Do you really know your customers?

How using marketing automation helps build customer engagement
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Marketing automation isn’t just for lead generation

Marketing automation was created originally to help marketers acquire new customers. When it’s used well, as the stats at the right show, it does this beautifully.

But there is so much more. Marketing automation allows you to uncover the story of how your customer interacts digitally with your brand, your content, and the people in your company, throughout the entire lifecycle. It provides a wealth of knowledge about all stakeholders, and it can guide you to deliver the right messaging at the right times for leads and customers alike.

Deployed broadly, marketing automation can become a key tool for sales, marketing, account management, customer success managers, customer service, and others.

Best-in-Class companies are 67% more likely to use a marketing automation platform.

–Aberdeen Group (2014)

78% of successful marketers cite marketing automation as being most responsible for improving revenue contribution.

–The Lenskold and Pedowitz Groups, Nov 2013

79% of top-performing companies have been using marketing automation for more than two years, with 79% of CMOs indicating “increasing revenue” as the most compelling reason for adoption, followed by “higher quality leads” at 76%.

–Gleanster, Aug 2013
Customer acquisition is expensive; customer retention is profitable

According to a fact file compiled by the Chartered Institute of Marketing, customer acquisition costs between three and 15 times more than customer retention. i

Those facts are made more powerful when coupled with an historic study done by Bain & Company and Earl Sasser of the Harvard Business School. The study, done in 1990 and still cited today, points out that increasing customer retention rates by 5% can increase profitability by 25%-95%. ii

The moral is straightforward. Getting customers is expensive. Keeping them is profitable.

This means that increasing your customer retention rate is critical for business growth and success. Your marketing automation platform can play an important role here, one that’s every bit as important as lead acquisition.

“It is so much easier to be nice, to be respectful, to put yourself in your customers’ shoes and try to understand how you might help them before they ask for help, than it is to try to mend a broken customer relationship.”

—Mark Cuban, American Businessman

For more customer retention information, check out this Act-On blog post:

3 Principles of Customer Retention
Gallup has been tracking the US economy daily in the years since the financial crash of 2008. Its data shows that while spending is increasing across both businesses and consumers, Americans are increasingly vigilant about where they put their resources. Now, more than ever, they expect the companies they do businesses with to engage actively, and to earn the money they are paying.

Gallup maintains that customer engagement, measured by evidence of a customer’s emotional or psychological attachment to the company or brand, is the definitive predictor of business growth.

**How would you define your customers?**

- Fully engaged: emotionally attached and loyal
- Indifferent: rationally and emotionally neutral
- Actively disengaged: detached and ready to switch

If you’re not sure, that should tell you something, too.

“**A customer who is fully engaged represents an average 23% premium in terms of share of wallet, profitability, revenue, and relationship growth compared with the average customer. In stark contrast, an actively disengaged customer represents a 13% discount in those same measures. In short, when customers believe they are getting more out of a business, they give more to it.”**

—Sorenson & Adkins, Gallup
The term “lead scoring” understates the value that this technology can provide to an organization. Marketing automation provides access to information that would have been hard to imagine even ten years ago.

Lead scoring gives us the ability to get instant feedback on how our prospects are engaging with our campaigns and content. It executes brilliantly on a simple concept: allowing us to measure immediately what we put into market.

But scoring leads is just the beginning. For organizations that want to leverage the concept and the technology beyond their initial sales funnel, marketing automation offers a great opportunity that’s too seldom taken advantage of. It allows you to take the pulse of a population in an instant. What do they react to? Why? How? Where? How frequently? All of this information can be wrapped up in a simple, telling number—a number that can be so much more than a lead score.

“Do you really know your customers?”

“The use of marketing automation has just scratched the surface. Today, marketers are primarily using the technology to acquire new leads and convert those leads through scoring and nurturing programmes. Marketing automation will become the central conduit for monitoring, measuring and engaging with customers across the entire lifecycle.”

—Atri Chatterjee, CEO Act-On Software

CREATE PROFILES CREATE CONTENT MEASURE INTERACTION ASSIGN INTEREST LEVELS SCORE INTERACTION
For customers, it’s a “customer engagement score”

“To avoid misreading customers, companies need to focus more on actual customer behavior, not on the predicted behavior of a certain demographic.”

—Alex Lawrence, Forbes

Marketing automation systems offer organizations an access to data that’s far-and-away more effective than basic web analytics. They allow a depth and breadth of analysis of digital behavior for everyone using them, not just big companies with big data capabilities.

For example, marketing automation and scoring allows companies to pair individual customer profiles with the actions they take on all content sent, the website, customer portals, and more. It not only measures the interactions people have, but ties them directly to the data record.

This allows you to take the guesswork out of which content which customer values, and can give each customer an engagement score that means something actionable to your team.

Customer Engagement Score
The cumulative interaction of how a customer engages positively and negatively with your brand; measured by interaction with targeted digital content and web resources.

—NuGrowth Digital
The possibilities of customer engagement scoring with marketing automation

Knowing your customers better is just the tip of the iceberg.

When you execute customer engagement scoring with a clear plan, a marketing automation platform, and a CRM system, you can generate any number of possibilities:

• Deliver under-engaged customers to your account management team for proactive outreach
• Help customer service deliver content that’s needed at the right time to solve customer problems
• Identify the champions within your customer base and nurture them into advocacy
• Detail the levels of interaction you are getting throughout an entire organization
• Measure the engagement of the same role across all companies (For example, how engaged are CEOs across your customer base?)
• Track the changing interests or characteristics of established customers so you know when it’s time to upsell

“The golden rule for every business man is this: ‘Put yourself in your customer’s place.’”

—Orison Swett Marden, famous American writer

“Get closer than ever to your customers. So close that you tell them what they need well before they realize it themselves.”

—Steve Jobs
“For businesses that are serious about engaging customers, simply measuring customer engagement is not enough. Leaders must take action to achieve the outcomes that are important to their business. They have to move customer engagement to the center of their growth strategy by accounting for the rational and emotional aspects of their customer relationships, focusing on sustainable change management tactics, and blending customer and employee strategies for optimal performance.”

—Sorenson & Adkins, Gallup

Putting a customer engagement score into action in 8 STEPS

It’s clear that customer retention is profitable, and that customer engagement is critical. And because we can score customer engagement, ... our mandate is to put these insights into action.

The following pages detail eight steps to turn your marketing automation platform into a customer engagement machine.
Build your customer organization chart and profiles

The first step in creating the engagement matrix is building your customer organization chart.

This may seem like a simple process, but it’s important to take the time to get it right. Understand who the core people within your accounts are and how they interact with your brand on a day-to-day basis.

Make sure you know:

- What are the titles and roles that interact with your brand?
- What are their primary uses of the product or service?
- Who do they interact with most at your company?
- How do they interact most?

For example, if your account is an insurance agency, your chart may look like this:

**STEP 1:**

**Principal**
- Uses all system functionality; primary administrator
- Interacts with account management, customer service, and executive leadership

**Finance**
- Uses system for financial analysis
- Interacts with customer support
- Interacts most with the customer portal

**Office Manager**
- Uses system for reports
- Interacts with account management and executive leadership
- Uses cell phone, text, and email for communication

**Commercial Lines Sales**
- Uses system to sell new clients, relies on it to be accurate
- Interacts with customer service, only when there is a problem
- Uses email, social media to connect

**Personal Lines Sales**
- Uses system for reports
- Interacts with account management and executive leadership
- Uses cell phone, text, and email for communication

**Commercial Producer**
- Uses system to sell new clients, relies on it to be accurate
- Interacts with customer service, only when there is a problem
- Uses email, social media to connect

**Customer Service Rep**
- Uses system for financial analysis
- Interacts with customer support
- Interacts most with the customer portal

**NOTE:** Build these profiles for the different categories of customers you engage with.
There are a lot of customer lifecycle diagrams out there that discuss the optimal method for retaining customers. Google the term and you’ll find a lot of optimized images and terms like Reach, Develop, Retain, Inspire, Reclaim, and more.

The goal of this exercise is not to map the ideal customer lifecycle; it is to map the lifecycle your customers’ experience. Where are their frustrations? At what point do they become raving fans? Where do they most often need help?

Take the time to walk through your customers’ journey. Map it simply. No need to use fancy terms, just get it right.

**Here’s a guide you can customize to represent your typical customer’s experience:**

- **Purchase:** All stakeholders generally engaged and excited.
- **Implementation:** Usually a 3 month period of adjustment to the new; high touch period with service. Frustration is generally with change, not with functionality.
- **Beginning Use:** A nervous time for everyone. Lots of moving parts. Training is key. 30 day period.
- **On-going use:** 3-6 months. Starting to use the system well. Starting to innovate with use of system and have new feature requests.
- **On-going use:** 6 months – Strong relationships build with team. Looking to add on products and functionality.
STEP 3: 

Determine helpful content by role and lifecycle

Now that you’ve mapped your customers’ organizational structure and your customers’ lifecycle, it’s time to put together the content plan.

Use the roles you put in place and the customer journey information to create a content grid for your customers.

<table>
<thead>
<tr>
<th>ROLE</th>
<th>CUSTOMER LIFECYCLE POINT</th>
<th>HELPFUL CONTENT</th>
</tr>
</thead>
</table>
| Principal  | Purchase                 | • Purchase process infographic
                              • Case studies
                              • Welcome letter from other clients |
| Implementation |                       | • Managing your implementation eBook
                             • Videos on managing change |
| Beginning use |                       | • Key reports guide
                                • CEO email |
| Initial productivity |                   | • Account management touch base letter |
| Ongoing use  |                         | • Feature newsletters
                                • Industry updates
                                • Information on growing company |

You may have this content already, or you may need to create it (or have it created). Once you have it, this content can be built into automated programs for distribution. Create it once, and then reuse it again and again.
STEP 4: Test your assumptions—contact your customers

You’ve gone through the exercise of building the organizational and buyer profiles, and creating a content grid. Now, before you start building your campaign plans, make sure you connect with your customers and your internal team to test your assumptions.

Get direct feedback on the helpfulness of the proposed content, the assumptions you make on roles, and the customer lifecycle you put on paper.

Reach out to current, ideal customers to gain additional insight into their experience, and ensure that the content you are proposing will meet their general and specific needs.

**Great ways to reach out and learn more include:**

- Customer interviews
- Listening to customer service calls
- Listening to account management calls
- Customer surveys

Check out “Why Assumptions are Bad for Business” from Business Know-How
Successful use of marketing automation and effective data management go hand in hand. If you don’t have the data to support your content delivery needs, then it’s tough to execute on the plans you are putting in place.

Check your customer data. Make sure you have critical parts of the profile filled out in your CRM for each organization and individual.

**Key information includes:**

- Full name (for personalization)
- Title
- Role in organization
- Customer start date
- Products used
- Organization/customer type

At this point, you don’t need big data tools. You need simple data accuracy. Work with your team to ensure this is as complete as possible.

“Inaccurate and out-of-date data, gaps in information and poorly integrated data will all serve to compromise the core objectives of marketing automation, hindering the ability to create relevant, timely and engaging communications, and ultimately undermining efforts to increase loyalty and sales.”

—Neil Davey, SmartInsights.com
**Design content tracks and automated programs**

With your profiles built, assumptions tested, and data verified, you can start to build out content tracks and automated programs that promote and measure customer engagement in a systematic way.

Start with one track at a time, and get to work creating or modifying the content to provide a strong customer experience, by role, along the lifecycle.

Build this content into a program in your marketing automation system. The best customer engagement programs will use a combination of automated touches and scheduled personal touches from key individuals on your team.

Picture the insurance agency used as an example on a previous page; let’s say they have purchased your product. Now consider how your customer service representative might encourage engagement from this company’s employees.

You might use a customer engagement program like this one:

<table>
<thead>
<tr>
<th>Day 1</th>
<th>Call 1–Personal call from service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day 1</td>
<td>Email 1–Welcome email</td>
</tr>
<tr>
<td>Day 3</td>
<td>Email 2–Customer portal training intro</td>
</tr>
<tr>
<td>Day 4</td>
<td>Call 2–Personal call from customer service rep</td>
</tr>
<tr>
<td>Day 10</td>
<td>Email 3–Implementation success</td>
</tr>
<tr>
<td>Day 15</td>
<td>Call 3–Personal call from customer service rep</td>
</tr>
<tr>
<td>Day 25</td>
<td>Email 4–Helpful videos</td>
</tr>
<tr>
<td>Day 30</td>
<td>Call 4–Personal call from customer success manager</td>
</tr>
<tr>
<td>Day 30</td>
<td>Email 5–Helpful hints</td>
</tr>
<tr>
<td>Day 40</td>
<td>Email 6–Customer encouragement</td>
</tr>
</tbody>
</table>

**LIFECYCLE PERIOD**

- **Implementation**
  - Day 1: Call 1–Personal call from service
  - Day 1: Email 1–Welcome email
  - Day 3: Email 2–Customer portal training intro
  - Day 4: Call 2–Personal call from customer service rep
  - Day 10: Email 3–Implementation success

- **Beginning Use**
  - Day 15: Call 3–Personal call from customer service rep
  - Day 25: Email 4–Helpful videos
  - Day 40: Email 6–Customer encouragement

**GOAL(S)**

- Reassurance
- Build relationship with customer service
- Create loyalty to brand through service
- Curb fear of change
- Build relationship with customer service
- Help user learn an aspect of the product
- Help to adjust to change
- Work on best practices
- Streamline workflows
Create your “engagement score” matrix

Once you have the potential tracks identified, it’s time to assign a score for the digital behaviors.

**Start to ask important questions about your content tracks:**

- What are the pieces that are the most important for your customers to engage with?
- Why are these important along the customer lifecycle?
- What are key items that will cause problems down the line if they don’t engage?

Assign scores appropriately to each content piece or email along the way, and assign optimal scores for each period in the customer lifecycle.

If customers are not reaching optimal scores, you can assign remediation actions such as an extra call from an account manager, a touch-base from their sales rep, or other actions to help build customer loyalty.

**Here’s what such a matrix might look like:**

<table>
<thead>
<tr>
<th>CUSTOMER LIFECYCLE</th>
<th>CSR SCORE GOAL</th>
<th>IF BELOW BY 10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation</td>
<td>80-100</td>
<td>Notify service team for an extra call</td>
</tr>
<tr>
<td>Beginning use</td>
<td>120-150</td>
<td>Notify account management for “Use check-up” call</td>
</tr>
<tr>
<td>Initial productivity</td>
<td>150-200</td>
<td>Notify account management for “best practices” training session</td>
</tr>
<tr>
<td>Ongoing use (monthly score goal)</td>
<td>50</td>
<td>Notify service team for pro-active touch base</td>
</tr>
</tbody>
</table>
Measure and adjust

Once you kick off the programs, make sure you continually measure and adjust as needed.

Measurement should focus on both the helpfulness and accuracy of the customer engagement score.

It should answer questions such as:

- Are my customer engagement scores accurate?
- Are we scoring things that help me understand how attached to the brand and engaged a customer is?
- How engaged are my customers across the board?
- How does this equate to retention?
- How can this help us improve?

Measurement should not be simply looking at the numbers for retention and how that correlates to engagement score. That is helpful, but it’s only the quantitative piece.

Make sure you connect frequently with your team to measure the helpfulness of the program, and continue to connect with your customers to ensure you are providing meaningful content to support them in their journey.
It’s time to get serious about scoring customer engagement!

Now that you have the plan, it’s time to execute. You’re going to need a team that can support your marketing automation needs, your CRM and data needs, and your content needs to make it happen. If your in-house team doesn’t have all the skills you need, or the time to execute, consider hiring specialized expertise from an agency. Outsourcing lets you scale your team up and down as you need to, and pull specific skill sets in as they’re required. One of the most common things to outsource is the planning process. In fact, according to Ascend2 Research, 79% of marketing leaders supplement internal capabilities by outsourcing all or part of the planning process. The benefits are definitely worth the time and cost.

Happy, engaged, and loyal customers lead to a strong business—and more opportunities for growth. Keeping track of customer engagement through scoring will set your company up for long-term success.

PAYING ATTENTION TO CUSTOMERS PAYS OFF.

From Gleanster Research’s 2015 report, “Rethinking the Role of Marketing”

Top Performers spend the biggest chunk of their budget—30%—on expansion and upsell, and a full 25% of their time. Average companies spend the smallest percentage of their budget—20%—here, and just 15% of their time.

As a direct result of the attention Top Performers give to customers, they generate revenue equally from established customers and new customers, while Average firms generate 70% of revenue from new acquisitions—and only 30% from the established customer base.
ABOUT NUGROWTH DIGITAL

NuGrowth Solutions is an outsourced sales and marketing organization dedicated to helping companies grow through professionally persistent market outreach and strategic territory management. We use the term “outsourced” because that is the most commonly understood term in the industry, but a better description would be “branch sales and marketing.” When you hire NuGrowth Solutions you receive a fully operational branch sales and marketing office built to scale.

www.nugrowth.com
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ABOUT ACT–ON SOFTWARE

Act–On Software delivers cloud–based integrated marketing automation software. Marketers can manage all their online marketing efforts from a single dashboard that can be seamlessly integrated with CRM, giving sales access into various marketing functions. Act–On’s fresh approach to marketing automation gives its users full functionality without the complexity other systems impose, and makes campaign creation and program execution easier and faster.

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RESOURCES:


vi Sorensen, Susan, and Amy Adkins.
