# B2B Marketers Expanding Beyond Acquisition Strategies To Reduce Churn, **Increase Customer Lifetime Value**

**DEMAND GEN REPORT**

SPECIAL REPORT

# Introduction

Acquiring and engaging new leads are still the top priorities for most B2B brands, but many organizations are expanding their campaigns and focus to extend beyond conversions or even the closing of a contract. Addressing the long-term revenue impact of customer renewals, as well as the opportunity for cross-selling and up-selling within existing accounts, companies such as Cox Auto and Citrix have seen success by broadening their marketing focus to current customers.

When it comes to SaaS- and subscription-based B2B companies, marketers are focusing more on metrics such as such as customer lifetime value (CLV) — and tactics such as customer support, consistent messaging and ongoing relationship building — to build advocacy and keep their company top-of-mind with a solid customer experience.

"Customer lifecycle marketing continues to pick up steam in B2B," said Lisa Nakano, Service Director for Customer Engagement Strategies at **SiriusDecisions**. "Companies are increasingly able to understand the influence that existing customers have on attaining current and future business goals."

**Research from SiriusDecisions** shows that 80% of buying decisions are based on customer experience. Nakano said that these experiences can be broken into two groups:

- **Direct**, or the actual experience someone had that they refer to in their next assignment or opportunity to buy; and

- **Indirect**, such as references customers seek out on their own or those provided by sellers.

The fact that many buyers rely on great customer experiences to make purchase decisions highlights how important it is to drive an excellent experience across the lifecycle, according to Nakano. She added that it also emphasizes how "important it is to amplify positive customer experiences wherever they occur."

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Carlos Hidalgo, Founder of **VisumCX**, shared a statistic from Forbes, stating that 90% of the customer value for B2B businesses is obtained after the initial sale. This, according to Hidalgo, means progressive B2B marketers must focus on identifying engagement metrics beyond the sale to identify potential churn, better understand user pain points and uncover customers that can share their experience with the product or service.

"It comes down to understanding your customer at a granular level," said Hidalgo. "If you want to be great at marketing across the full lifecycle, begin by getting a full profile on your customer(s) and all those within the account that will interact with your business at every stage of the customer lifecycle. This is a continual practice, but once the initial mapping and insight work is done, you can begin designing a strategy that engages at every stage."

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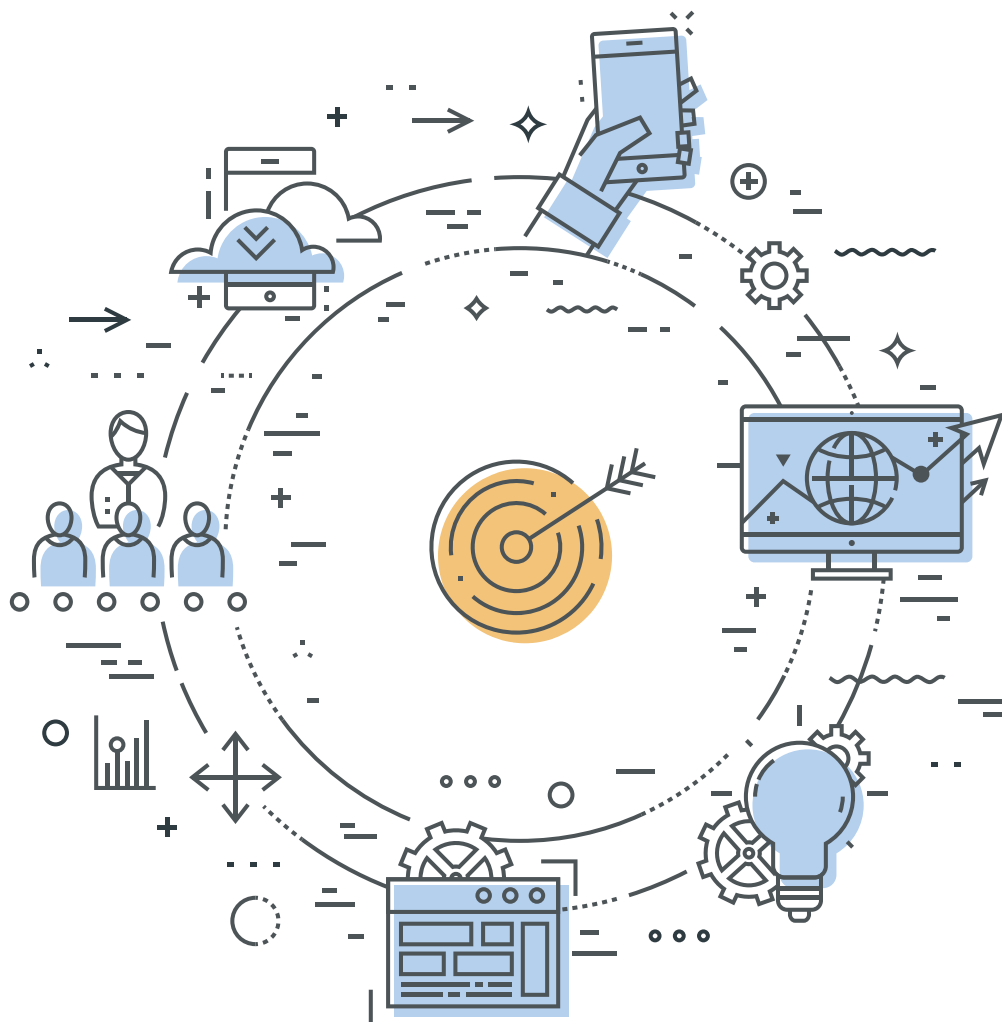
# Acquisition Vs. Retention: Finding A Balance

Experts stated that the ability to get deep, reliable insights and data makes it easier to understand what we all knew instinctively: that it is generally better to serve and grow existing customers than it is to get new ones. SiriusDecisions' Nakano added that it isn't a matter of going "beyond" acquisition, but that "the smart [companies] are creating a better balance between acquisition and customer marketing."

For example, the multinational software company **Citrix** found a way to bring their customer lifecycle marketing efforts full circle by enabling their customers to advocate for their brand's solutions. The company looked to expand its ability to track and measure the influence of its customer advocates on business outcomes such as new pipeline, retention and revenue. They developed sales reference capabilities within its Salesforce platform designed to track advocacy activities and tie them to new opportunities. The marketing team was then able to report quarterly on this impact.

After the new process has been put in place, Citrix saw the influence of advocacy activities on new revenue double year-over-year, which led to the company putting a heavier investment on its customer lifecycle efforts.

"Leveraging the marketing toolkit in service of existing customers does wonders to increase engagement and plug the holes in the leaky bucket of churn that needs to be continuously filled with acquisition marketing," said Nakano.

Experts noted that, like the push towards audience-centric engagement metrics on the demand gen side of the marketing department, the customer marketing teams are starting to look at the same types of metrics as the acquisition side.

"This brings deep insight into what's important to your customers," said Brian Maschler, Chief Creative Officer for **Bulldog Solutions**. "We have a long way to go with identifying cross-sell, upsell and influence, but B2B organizations are making a serious effort to move that way."

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# Cox Automotive Nearly Doubles Upsell Demo Requests With Lifecycle Strategy

The global automotive solutions company **Cox Automotive** has seen success with leveraging the right insights and messaging to continuously engage with prospects beyond the initial closed/won into cross-sell and upsell opportunities. This enabled the company to reduce client churn by 60% over the last two years and increase demo requests for upsell products by 97%.

Brian Schmid, Marketing Manager at **Vinsolutions** — part of the Cox Automotive family — said that since their business is subscription based, CLV is largely based on retention and is taken very seriously within the organization.

"We use a group of automotive retail experts to evaluate clients' use of our products and to make recommendations," said Schmid. "Marketing assists by delivering geographically targeted emails and social posts about upcoming client training workshops and webinars."

Schmid added that this combined approach of human, personal attention and insight with targeted notifications "reduced client churn by 60% over the last two years."

The secondary factor for CLV is upsell, according to Schmid. Vinsolutions implemented an interest-based engagement program for upsell products in 2016 designed to identify which clients were personally interested in which products, then enter them into a four-month long automated nurture program.

"It was designed to feed them webinars, articles and white papers with topics centered on the product they'd expressed interest in," said Schmid.

As a result, the company has seen a 97% increase in demo requests for upsell products in 2017.

"Interest-based programs get more open rates, clicks and overall engagement," said Schmid. "Modern marketing platforms make it very simple to use tracking scripts on landing pages or tracking links to place individuals in long-term programs that feed them information based on their behavior. This can save your sales team a great deal of time. Marketing primes the pump based on expressed interest and sales follows up to facilitate the close. It's a far more effective way to prioritize sales calls and leads to faster close rates."

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# Alignment On Creative & Data Crucial To Streamlined Customer Lifecycle

**Research from Demand Metric** shows that only 20% of B2B companies market in all stages of the customer lifecycle, while another 22% plan to market in all stages of the customer lifecycle in the imminent future. In addition, nearly a quarter (23%) are considering adopting a customer lifecycle approach.

One of the primary challenges to customer lifecycle marketing is rolling out creative concepts that work out well in every stage of the customer journey. Industry experts said that this can be attributed to a disconnect between those focused on acquisition versus retention.

"Brand marketing siloed itself from demand creation," said Maschler. "Now you see brand and demand marketers coming together and living up to that experience throughout the customer lifecycle, as well as making creative work consistently throughout those areas."

A move to measuring the same metrics is one way to help break down that silo. Experts added that customer data platforms (CDPs), such as AgilOne, Datorama and RedPoint Global, are starting to be brought up in the B2B customer lifecycle discussion as a single location to obtain and leverage insights across the organization.

"With all the data that is in various marketing technologies, let alone being able to trust the integrity of the data, marketing leaders are beginning to see the need of a system of intelligence," said Hidalgo. "It is simply not feasible to use multiple data sets, with various rules to get a single, holistic view of your customer, hence the increases in discussions about CDPs."

Additionally, industry thought leaders highlighted the growing importance of practices such as account-based marketing, as well as new tech advancements in AI and machine learning, to further streamline customer lifecycle marketing practices and maximize the use of this data and insights.

"This does get back to ensuring the data [AI] is working from is legitimate," said Hidalgo. "But utilizing these tools to get a real-time view of your customer and begin to forecast the meaningful interactions is a big plus to any marketing group looking to advance to a full customer lifecycle approach."

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# Conclusion

As Citrix and Cox Automotive achieve early success with their customer lifecycle marketing efforts, other B2B organizations are sure to follow similar strategies going into the New Year, according to industry experts. However, experts highlighted that success is only achieved with ongoing, clear communication and alignment interdepartmentally to maximize the efficiency of customer lifecycle marketing programs in place.

"Design an intentional customer experience based on their role and be sure to pull in the organizations that play big parts — like sales, product, support and any internal operational teams," said Nakano. "A major best practice is to align and communicate continuously and relentlessly."

Specific, customer-related metrics such as product usage should also be analyzed and leveraged within marketing programs. This type of insight positions customer marketing teams to identify churn and better understand why buyers invest in their product or services.

"In SaaS based companies, predictive analytics around product usage and retention have emerged as a new use case around customer lifecycle," said Jon Russo, Founder of the **B2B Fusion Group** and Board Member of the **Marketing Operations Cross Company Alliance** (MOCCA). "We've instructed our client companies to build retention strategies based on the usage of the product."

Ultimately, Russo said clear processes and an understanding of roles within the marketing department will help B2B companies find a healthy balance between acquisition and retention marketing — while also providing early ROI for future justification to expanding customer lifecycle efforts.

"Marketing teams are almost universally chartered to acquire new pipeline or revenue, so assigning a person or team to retention is critical," said Russo. "SaaS companies can only make their annual revenue number if their cohort annual churn numbers are low, so there is a business reason to justify headcount."

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