



THE COMPLETE GUIDE TO CUSTOMER GROWTH

Getting to the aha moment

 **ALLEGRA**
MARKETING • PRINT • MAIL



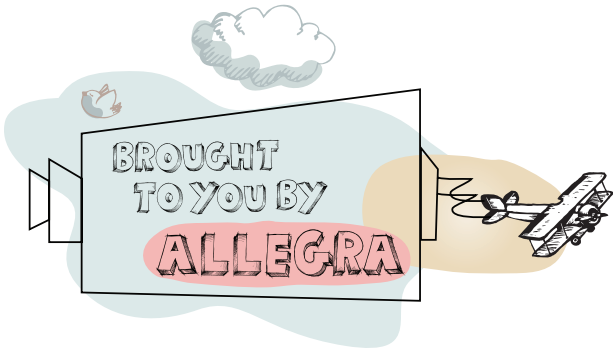
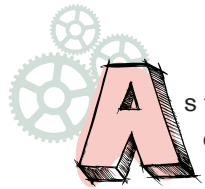


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THE AHA MOMENT: HOW TO KNOW AND GROW YOUR BEST CUSTOMERS



As technology expands our available channels of communication, it's easy to lose sight of the basics of customer growth and retention. It's good to remember that, as much as things are changing, successful marketing still comes down to **getting the right message to the right person at the right time via the right channel**. Getting there means

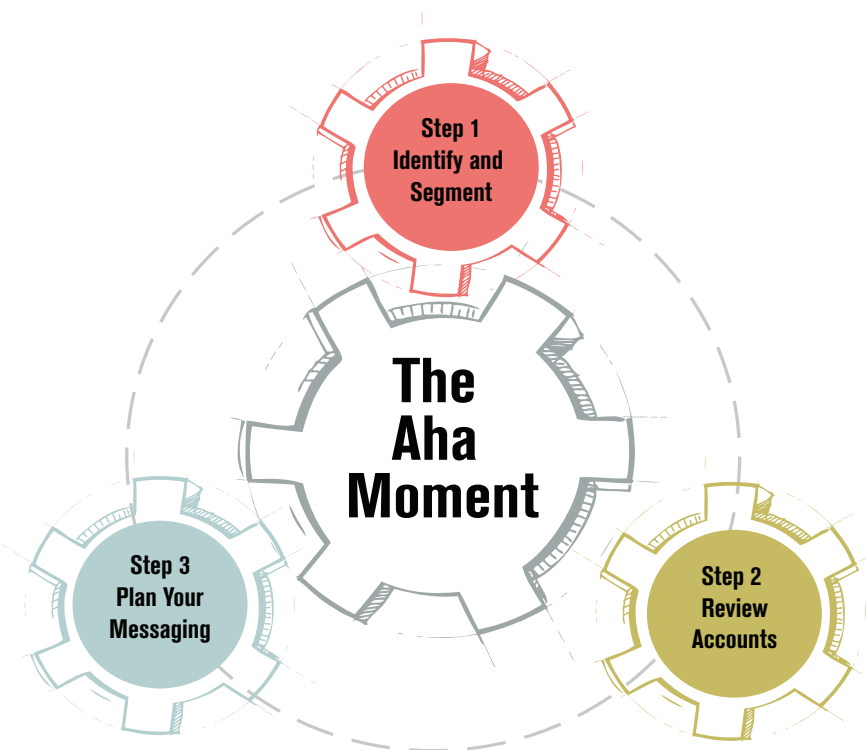
stepping back from the day-to-day, discarding old assumptions and truly understanding your best customers.

This guide moves you toward your business "Aha Moment," helping you better KNOW your customers, so you have a better idea of what message to use, where to use it and when.

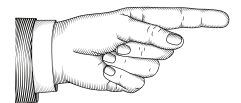
Once you get there, you'll learn five specific strategies to implement now to GROW your customers, adding value and driving more sales.

The Aha Moment comes when you:

1. Identify and segment your customer base to better understand who they are.
2. Conduct account reviews to better understand what they need.
3. Plan how to communicate with them to better deliver the right message where and when they need it.



Let's get started on your way to your own Aha Moments!



STEP

1

IDENTIFYING & SEGMENTING YOUR CUSTOMERS

E

very time you interact with a customer, you learn more about them, accumulating information you can use to enrich the relationship. This data helps create a robust customer profile that lets you plan and execute targeted marketing campaigns.

A targeted campaign allows you to get the right offer to the right customer at the right time, using the channels they prefer, so your marketing actually enriches their relationship with you and isn't considered an intrusion or ignored altogether.

You can start with the following basic data to learn even more about your best customers.

Demographic data

- B2B – Company type, location, size, annual sales and number of employees
- B2C – Residency, age, income, gender, interests and affiliations

Customer transaction data

- B2B and B2C – What they bought, how often, how much it cost and when they last purchased

Our proprietary data analysis tool, Allegra CustomerCLICK™, can lead to powerful insights based on your current customer data. This automated profiling tool helps you understand who your best customers are, so you can target your marketing accordingly.

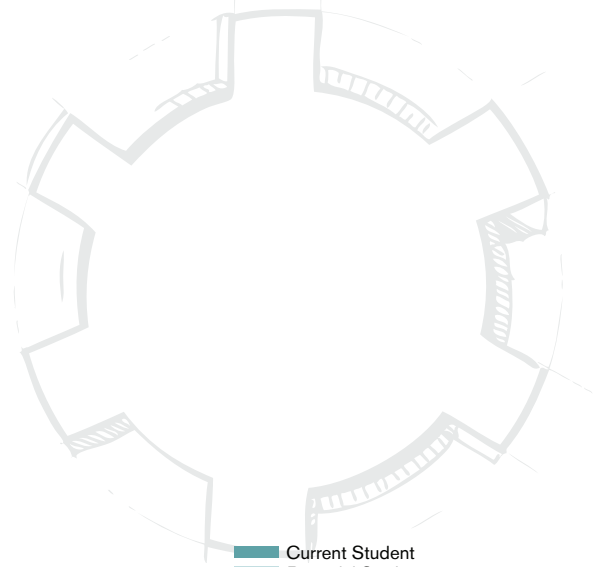
A B2B company worked with us on a deeper data analysis to define some common characteristics among their customer base. (See chart below). One bit of actionable information they discovered was that their customer base seemed evenly split between B2B and B2C businesses, with 35% of their customers as yet unclassified.

It also gave them the opportunity to append their customer listings, research the remaining 35% of customers that were not classified as either B2B or B2C, and further refine their client lists and profiles. By doing this, they were able to create two distinct targeted campaigns: one for their B2B clients and another for B2C.

By segmenting their customers in this way they were able to provide strategic marketing messages that were more relevant to their customers' needs.

Top Customer Variables

Demographic	Value/ Range	Percent
Minority owned business	Not minority owned	52.23%
Nonprofit business	Profit	51.35%
Location type	Single location	47.70%
Annual sales	Under \$500,000	42.16%
Employees	1-4 employees	39.46%
Small office/ home office	Not home office	33.85%
Biz selects	B2B	33.31%
Biz selects	B2C	32.30%

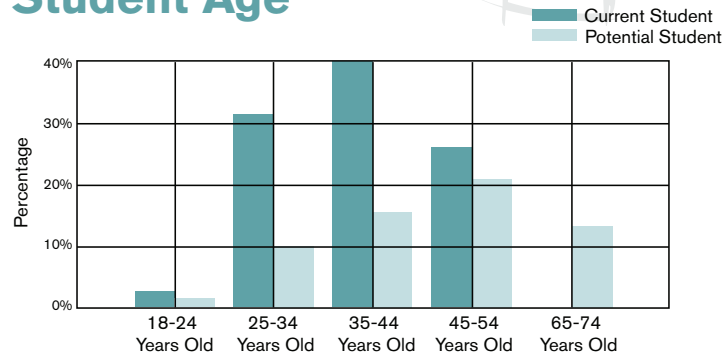


Let's look at a B2C business. A massage school wanted a better understanding of their customer base (students). The school had been targeting high school seniors in enrollment campaigns and were dissatisfied with the results. A customer data analysis revealed the majority of their current student body was made up of women ages 30 to 40 and not recent high school grads in their late teens and early 20s to whom they'd been marketing. (See graphs.)

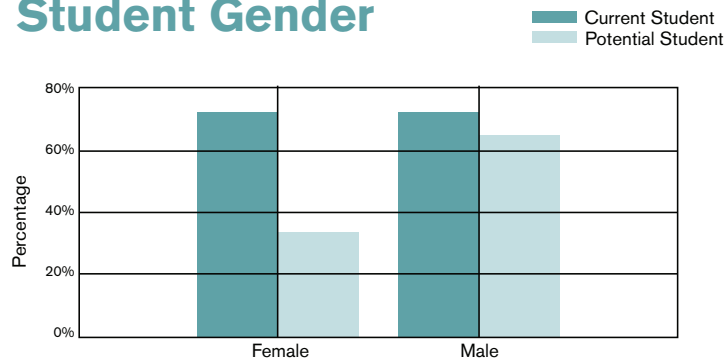
Other data points that could be analyzed include occupation, length of residence, home value, marital status, investment status and net worth.

Armed with this knowledge, the school revised their marketing messages accordingly, chose the proper channels and boosted their enrollment figures almost immediately.

Student Age



Student Gender



The Aha Moment: Know Who You're Talking To

Analyze your own data to get rid of your assumptions and find real answers to these questions:

- Who are my best customers?
- What do they all have in common?
- What do they need or want that I can deliver? How can I best tell that story?

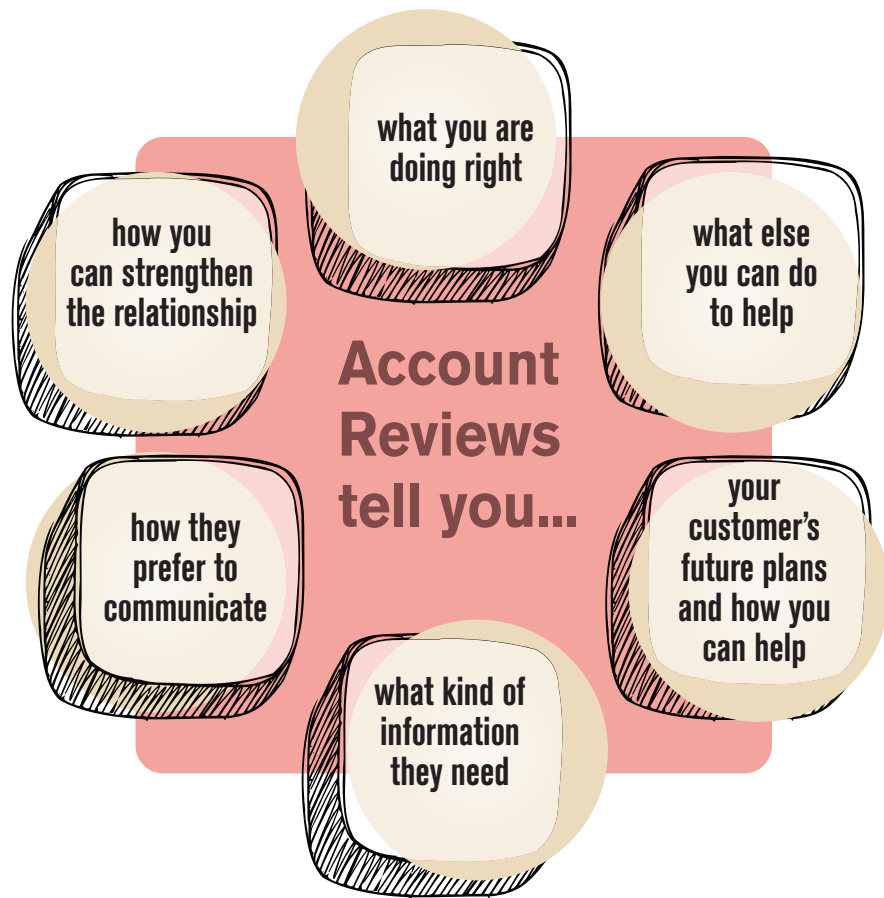


THE ACCOUNT REVIEW: REAL-LIFE INSIGHTS IN REAL TIME

Kee in mind that your most promising opportunities for growth may well come from the best customers you already have. Take what you have learned about your customer segments in the previous section, and balance that with a consolidated effort to learn more about your individual best accounts.

If yours is a B2B business involving high value sales to relatively few large customers, collaborating with your sales

organization to perform individual account reviews can yield valuable insight. Jeanne Buchanan, a sales and marketing consultant with Critical Path Strategies, Inc., calls account reviews a critical part of effective sales management because “a review of a single account (or set of accounts) focuses attention on critical areas of customer relationships, and your company’s ability to add value.”¹



¹ Salesopedia.com, *How to Conduct an Effective Account Review*, 2012



For B2C marketing – and for B2Bs built on many small transactions – reviewing individual customers may be impractical. Instead, look at what is working across groups of customers and ask:

- What are they buying from me today?
- What could they need from me tomorrow?
- Am I prepared to offer it?

Any account review should include an opportunity assessment to identify what is working, where you are falling short in the customer's eyes and what you could offer to add more value to the relationship.

Asking customers for feedback can help fill in the blanks in your information. For example, a car dealership might send everyone who test-drove a vehicle a quick online survey asking where they are in the buying process, what type of vehicle they are looking at, and how satisfied they are with the test driving experience.

Jonathan Farrington, CEO of Top Sales World, says feedback can reveal customer plans, allow you to see your business from their perspective and help you tailor service offerings so you enjoy maximum customer satisfaction at a minimum cost.²



The Aha Moment: Ask “What Else?”

A local chiropractor began asking his patients what other types of services they would like to see in his office. He used email surveys and in-person conversations to gauge what kind of service would be most valuable. He discovered that many of his patients would take advantage of therapeutic massage if it was available onsite. He was able to connect with a part-time massage therapist and offer a “same day” discount if patients booked a massage during their regular office visit.

In the year since he has started offering this service, close to 15% of his clients have booked a massage at least once, and many have become repeat customers. He expects this line of his business to grow steadily as more patients take advantage of the “one-stop” care approach.

If you asked your customers what else you could do for them, what else would you discover?

² Topsalesworld.com, *How to Conduct a Formal Account Review*, 2012



DECIDING WHEN TO REACH OUT AND COMMUNICATE



With your customer profiles in hand and solid information gleaned from account reviews or surveys, you can begin to understand when and where to communicate with your customers to add value to that relationship.

A customer contact matrix (see below) can be helpful to manage your communications activities and track “touches.” All customers are not created equal:

- A high value B2B sale may justify more personal attention than smaller sales where impersonal communication is adequate.

You might set up a plan to contact your best customers 25 times a year: 12 by email, six by phone, six by mail and one face-to-face sales call. Inquirers, on the other hand, merit a different set of contacts designed to move them along to become first-time customers. Your lapsed, or dormant, customers would be treated entirely differently with a series of contacts intended to win them back. Social media activities would span customer type and be ongoing.

- Dormant accounts may benefit from printed mailings, email and other materials to create a closer connection.
- Active accounts may benefit from public engagement via social networks.

To choose the optimum mix of channels for your product or service, decide when you need to make contact with customers to achieve the greatest impact on their decision-making.



Sample Customer Contact Matrix: An Ongoing Communication Model

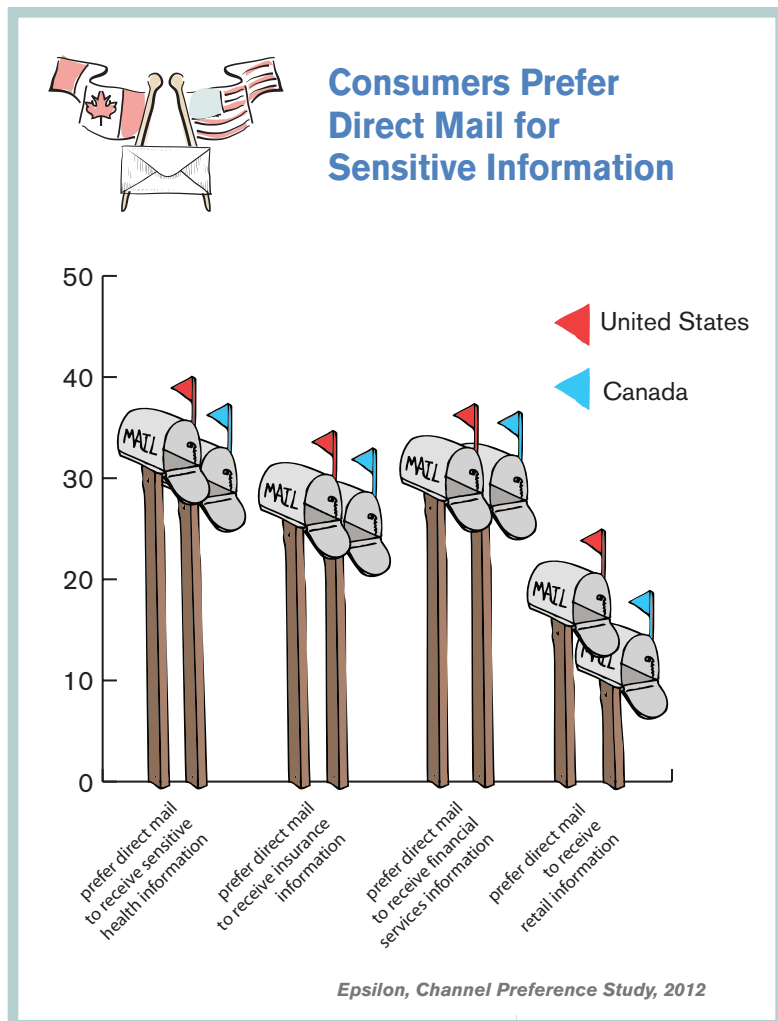
		Email	Direct Mail	Phone	Sales visit	Total contacts	Expense per customer	Revenue per customer	E:R
Customer segment	Customer quantity	\$0.25	\$1.50	\$15	\$250				
Inquirers	350	6	1	1	0	8	\$18	\$50	36%
One-time buyers	400	12	3	6	0	21	\$97.50	\$500	19.5%
Multi-buyers	200	12	6	6	1	25	\$352	\$2,000	17.6%
Dormant customers	150	3	1	1	0	5	\$17.25	\$75	23%
Total	1,100								



While the customer's stage in the buying process is important, so is the type of information you are communicating. Part of the difference lies in the type of information being consumed. For example, consumers prefer to receive sensitive financial and health information in print form, while they are fine with getting retail information digitally, as shown here.

Understanding when and how to communicate at various stages of the buying process is important. For online selling, the various options influence the customer at different points in the purchase process. While online banner or other ads create awareness – and social, email and paid search tend to build consideration and intent – organic search and direct contact are more likely to drive the final sale.³

- For your best current customers, focus on channels that create buying intent and trigger final purchase decisions, like direct mail and onsite e-commerce.
- For prospects, use opt-in channels like email and social media to help build engagement by providing useful information like product reviews, white papers and testimonials.

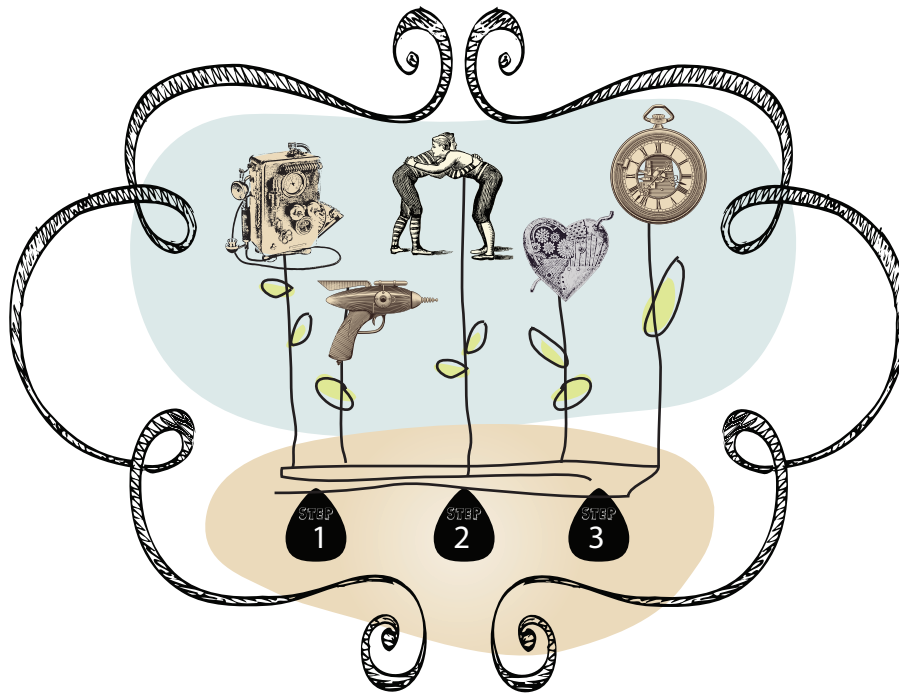


The Aha Moment: Invest for the Greatest Return

Segment your customers based on where they are in the purchase cycle, and invest the most with the customers who will provide the highest return. You can segment them into 1) prospects who inquired but haven't bought yet; 2) customers who have bought once; 3) multiple buyers (your best customers); and 4) customers who haven't bought in a long time.

Each type of customer can then be assigned an estimated value per customer. From there, you can create a communications plan that invests the most where you'll get the most likely return.

³ Google Think Insights, *The Customer Journey to Online Purchase*, 2013



3 Steps You Know, 5 Ways to Grow

After finishing these three steps, you'll KNOW your customers better, have a greater understanding of their needs and a good idea of what channels to use.

Now it's time to GROW those customer relationships, using the following five tactics.



ONGOING CUSTOMER COMMUNICATIONS

Armed with a solid knowledge of who your best customers are, what they need and how often and where to reach them, it's time to look at five specific strategies for growing those relationships.

Regular communication that supports high quality customer service is a key element in customer retention. Dick Wooden, customer service expert says, "Creating a targeted communication plan will help retain customers because they feel as though the company knows and understands them."⁴

To kick off a successful stay-in-touch program, make sure you have:

- Professionally-produced company identity materials, including business cards, stationery and thank-you notes
- Email templates that match your brand's look and feel

Everything you send, whether digital or printed, must immediately be recognizable as coming from your brand. A cohesive, professional look is critical to building your position in the minds of your customers and prospects.

A regular schedule of nurturing communications can support your customer retention goals by giving customers opportunities to provide feedback, learn more about you and understand how you can help them grow.



The Aha Moment: Say "Thank You"

A Blackbaud survey of nonprofits underscores the importance of staying in touch. Participants cited keeping donors informed and engaged through frequent, regular communication as the most consistently successful way to retain existing donors. In fact, the organizations that reported donor retention rates of more than 80% all thanked their donors in writing within 10 days of the donation.⁵

Whether you are a business or a nonprofit, acknowledge your customers with a heartfelt "thank you" soon after they finish a transaction with you.

- Nonprofit receives donations
- Ten days later nonprofit thanks those who have donated

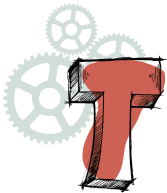


⁴ CustomerThink.com, 2013 Trends in Customer Retention Programs, February 2013

⁵ Blackbaud, 2012 State of the Nonprofit Industry



TRIGGERED EMAIL CAMPAIGNS



The precise targeting and timing capabilities of email marketing make it an ideal tactic to put your customer information to work. For best results, focus on identified customer segments and invest in personalization.

Research shows targeted emails containing personalized content and offers enjoy a nearly four-times greater click-through rate than broader generic email offers.⁶ Email marketing experts at Epsilon say, “By using customer data to leverage your customer insights, you can set strategies to communicate accordingly, using every email to address each customer’s needs and drive desired action.”

Marketers have reason to be bullish on the use of email, which continues to perform strongly even as mobile and online media proliferate. One measure of email’s popularity can be found in the open rates among subscribers. A 2016 study found that open rates are up to 33.3%, up from 30.6% in 2015.⁷

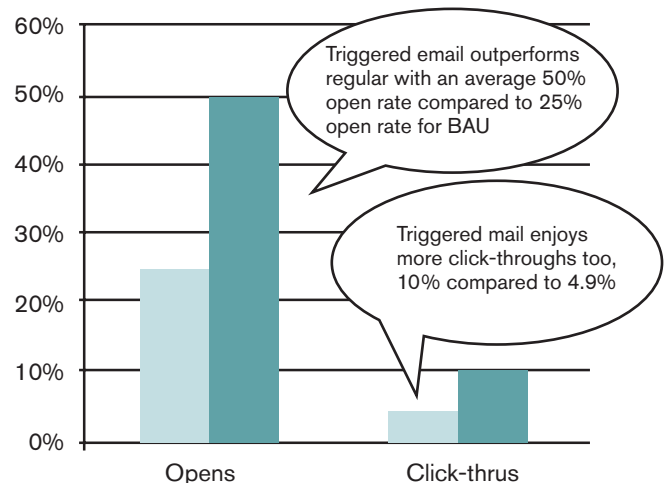
Experts say contacting subscribers in the early stages of engagement can help build and maintain loyalty and activity levels as their relationship with you matures.⁸

Especially important is the use of “triggered” emails, in addition to the so-called “Business As Usual” (BAU) emails sent *en masse*.

Triggered emails sent automatically based on a customer’s actions can improve retention engagement. Examples would be:

- A “thank you” and special incentive when someone signs up for your mailing list
- A “time to renew” message for monthly or yearly contracts
- A special offer on similar products when sending an email to confirm a recent purchase
- A “good to see you again” email sent after a visit to your store

Triggered Email Consistently Outperforms “Business As Usual”



The Aha Moment: Timing Is Everything



Contacting customers when they are already actively engaged produced 95% higher open rates and 122% higher click-through rates, suggesting that sometimes timing is everything.⁹ Think of your own customer cycle.

Where could you use triggered emails to help build the relationship?

⁶ Janrain, Inc. *From Information to Insights: Understanding Big Data Online*, 2012

⁷ Epsilon, *Q1 2016 Email trends and Benchmarks*, 2016

⁸ Epsilon, *Q2 2012 Email Trends and Benchmarks*, 2012

⁹ Epsilon, *Q2 2012 Email Trends and Benchmarks*, 2012



GET PERSONAL WITH DIRECT MAIL



When it comes to visual impact and targeting capabilities, printed mail is as powerful as ever.

And thanks to revolutionary variable printing technology, it's possible to deliver just the right message to the right customer at the right time. Variable data printing (VDP) lets you combine personalized messaging and graphics in polished, printed formats that deliver the impact you need to break through clutter and appeal to each customer as an individual. Analysis of static and personalized direct mail shows adding personalization through VDP consistently increases response, by as much as 30%.¹⁰

Using Personalized Customer Data Shows Huge ROI Boost!



Educational nonprofit

Fundraising average donation 67% higher



Restaurant

Frequent customer promotion 27% higher patron response



Credit Union

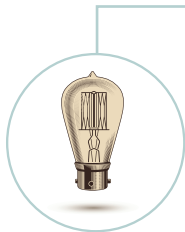
Loan specials 2700% higher ROI over previous year



Local travel club

Booking specials 17% higher revenue, 10% more bookings

The Print on Demand Initiative, 2010 Case Studies



The Aha Moment: Always Be Marketing

Using a customer's name and other personal data from their profile can transform even the most basic transactional touch points into marketing opportunities:

- Invoices can offer new products or services to customers based on past purchases.
- Monthly statements are ideal to cross-promote additional products that enhance the customer experience.

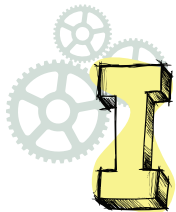
Statistics show 95% of consumers read their statements once and 85% read them twice.¹¹

¹⁰ Caslon Research Analysis of PODi and DMA results

¹¹ Xerox.com, Transactional Promotion, 2013

GROWTH STRATEGY 4

ENGAGE VIA SOCIAL MEDIA



If you aren't leveraging social media to connect with customers, you are missing the chance to engage with them where they spend a good deal of their time. Today, consumers spend more time on social networks than on any other websites. Facebook is the first social network to bypass one billion users, it has 1.71 billion users that are active each month. Instagram follows behind with over 500 million users and Twitter with over 313 million.¹²

Using social media to provide customer service, in addition to traditional email and phone support, is an imperative. Half of all social media users say they express complaints or concerns on social networks, with many preferring to make contact with companies' social sites rather than using the phone.¹³

How Marketers are Using Social Media

- **55%** of marketers chose Facebook as their most important platform
- **63%** found it useful for building a loyal fan base
- **54% +** reported a rise in search engine rankings after using social media for over a year
- **66%** of marketers see lead generation as a benefit



The Aha Moment: Start Sharing

If you aren't on social media now, start with:

- Building your business profiles on Facebook, LinkedIn, Google+ and Twitter
- Connect with friends, customers and prospects in your current network
- Start sharing industry expertise and information
- Join other conversations

If you are already on social media, now is a great time to:

- Connect with any customers who aren't already in your social networks
- Share your customer success stories (with their permission, of course)
- Engage in customer service on social channels (social care)

¹² Statista, *Most famous social network sites worldwide as of September 2016, ranked by number of active users (in millions)*.

¹³ 2016 Social Media Marketing Industry Report, *How Marketers Are Using Social Media to Grow Their Businesses*, Social Media Examiner



OPTIMIZE THE ONLINE EXPERIENCE



To engage your customers, you must deliver an online experience that won't disappoint. Make sure your website adheres to the highest standards for usability and that your mobile site is optimized for smartphone and tablet users, so users can easily find the information they need without resizing or scrolling.

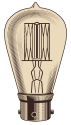
Mobile continues to be a prominent tool amongst users and it is expected to continue to grow at a steady rate. Research indicates that mobile app usage had a 98% growth from 2015 to 2016. 52% of marketers are utilizing multimedia messaging services (MMS) and 17% plan to implement it within the next year.

76% of consumers say mobile experience influences loyalty

30% of users say their expectations are met

19% of consumers are using mobile for online purchases

84% research on a mobile device before making a purchase



The Aha Moment: Integrate Your Web Strategies

Upgrading your online presence makes it easier for your customers to stay engaged. With consumers using more channels than ever to research and purchase, there are many ways to enhance the experience for desktop and mobile users:

- Include a newsletter or email list sign-up form on your site. A 2012 study found that 50% of all subscribers on email lists were active customers, up from 42% a year ago.¹⁵
- Offering Web-based special offers and incentives can motivate immediate sales and drive returning visitors.
- Consider offering product recommendations during the checkout process. Web pages with product recommendations increase revenue by as much as 50% over the same pages without.¹⁶
- And, of course, make sure your site is mobile optimized for smartphones and tablets.

¹⁴ Sitecore, *How to keep pace with mobile consumer expectations*, 2016

¹⁵ Epsilon, *Q2 Email Trends and Benchmarks*, 2012

¹⁶ Similarity.com, *4 Ways to Use Big Data to Grow Your Business*, 2013



We hope you have a better understanding of how you can use the data in your existing customer base to create strategic, relevant marketing campaigns that work.

By knowing your customers, you'll be a more effective marketer which means more sales and a growing business!



About Allegra

Allegra is locally owned and operated. Our focus is on small and medium-sized businesses and other organizations that need printed and online communications. We offer customer data analytics support, campaign planning, website development and optimization, mobile marketing, online marketing, email and direct mail marketing, targeted mailing lists, cross-channel campaigns, social media marketing, dedicated referral programs, point-of-purchase and out-of-store displays, posters and signage, literature and handouts, promotional items, logo wear and more.

Beginning with a clear understanding of your business goals and challenges, we'll help you determine how to better know your customers and grow them. We'll help you precisely identify your best customers, develop a multi-channel strategy to reach them, and ensure that every activity achieves maximum impact with minimum waste to achieve your sales or other goals. And, we'll implement your program efficiently and effectively to drive the desired results within your timeline and budget.

Want to Learn More?

Contact your local Allegra, or find your nearest location at www.allegramarketingprint.com.



