



The Age of the Customer:

Focus on Retention

A 5% increase in customer retention can boost profitability 75%. Does your customer loyalty make the grade?

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Customer Lifecycle 101: Roadmap to Customer Retention

Engage prospects and customers with these tips on guiding them through the customer lifecycle.

With the cost of acquiring a new customer continuing to rise, the importance of customer retention is paramount. After all, 65% of a company's business comes from existing customers, according to the Customer Service Institute.

That being said, no two customers are alike, which means your marketing strategy should address each stage of the customer lifecycle – discover, explore, buy, and engage. Think of the customer lifecycle as the guiding piece of your marketing strategy road map that addresses customers' different, but equally important, needs, attitudes, and behaviors at each "stop."

Tailoring your marketing strategy to address each stage of the lifecycle will help boost customer retention rates and ultimately improve sales. Let's take a look at the four stages of the customer lifecycle:

Discover

During the first stage, prospects are shopping around to find the best product or service to fit their needs. For marketers, this stage of the marketing strategy should center on advertising and establishing brand awareness and thought leadership as customers are searching for a reputable industry leader.

Here companies can take several different routes. For example, deploying a social media campaign on Facebook and Twitter is a great way to build brand awareness. Start meaningful conversations with prospective customers by posting relevant content on the social networks they frequent the most.

Explore

In the second stage of the customer lifecycle, your target market has already compiled a list of businesses and started to explore each company's credentials. During this phase, it's essential for marketers to deliver branded content highlighting their core competencies.



This is where case studies and whitepapers come into play. Whitepapers are an effective way to highlight your products or services and drive sales. In fact, 85% of B2B decision makers and 82% of influencers find whitepapers to be moderately-to-extremely influential in purchasing decisions, according to data compiled by web strategy firm Orbital Alliance. Moreover, 68% find whitepapers useful for researching individual vendors.

Case studies are also a great way to influence purchasing decisions as they show, not tell, customers how your product or service has successfully helped others like them solve a problem with real results.

Buy

By the third stage, customers are ready to buy. In fact, according to Forrester Research, buyers may be anywhere from two-thirds to 90% of the way through their buying period before they reach sales, in large part due to the vast amount of information provided online.

However, because this is the first time forming a solid relationship with your prospects, it's crucial to not only impress the customer with a quality product or service, but also follow through with your commitments and customer service. Reach out to customers via the communication channels they like best –such as social media, email, or live chat.

Engage

The last stage of the customer lifecycle is undoubtedly the most important. This is when a customer either becomes a one-time customer or transforms into a loyal, life-long brand advocate. During this stage your marketing strategy should focus on customer retention and engagement.

There are several ways to remain actively engaged with your customers. For example, connect with them through social media, keep them updated on company news and product releases through your blog, or publicize promotions through an email marketing campaign. Not only will consistent customer engagement keep your customers satisfied, but it will also drive added business.

Four Ways to Measure Customer Loyalty

Increasing customer retention 5% can boost profitability by 75%. Does your customer loyalty make the grade? Find out with these 4 measurements.

A robust marketing strategy accounts for the two “Q’s” – qualitative and quantitative data – surrounding your branding tactics. That’s because numbers and customer sentiment alone don’t tell the whole story; you need to look at them side-by-side to gauge the loyalty of your customer base.

There are several ways to measure customer loyalty. So, before deciding whether your marketing strategy makes the grade, use the following four tactics to calibrate their loyalty:

1. Look at the Numbers

It’s hard to measure the success of your efforts without taking a look at the cold, hard numbers. Before spearheading your next marketing initiative, document where your metrics begin — from website traffic to email open rates to Twitter followers.

Then, as you charge forward with branding strategies, note how these numbers evolve. A surge in visitors, followers and open rates, for example, is a good indication that first-time customers are more deeply engaging with your brand and, consequently, becoming more loyal.



2. Send a Survey

There is perhaps no greater way to obtain qualitative data about your marketing strategy than to send a survey, which can provide insight as to how you address customer needs, where you fall short, and how your business should evolve. Before sending out your first survey, be sure to gloss over best practices such as not using leading questions, keeping it short, and incentivizing the survey.

3. Compare Retention to Attrition

An integral part of measuring the success of your marketing strategy is to take a look at retention numbers as compared to attrition metrics. A lowered customer attrition rate and higher retention rate mean you are doing something right – converting first-time customers into long-term advocates. Even a

slight increase in retention can help boost profits. On the other hand, growing attrition rates signal it's time to brainstorm on ways to reduce churn and improve the customer experience.

4. Evaluate Referrals

It's critical to find out where new business originates. For example, did your latest lead come from word-of-mouth? If so, that's a tell-tale sign your marketing strategy is working, as you are driving customer loyalty. Your existing customer base is the strongest arm of your marketing strategy, since they evangelize on behalf of your brand. The amount of referrals you receive is highly illustrative as to whether you are forging lasting relationships with your existing clientele.

Top Three Customer Retention Tips

Replacing customers is far more expensive than keeping them. These three customer retention tips can help you increase revenue without extra marketing

For some salespeople, the hunt for new prospects is far more thrilling than nurturing existing customers. But ignoring customer attrition can lead a company down a dangerous path. In fact, neglecting your existing customer base could be doing your businesses a great financial disservice, as 65% of a company's business comes from existing customers, according to the Customer Research Institute. Moreover, it's projected to cost five times as much to attract a new customer than to keep an existing one.

Your customers are one of your best assets, so bring the focus back onto them with these three customer retention tips.

Don't Underestimate the Value of Existing Customers

Your existing customers mean more than you know; businesses live and die from repeat business, after all. Therefore, understanding the value of existing customers is crucial, particularly since these customers can become your most committed supporters and best form of advertisement. And while customer retention may not be as exciting as obtaining new

prospects for some, it's far more profitable.

According to Bain and Co., a 5% increase in customer retention can help boost a company's profitability by as much as 75%. That being said, re-evaluate your sales report to make sure your existing customer base is getting the attention they need. After all, companies that prioritize the customer experience generate 60% higher profits than their competitors.

Keep Customer Service Top of Mind

Think you know your customers? Think again. According to research from Bain and Co., 80% of companies surveyed were convinced they offered top-notch customer service, despite the fact that only 8% of their customers agreed.

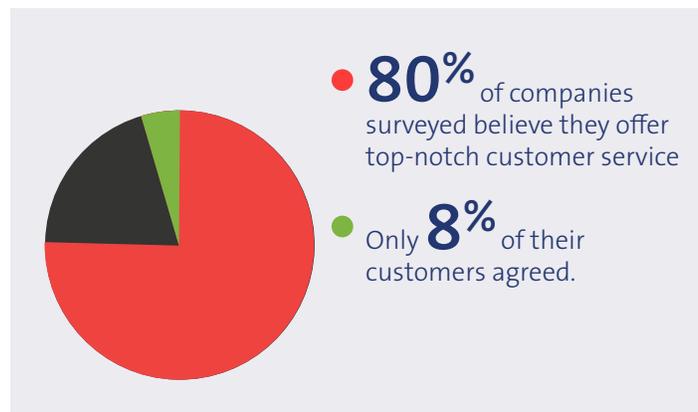
Delivering superior customer service is key in keeping existing customers on board and maintaining a healthy bottom line. In fact, when asked what would prompt them to spend more with a company, 40% of survey respondents said better overall customer service, while 35% said quick access to information.

To ensure customer retention, organizations need to focus on delivering stellar customer service and never giving existing customers any reason to turn to the competition.

Listen to What Your Customers Have to Say

The stronger your relationships are with your customers, the less likely they are to jump ship. Engage with customers through several marketing channels. Not only will this help boost retention rates and build brand loyalty, but it will also build stronger, long lasting customer relationships.

For example, connect with customers through Facebook and Twitter. Keep them updated on product releases or services through your company blog. Ask for their opinion through live polls on your website. Your existing customers can be your best salesmen. According to a new study conducted by the UK-based



Internet Advertising Bureau, 90% of consumers would recommend a brand after directly engaging with them through social media.

Another effective way to keep customers actively engaged with your brand is through promotions. Everyone wants to feel valued, and what better way to show your gratitude than through special discounts or loyalty programs? Not only will this keep customers feeling satisfied and directly engaged, but it will also drive added business to your brand.

In today's competitive marketing world, customers have no problem leaving their existing provider for better customer service, making customer retention more important than ever before. Instead of stacking your sales report with only new prospects, focus on your existing customer base as well; after all, they're the lifeblood of your business.

5 Ways to Keep Customers Happy

Less than 25% of customers complain when they have an issue, so how do you keep them happy?

Let's talk about churn rate. It's an important metric to track, as it helps businesses' gain a sense of how things are going. For example, a higher customer churn rate could mean something is amiss, while a low rate indicates that you're doing something right.

However, maintaining a low customer churn ratio and keeping customers satisfied isn't always easy. In fact, less than 25% of customers complain when they have an issue, while 70% to 90% of customers don't complain at all, according to a recent infographic from salesforce.com.

In today's highly competitive business environment, it's essential to keep customers satisfied and coming back for more, as it costs five times as much to win a new customer as it does to keep an old one, according to that infographic.

Here are five ways to keep your customers happy and your bottom line healthy.

1. Ask for Feedback

The best way to determine customer satisfaction is to simply ask your customers what you're doing right, what you're doing wrong, and ways to improve. Feedback can be gathered in several ways including surveys, interviews, and focus groups. You'd be surprised at how receptive consumers are to giving feedback as it makes them feel valued. Moreover, consumer feedback can help companies determine what's important to their consumers or where their products or services fail and excel.

2. Implement a Self-Service Portal

According to an infographic by Zendesk, titled "Better Service through Self-Service," 72% of customers are going online to serve themselves. Give your customers the option of checking their account, paying their bills, or reporting issues at their own convenience by implementing a self-service portal.

3. Provide More Education

Customers should have the ability to easily find information or help whether online or over the phone. The more information you provide, the better. Try offering free online training sessions on how to use a product or service.

4. Reevaluate Your Sales and Marketing Strategy

Are you targeting the right type of customer? Often a high churn rate can result from attracting the wrong type of person who might not actually benefit from your product or service. Make sure to periodically reevaluate your marketing and sales strategy to ensure that you're marketing to the right target audience.

5. Give Incentives and Rewards

Besides offering excellent customer service and support, specials and incentives will help continue to satisfy existing customers. Create multi-channel promotions via email, social media and other marketing channels.

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