networking in business clubs in Poland and other organizations

The overall goal of the two main pillars of cooperation in business clubs is to create an increase in sales in individual sectors of each member company. The first

pillar enables traders to gain additional contacts and recommendations, while the second pillar focuses on promoting the company's image on the national arena. Such projects, due to their range, constitute an excellent opportunity to promote a brand and build its recognition, as well as credibility in various business sectors.

Each entrepreneur stands a great chance of spreading their wings businesswise if based on recommendations. Once they surround themselves with reliable partners, they are bound to succeed. However, it is not only about business. The sole sense of camaraderie and the awareness that there are people willing to give words of encouragement and share their experience is immensely comforting and likely to boost the entrepreneur's confidence in business. The club's activity is very versatile and combines multiple marketing tools such as social media or event, direct and internet marketing, but most importantly it creates a safe space for business and personal growth for every entrepreneur. Participation in meetings entails not only professional development of the club member, but also the blossoming of their personal brand and their business activities. Moreover, it provides many positive entertainment experiences. Top specialists in the field of marketing that lead the club and their professional approach towards mutual success are the key to the successive development of networks which results in the abundance of business ventures and direct opportunities to increase profits.

To be recommended, we have to recommend others; to gain someone's trust, we have to trust someone ourselves. In fact, business relations have a lot in common with interpersonal relationships. "You reap what you sow" – as the proverb goes. If our goal is to build a reliable network of business contacts, we have to not only be active and ready to come up with different initiatives, but also open to suggestions and constructive criticism. What every aspiring businessman should internalize is that in business there is only one thing more valuable than money – contacts.

Another essential aspect of building relationships in business is the integration of entrepreneurs. Spending time together in a relaxed atmosphere contributes to strengthening contacts between the attendees. Such events are mostly exclusive to club members although occasional invitation of outsiders is likely to attract new members. Despite appearances and the informal nature of meetings, this is where the most desirable and potentially revenue-generating business interactions take place. Therefore, it goes without saying that maintaining amicable relations with collaborating companies should be highly prioritized by every entrepreneur.

The broadly understood development of business in Poland thanks to the effective use of business relations may exert a tremendous positive economic impact on our country. The creation of business clubs and other networking groups aids many entrepreneurs in increasing their companies' income and therefore makes it possible for the government to collect more tax revenue. Moreover, the development of enterprises results in job creation and thus effectively reduces

unemployment and economic emigration due to the fact that there are more jobs available in Poland.

Nowadays, companies can constantly develop as they have unlimited opportunities for expansion into the new markets. When a firm goes from strength to strength thanks to its new partners, expansion into foreign markets may be taken into consideration. Not only does such process strengthen Poland's position on the international stage, but also it generates additional profits for domestic entrepreneurs who will continue to invest the revenue in their homeland. In addition, the creation of business clubs in smaller cities results in the economic growth of such areas. Thanks to attracting new investors and establishing partnerships between external and local companies, especially the local ones are able to expand, create new employment and therefore, pay more taxes which contributes greatly to the economic growth of the region.

4. Business relations during the COVID-19 pandemic

We can appreciate the special role of relations in business and emphasize their importance by analyzing the current economic situation in the world in times of pandemic. It paralyzed not only our social lives, but above all, professional and business ones. Suddenly, the world came to an abrupt halt due to the danger posed by the rapidly spreading virus. Multiple companies suspended their operations making the safety of their employees and customers their top priority. With revenue opportunities cut short, financial stability was put in jeopardy. However, thanks to previously established relationships, companies that truly invested in forming strong bonds are now more likely to stay afloat. Currently, many personal business meetings have been replaced with online ones. Thanks to technology, business clubs are still able to function and therefore fulfil their role of creating an online space for entrepreneurs to share their knowledge and experience, ask bothering questions, or simply support each other at this difficult time.

5. Conclusion

In conclusion, building business relationships should be on par with other most efficient marketing practices. However, due to the lack of appropriate knowledge and skills it is oftentimes overlooked or once established not nurtured properly. In order for business relationships to be sustainable, they need to be regularly renewed. Businesspeople ought to actively help their partners, even if it does not seem profitable at a given point in time. Thanks to this approach, strong bonds are formed. Loyal partners are bound to keep in mind our assistance once they required it most and they are likely to lend us a helping hand if the need arises. Business relationships should become one of the vital aspects of our efforts to acquire new customers. Therefore, it is of the utmost importance to raise awareness of the best marketing practices and their practical application in the areas of sales and development. Thanks to the aforementioned strategies, the company can stand out from the competition, spread its wings and gain highly satisfied clients and partners. By maintaining lasting relationships in business and effectively implementing the assumptions of the best marketing practices, we are able to successfully increase our sales indicators as well as competitive advantage and make our brand progressively more recognizable day by day.