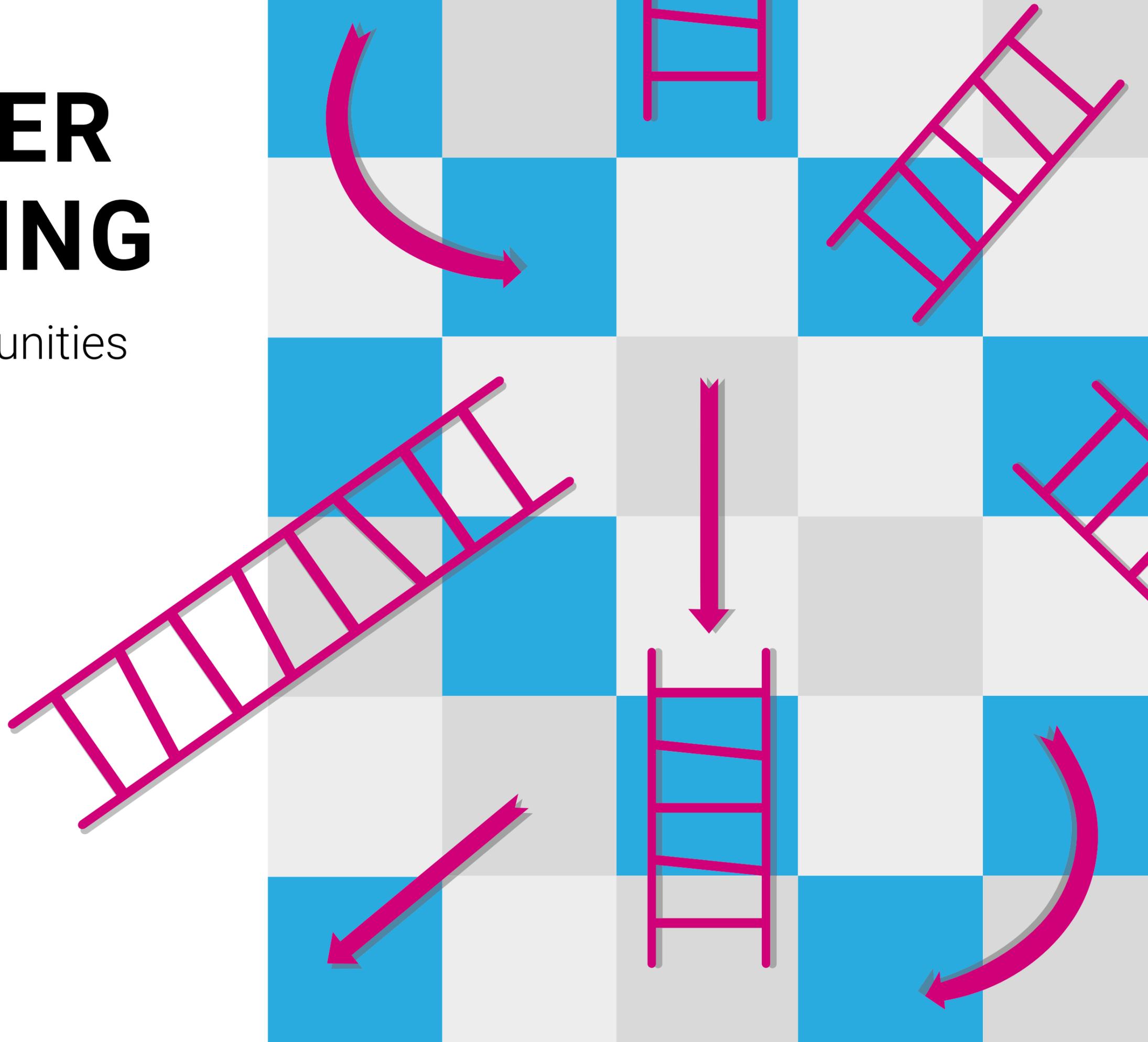


CUSTOMER MARKETING

Challenges & Opportunities



01. INTRO

"Increasing customer loyalty is poised to become the top priority for 82% of marketing decision-makers in mid-size organizations worldwide during the next 12 months." IBM

Customer Marketing

Customer marketing has the power to transform businesses and change bottom lines. It is a powerful and timely growth tool and a strategic asset in today's volatile consumer landscape.

Leading business consultants such as Gartner and Forrester consider increasing customer loyalty a top priority for marketing decision-makers worldwide. And the best news is that the foundations for customer marketing already exist within each and every business: data and information about existing customers is constantly collected and stored in companies' databases. Utilizing it systematically can make a real difference for brands' bottom line.

02. WHY MARKET TO EXISTING CUSTOMERS?

"74% of people chose word of mouth as the most important factor in purchasing from a brand. The road to acquisition goes through retaining happy customers." **GOOGLE THINK**

Existing customers are a critical driver of every company's success. Their loyal relationship with the brand translates into more and larger transactions compared to new customers, and are responsible for a significant percentage of revenues. In an environment of extreme competition, it is crucial to nurture these customers.

Gartner concluded that, *"companies that focus their marketing on existing customers see a 20% increase in revenues."* According to Bain & Co, *"Increasing your customer retention rate by just 5% can lead to an increase of 25%-90% in profit."* A Marketing Metrics study states that *"the probability of selling to an existing customer is 60-70%. The probability of selling to a new prospect is only 5-20%."*

According to a cross-vertical Optimove study, 60%-80% of top companies' revenues come from existing customers. Across all verticals, existing customers have a 13% higher average transaction value. They account for 3.7X more monthly transactions than new customers. Not only that, but happy existing customers are the best acquisition strategy out there: most people choose word of mouth as the most important factor when deciding from which brand to purchase. The road to acquisition goes through retaining happy customers.

03. THE CHALLENGES

Despite its promise and relative ease of implementation, many companies avoid or fail at executing efficient customer marketing. Recent research by Sailthru reveals that only 18% of companies focus on customer retention and conduct strategic customer marketing.

The rest still lack a systematic methodology for how to best address existing customers, and fail to transform the data they have into tangible, actionable insights around which marketing activities can be structured.

Many companies still conduct their customer marketing without the use of appropriate technology. The result is often crude communications with existing customers, with slow execution cycles and rudimentary segmentation and messaging. In these cases, customer marketing depends on BI analysts and data scientists that do not report directly to Marketing. This results in cumbersome marketing execution cycles, where sophisticated campaigns take an exceedingly long time to prepare and execute. To simplify these processes, Marketing often avoids personalization, leading to mass emails that cater to no one's needs or tastes and end up as marketing clutter. In addition, marketers are measuring the wrong metrics: open rates and click-through rates are a poor proxies for true business performance measurements, and deliver little actual business value.

Many companies fail at executing efficient customer marketing

- || Only 40% of companies focus on customer retention.
- || Companies lack a systematic methodology for how to best address existing customers.
- || Companies fail to transform the data they have into tangible, actionable insights around which marketing activities can be structured.

CRM and customer marketing teams depend on various company functions

- || Dependence on BI analysts and data scientists that do not report directly to Marketing results in long marketing execution cycles.
- || Example: a marketer might want to send a discount to a group of customers that recently purchased from a new category of products. In order to do so, they need to send a brief to BI and wait for them to return a list of customers to be targeted. This time lag means that many of the customers may no longer be relevant.

Personalized marketing campaigns aren't scalable

- || The inability to effectively personalize communications results in "spray and pray" campaigns that end up as ineffective marketing clutter.
- || The metrics being measured deliver little business value: click-through rates and open rates are a poor indicator of true campaign performance.

04. GETTING STARTED

"The data you collect from loyal customers is an untapped gold mine." **FORRESTER**

Everything you need in order to conduct-cutting edge customer marketing is already at the tips of your fingers. Your customers' behavioral, transactional, sociographic and browsing behavior data is all stored in your existing databases. Tapping into this data will allow for accurate segmentation, targeting and personalization that is the bread and butter of customer marketing.

This means that instead of the guesswork you're accustomed to today, you will be able to segment your customers into meaningful groups, allowing you to communicate with each group according to its members' preferences, tendencies and wants.

05. THE SOLUTION

"Most organizations are focused on what they sell. But today's marketers need to focus on what the customer needs." **GARTNER**

The differentiating factor between customer marketing and customer marketing that really works is software built from the ground up to nurture your existing clients and turn them into a business and revenue growth engine. Your customer marketing software should bridge the gap between data insights and strategic, targeted marketing actions. This will allow for effective, personalized, automated and scalable retention marketing, and rapid work cycles from ideation through execution and analysis.

Best-of-breed customer marketing solutions use predictive analytics, allowing businesses to target the right users with the right message at the right time. Machine learning enables brands to continuously increase the segmentation resolution and personalization of their customer targeting. A centralized marketing hub gives marketers full control of all channels and messaging, including real time capabilities and orchestrated multi-channel campaigns.

05. THE SOLUTION

As with every new technology, there are different requirements to consider when thinking about the right customer marketing cloud for you. The starting point is your business requirements, and you should consider the solutions that will solve your most pressing business needs and pain points. Your business requirements are closely linked to the features you will require – the abilities, integrations and usability the technology offers.

Another set of considerations has to do with non-functional (or external) requirements. For example, scalability options, support and backups, implementation and onboarding, and, of course, price.

When thinking about a customer marketing cloud, you will need to look into the key software components: the customer model, the execution platform and the measurement and reporting abilities. You will find a checklist of the critical features on the next page.

Feature Checklist

The Customer Model:

- 1.** Advanced multifaceted segmentation abilities, including lifecycle stages, customer personas and micro-segments
- 2.** Best-in-class predictive analytics, allowing you to target the right users with the right messages via the right channels at the right time
- 3.** Machine learning algorithms, enabling you to continuously increase the segmentation resolution and personalization of their customer targeting

Feature Checklist

Execution:

- 1.** A centralized marketing hub giving you control of all channels and messaging from a single interface, allowing harmonization of all marketing messaging
- 2.** Real time capabilities, enabling you to design and control real-time in-app and on-site interactions, without IT intervention
- 3.** True multi-channel capabilities: full support and integration for email, SMS, mobile push messaging, ad networks, website banner ads, lobby banner ads, call center etc.

Feature Checklist

Measurement and Reporting:

- 1.** Systematic measurement and reporting on true business performance metric
- 2.** A scientific valuation of the impact of every marketing interaction
- 3.** Allows you to easily dive into customer models and data in order to analyze trends, discover valuable customer segments, reveal actionable marketing insights, etc.

06. SUMMARY

Getting to know your customers through the leading in predictive analytics and machine learning will enable you to improve your customer communications tenfold and reap the benefits of a loyal, engaged customer base for your brand. Optimove offers all this – and more. The Optimove Customer Marketing Cloud implements a systematic approach to planning, executing, measuring and optimizing a complete, highly-personalized customer marketing plan.

Optimove’s predictive marketing engine applies mathematical and statistical models to allow you to tailor your messaging and offers to individual customer personas, fostering both improved short-term engagement and greater long-term brand loyalty.

The platform groups together customers with similar expressed or inferred characteristics and preferences into dynamic micro-segments, which form the building blocks of your customer marketing campaigns. Then, Optimove harmoniously orchestrates intelligent, highly-effective customer interactions across a variety of channels. Optimove helps marketers systematically and continuously optimize the effectiveness of every campaign. In addition, Optibot, Optimove’s marketing optimization bot, uses machine learning technology to make recommendations, offer insights and automatically self-optimize each marketing communication.

If you’d like to see the system in action and what it can do for your brand, [get in touch!](#)
