

## LIFECYCLE MARKETING: 5 STEPS TO TAKE CUSTOMERS FROM 'SUSPECT' TO 'ADVOCATE'

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Engagement deepens the customer relationship and creates opportunities to secure connections with new prospects in your customers' networks

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While transaction value is the most common measurement of a customer relationship, advocacy from a customer is marketing gold. Engagement deepens the customer relationship and creates opportunities to secure connections with new prospects in your customers' networks.

Here is a real-life example that may inspire you to engage in deeper customer lifestyle analysis. A medical device manufacturer knows that the value of the first purchase by a clinic or hospital is \$3,000. Huge, right? But for this manufacturer, data show that if the second purchase is made between 30 days and 60 days after the first, the increase in lifetime value of that customer is significant—more than \$21,000 over other customers. If the second purchase occurs after the 60 days has elapsed, the future value is not there. These early second-purchase customers are also 50 percent more likely to be a customer a year later. So while a lot of effort goes into acquiring the customer, this medical device maker is investing in making sure the customer is happy, engaged and satisfied with the product immediately after the first purchase.

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Here's a series of actionable steps for navigating the process:

## **Step 1:** Data capture

Acquire and organize valuable customer data with increasing depth at each stage of the customer lifecycle. Data capture should start with the earliest, most basic terms prospects search online to collect information about products or brands in your category. At each successive step of the customer lifecycle, glean new data from various customer interactions to categorize a customer or potential customer into a particular phase on the lifecycle continuum and guide them on to the next step.

## **Step 2:** Data manipulation and analysis

To choreograph this customer dance, you need to take a longitudinal look at your customer data. Most organizations do their financial reporting monthly or quarterly, so they tend to report on their customers the same way: How many new customers this month? What were sales last month? Customers don't purchase or interact with your brand according to your reporting calendar. They do it according to their needs. That's why it's important to organize your data according to their behavior. Key off of the first purchase and create meaningful intervals to watch for subsequent purchases and interactions.

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## **Step 3:** Triggers and metrics

Identify your method to coax usable information out of raw data. A deep-dive statistical analysis will determine the metrics, interactions and triggers that determine long-term customer engagement that leads to higher customer value. Marketers need some analytical horsepower to force the data to talk—either on staff or brought in from the outside. Then develop a strategy to capitalize on the insights that you have discovered.

## **Step 4:** Smart implementation

Efficient data management will enable you to respond to specific audiences based on their behavioral cues. Your process needs to be automated so that you can communicate with your customers at just the right moment in each stage of the lifecycle, such as in the specific time interval described in the example above. That way, you drive a dollar-savvy focus on a company's best customers before spending money on other, more expensive marketing programs. And let the customer tell you what channels they prefer to improve engagement and increase loyalty.

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## **Step 5:** Lifecycle measurement and monitoring

Marketers love ROI. Who doesn't? But ROI can be enhanced by measuring "Return on Customer Engagement" through customer behavior. Like the medical device example, knowing the value of an interaction will enable you to focus your efforts where the returns are the greatest. Identify actionable information from each interaction with the customer as though your future with that customer depends on your ability to measure. It just might.

For more information on Customer Engagement programs visit [BI WORLDWIDE.com](http://BIWORLDWIDE.com) or email us at [LATAM@BIWORLDWIDE.COM](mailto:LATAM@BIWORLDWIDE.COM).