

# DO YOU REALLY KNOW YOUR CUSTOMERS?

How marketing automation  
helps you engage customers



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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 \(2014\)](#)



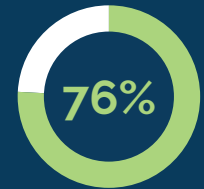
**78% of successful marketers** cite marketing automation as being most responsible for improving revenue contribution.

–[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 an infographic compiled by [Invesp](#), it costs five times as much to attract a new customer than to keep an existing one. And, the probability of selling to an existing customer is 60–70%, while the probability of selling to a new customer is 5–20%.

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%.

**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  
Entrepreneur;  
Owner, Dallas Mavericks

**For more customer retention information, check out this Act-On blog post:**  
[\*3 Principles of Customer Retention\*](#)

# Customer Engagement is Critical

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 business with to engage actively, and to earn the money buyers pay.

[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.



—SORENSEN & ADKINS  
Gallup

# Lead Scoring...It's Not Just for Leads Anymore

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.



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 programs. Marketing automation will become the central conduit for monitoring, measuring and engaging with customers across the entire lifecycle.”



—ATRI CHATTERJEE  
[REPLACE TITLE]

# For Customers, It's a "Customer Engagement Score"

Marketing automation systems offer organizations 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 those interactions directly to the data record.

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



**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**

## **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  
Founder, *Success Magazine*, 1897

“

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

”

—STEVE JOBS



# 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.



**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.**



—SORENSEN & ADKINS  
Gallup



# Step 1: Build Your Customer Organization Chart and Buyer 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.

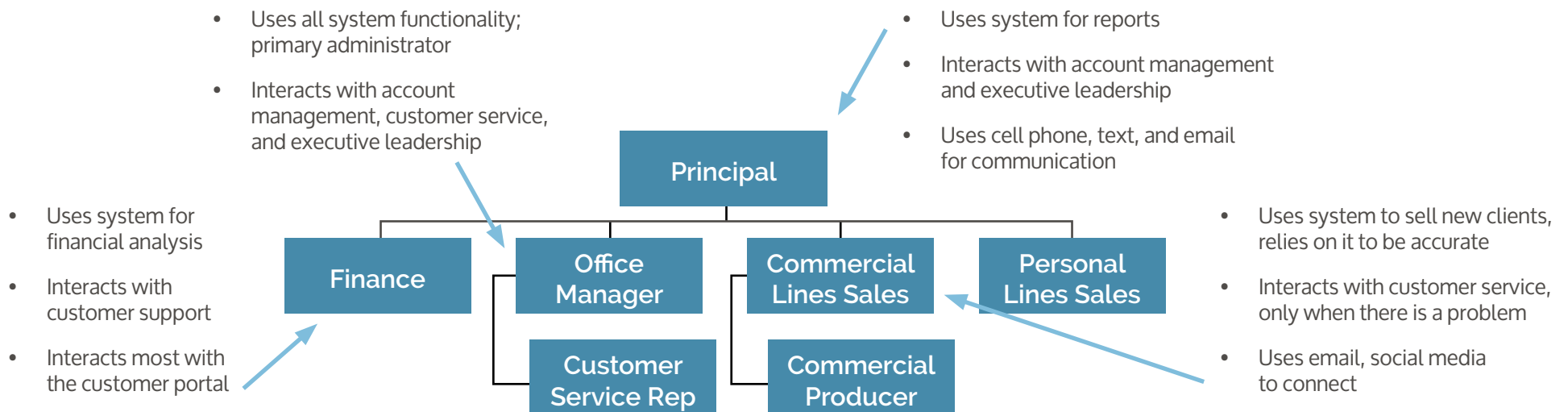
## Make sure you know:

- 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?

## NOTE:

Build these profiles for the different categories of customers you engage with.

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



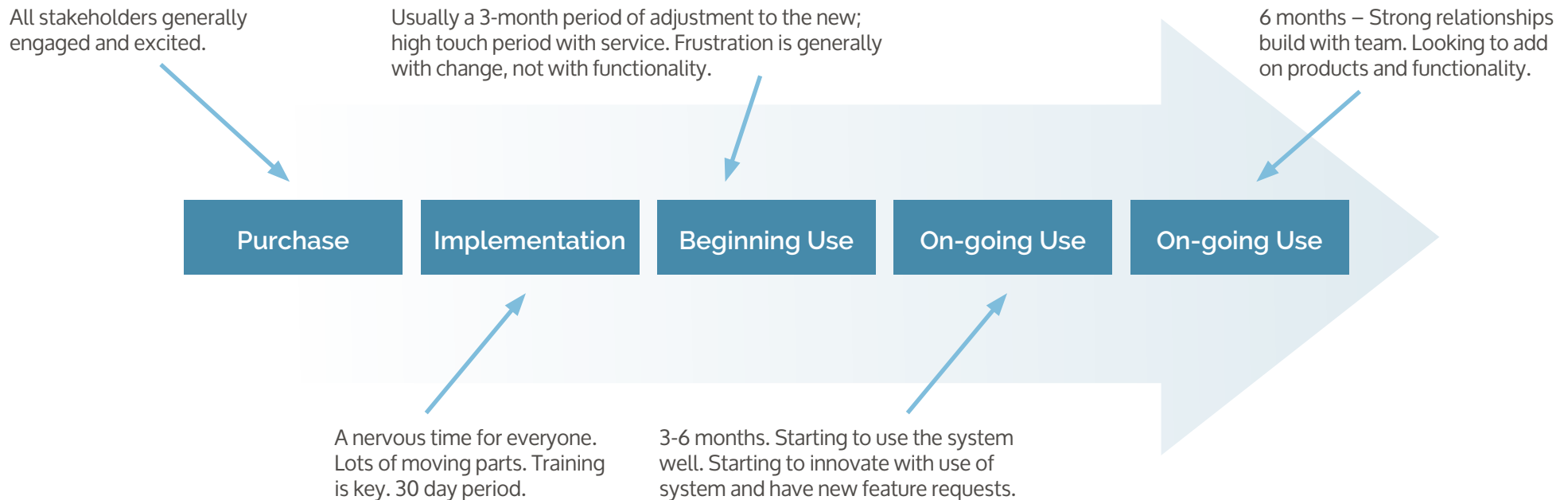
# Step 2: Know Your Customer's Lifecycle—from Their Perspective

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:**



# Step 3: Determine Helpful Content by Role and Lifecycle

Now that you've mapped your customers' organizational structure and your customers' experience, 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.**

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.

ROLE	CUSTOMER LIFECYCLE POINT	HELPFUL CONTENT
Principal	Purchase	<ul style="list-style-type: none"><li>• Purchase process infographic</li><li>• Case studies</li><li>• Welcome letter from other clients</li></ul>
	Implementation	<ul style="list-style-type: none"><li>• Managing your implementation eBook</li><li>• Videos on managing change</li></ul>
	Beginning Use	<ul style="list-style-type: none"><li>• Key reports guide</li><li>• CEO email</li></ul>
	Initial Productivity	<ul style="list-style-type: none"><li>• Account management touch base letter</li></ul>
	Ongoing Use	<ul style="list-style-type: none"><li>• Feature newsletters</li><li>• Industry updates</li><li>• Information on growing company</li></ul>

# 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



# Step 5: Check Your Data

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.<sup>vii</sup>**



—NEIL DAVEY  
SmartInsights.com

# Step 6: 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:**

	CUSTOMER SERVICE REPRESENTATIVE TRACK	CONTENT	LIFECYCLE PERIOD	GOAL(S)
Day 1	Call 1 – Personal call from service		Implementation	
Day 1	Email 1 – Welcome email	Introduction to your team infographic		Reassurance
Day 3	Email 2 – Customer portal training intro	Overview and access to customer portal		Build relationship with customer service
Day 4	Call 2 – Personal call from customer service rep	Customer service follow-up email		Create loyalty to brand through service
Day 10	Email 3 – Implementation success	Case studies – elements of successful implementations		Curb fear of change
Day 15	Call 3 – Personal call from customer service rep			Build relationship with customer service
Day 25	Email 4 – Helpful videos	Videos for getting started with the system		Help user learn an aspect of the product
Day 30	Call 4 – Personal call from customer success manager		Beginning Use	Help to adjust to change
Day 30	Email 5 – Helpful hints	"You're on your way!" infographic		Work on best practices
Day 40	Email 6 – Customer encouragement	Email with encouragement from other regional users		Streamline workflows

# Step 7: 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:

CUSTOMER LIFECYCLE	CSR SCORE GOAL	IF BELOW BY 10%
Implementation	80 - 100	Notify service team for an extra call
Beginning use	120 - 150	Notify account management for “Use check-up” call
Initial productivity	150 - 200	Notify account management for “best practices” training session
Ongoing use (monthly score goal)	50	Notify service team for proactive touch base



# Step 8: 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:**

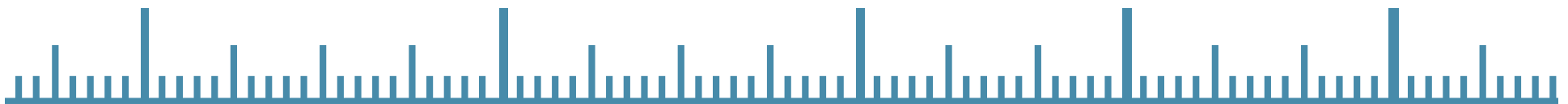
Are my customer engagement scores accurate?

Are we scoring things that help me understand brand attachment and engagement?

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 they correlate 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 Act-On Software

Act-On Software is a marketing automation company delivering innovation that empowers marketers to do the best work of their careers. Act-On is the only integrated workspace to address the needs of the customer experience, from brand awareness and demand generation, to retention and loyalty. With Act-On, marketers can drive better business outcomes and see higher customer lifetime value. The Act-On platform provides marketers with power they can actually use, without the need for a dedicated IT resource.



Connect with us to learn more



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## 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.

Connect with NuGrowth Digital to learn more



[www.nugrowth.com](http://www.nugrowth.com)