CUSTOMER MARKETING:

How to Keep Your Customers Coming Back for More

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INTRODUCTION

To thrive and succeed in today's competitive business environment, it's critical for marketers to identify and market additional products or services to sell to existing customers. True business growth comes from more than acquisition; it's sustained by keeping your customers happy and introducing them to complementary products.

According to eMarketer, it costs 10 times more to acquire new customers than to sell to the ones you already have. Yet most marketers still focus their investment and activities primarily on driving acquisition. In fact, according to Forrester's 2015 report, Benchmark Your B2B Content Marketing Strategy And Maturity, only 12% of content marketers are focusing on. That means marketers are missing out on revenue they could generate from efforts that are more affordable and profitable. Based on data from Bain & Company, a 5% increase in retention yields between a 25% - 95% increase in profits. With the majority of their efforts focused on costly acquisition techniques, marketers are leaving money on the table.

Today, more than ever, marketers must focus on providing value through the entire customer lifecycle. From acquisition, where marketers aim to acquire customers at the lowest possible cost, to engaging those customers in meaningful conversations on the channel of their choice, to retaining them and providing value so that the customer keeps coming back for more, to ultimately turning those customers into brand advocates.

Customer Lifecycle

Awareness

Engagement

Purchase

Retention/Loyalty

Growth

Advocacy

This ebook will explore what customer marketing entails and the value of developing a solid strategy around it. It will demonstrate how to implement a customer marketing strategy for your organization—from planning and implementation to measurement and sales and marketing alignment. Let's get started!

WHAT IS CUSTOMER MARKETING?

Customer marketing, or customer base marketing, is marketing that extends beyond acquiring customers and aims to identify and market additional products or services to existing customers, retain them as customers, and develop them into advocates. For the purposes of this ebook, we'll focus primarily on two critical components of customer marketing: cross-sell and upsell.

▶ **Customer Cross-Sell**
  Customer cross-sell is defined as offering complementary products or services to those a customer bought initially. It asks a customer, "Do you want an additional product or service outside of the one you've purchased?" A simple example of this is asking a customer ordering at a fast food restaurant, "Do you want fries with that?"

▶ **Customer Upsell**
  Customer upsell is defined as selling more of the same product (e.g. more database seats, a bigger beverage, or the next generation of a product) or an upgrade. It asks a customer, "Do you want more of what you've purchased or an upgrade?" Using the fast food restaurant example again, customer upsell would be asking, "Do you want to supersize your meal?"

According to data from Forbes, 90% of the customer value for B2B business is actually obtained after the initial sale.

Use the Right Tools
With the right customer marketing solution, marketers can listen and respond to customer behaviors to determine their interest in specific products or services and predict their needs so that sales can easily prioritize conversations and focus on closing business. Ultimately, it helps marketers create engagement across channels, which deepens customer relationships over time.

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THE BENEFITS OF CUSTOMER MARKETING

We revealed earlier that marketers who don't practice customer marketing are leaving money on table. But what does that really mean? Let's explore the key benefits of implementing a customer marketing strategy in your organization:

Sell More to Existing Customers

Customer marketing requires you to identify opportunities to expand your existing footprint using customer data to create cross-sell and upsell opportunities. You can leverage lead scoring across demographics, firmographics, and behavioral data to prioritize your best customers who are in the market for additional products or an upgrade.

Target Your Best Sources of Growth

Listening and responding to customer behaviors to determine their interest in specific products or services helps you identify which customers are valuable opportunities. Because you already know your customer's preferences, you can engage with them on their terms: on the right channel, at the right time, with the right message.

There are a couple different approaches to targeting your customers. One strategy is to focus your efforts on customers with the highest potential, the highest lifetime value based on their historical purchase history, and high usage, maturity, and breadth of features used. Another consideration is to identify customers at risk of churning early in their post-acquisition journey and develop custom campaigns to prevent it.

Focus Sales on Your Best Bets

A deep understanding of your customer is valuable; it allows you to better target your customers and it allows sales to prioritize conversations and focus on closing business. Sales can have a more personalized dialogue based on who your customers are as well as their behaviors and interests.

Measure Marketing's Impact on Growth

As with any marketing campaign, from acquisition to customer upsell and cross-sell, with the right measurements in place, you will be able to demonstrate how your marketing investment impacts revenue. Gather the relevant data to gain insight into how your marketing dollars translate into business growth.

Deliver the Optimal Customer Experience Across Every Stage of the Lifecycle

Create a more engaged customer base. Help customers maximize the return on their investment by successfully onboarding them, nurturing them with personalized, automated, and actionable tips to ensure broad product adoption and usage, and gradually open their horizons to new capabilities and complementary products.

Sell More to Existing Customers

Target Your Best Sources of Growth

Focus Sales on Your Best Bets

Measure Marketing's Impact on Growth

Deliver the Optimal Customer Experience

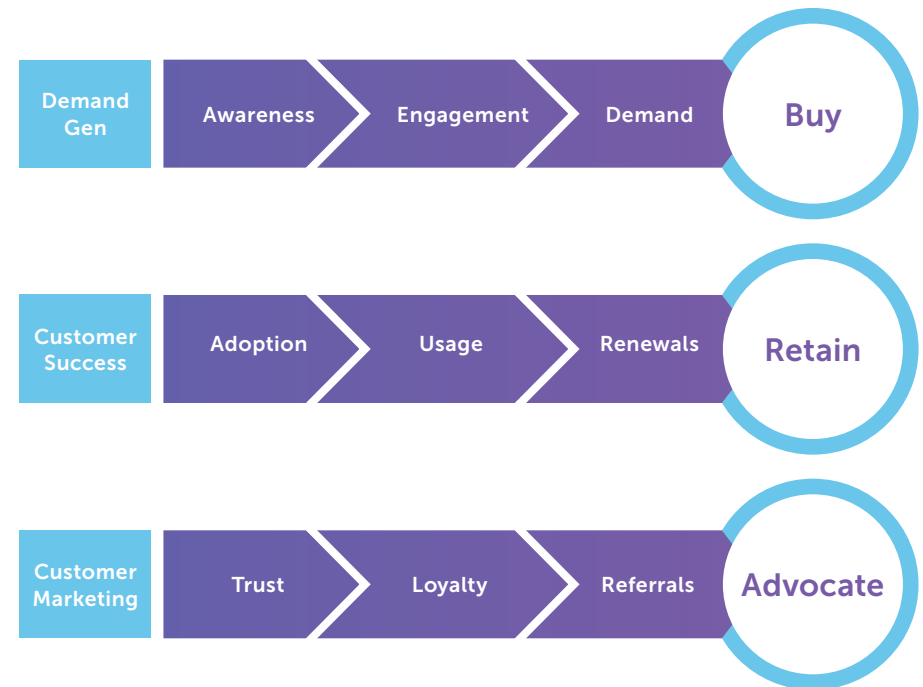# DESIGN AND EXECUTE A WINNING CUSTOMER MARKETING STRATEGY

Creating a winning customer marketing strategy means understanding the roles and goals of the various teams that "touch" the customer. In many organizations, in addition to the divisions of marketing— Demand Generation, Product Marketing, and Customer Marketing— these teams include: Support, Sales, Education, Product Management and User Experience, and Customer Success. And each team has different objectives they aim to achieve with their customer activities.

For example:
- Demand generation is focused on conversions in the form of an upsell or cross-sell
- Customer success is focused on retention and renewals
- Customer marketing is focused on building advocacy

For the purpose of building a strong customer marketing strategy that focuses on customer cross-sell and upsell, we will look at how to create a strong customer demand generation strategy and the content and campaigns you will need to support it.

Different Teams Have Different Goals

Demand Gen	Awareness	Engagement	Demand	Buy

Customer Success	Adoption	Usage	Renewals	Retain

Customer Marketing	Trust	Loyalty	Referrals	Advocate

DESIGN AND EXECUTE A WINNING CUSTOMER MARKETING STRATEGY

Create a Customer Marketing Demand Generation Strategy

As you begin thinking about how to create a customer marketing strategy that supports upsell and cross-sell, you can think about building your strategy in five steps, which we will define in this chapter.

Step 1: Start with Goals

Understanding your goals from the start will ensure that everything in your strategy is aligned to help you achieve your goals. For revenue marketers who support sales, bookings revenue is the ultimate metric. To get started, understand what bookings revenue goal your sales team carries (usually in the form of a quota). Once you understand the revenue goal (number of closed won deals multiplied by your average deal price), you can calculate backwards to figure out how many wins (number of closed-won deals), opportunities, SQLs (Sales Qualified Leads), MQLs (Marketing Qualified Leads), and campaign successes you need based on your internal revenue funnel.

Using the historical data that you have on conversion rates between the stages of the revenue funnel, sales velocity (the time it takes to convert a customer to buy more products), and the performance of your campaigns, you can start to understand how many and what kind of campaigns you will need in your mix in order to generate the expected revenue. In some cases, you may not have historical data, and you will need to start building your baseline and then test and optimize over time.

If you have a marketing automation platform, it's important to map out your customer revenue model, taking into account your unique business cycle and its complexity, sales velocity, and the flow of customer leads.

You may argue that new business and install base follow the same type of sales funnel, but it's important to note that new business and install base business are different.

Keep in mind that this is not a static model and will evolve as your business matures and you introduce new products and customer segments. For example, the first phase in the customer cycle is enablement, which should include not only your buyer, but also all of the stakeholders and organizations that may touch or use your product or service. Enablement could take anywhere from a few days to many months depending on the size and complexity of the customer business as well as the complexity of the products or services they purchase.

| 1	Revenue
2	# of Wins
3	# of Opportunities
4	# of SQLs
5	# of MQLs
6	# of Campaign Successes

DESIGN AND EXECUTE A WINNING CUSTOMER MARKETING STRATEGY

The next phase is adoption, during which a customer starts using the product and its many features and capabilities. Often, during this stage, the marketing team starts educating the customer on how to successfully adopt and use the product by providing educational content, how-to tips and tricks, and other useful information.

As the customer's usage of the product broadens and matures, you can start introducing complementary products to them for cross-sell or an upgrade to their current product or service. Typically, this process doesn't start until after six months of usage for new customers. If the customer demonstrates interest in cross-sell or upsell products by engaging with relevant content and campaigns, they start accumulating points through scoring and move to cross-sell MQL stage, at which point the customer is handed off to the sales team for qualification. If the interest is validated, the customer moves to SQL phase, where sales further evaluates whether the lead is qualified based on interest and whether it's a good fit as a cross-sell or upsell opportunity. If it is, a customer enters another sales cycle, with the goal of becoming a cross-sell/upsell won deal; if not, the customer is recycled and goes back into the nurturing queue. We'll discuss this in more detail in the following chapter.

Here is an example of a customer revenue model in Marketo and how it maps to a flow within a marketing automation platform.
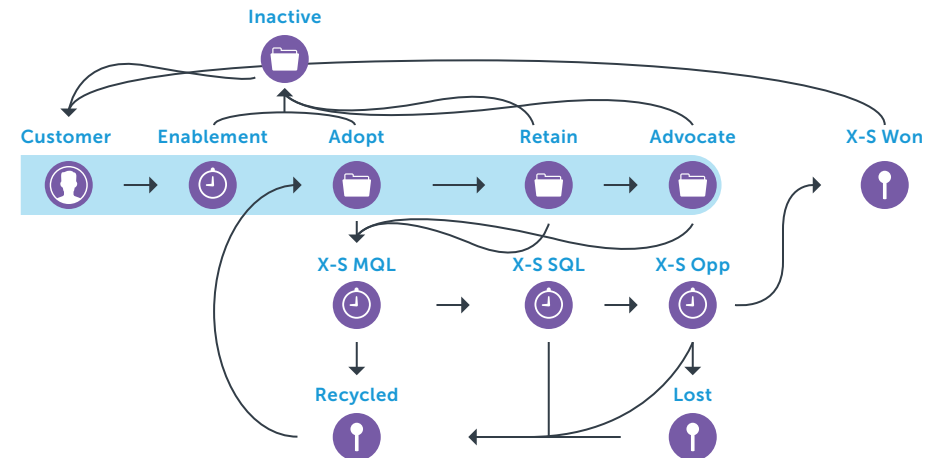
Definitions for your reference:

Sales Qualified Lead (SQL)**:** Once a lead becomes an MQL, sales evaluates whether the lead is qualified through a phone call or email based on interest in your product or service and whether there's a good fit. If there is, then the lead becomes a sales qualified lead. If a salesperson decides to reject, or recycle, an MQL, it goes back to marketing for further nurturing.

Opportunity: This is the number of SQLs who show that they have the budget, authority, need, and timing for your product or service. The number of opportunities for each campaign reveals how valuable your leads are in regards to your primary internal customer–the sales team. If your campaign leads are not converting into opportunities, one reason could be that your sales team doesn't see value in the leads you generate and your campaign may not be as valuable as you thought. If this is the case, you'll need to refine your campaigns to target the right audience.

DESIGN AND EXECUTE A WINNING CUSTOMER MARKETING STRATEGY

Step 2: Understand Your Target Audience

After you understand your goals and how you will track them, the next step is to understand your audience and build profiles of the customers you'll be marketing to. Often, this information is already available to you from your acquisition campaigns to prospects.

Most companies develop personas based on customer demographics and behavior, along with their own understanding of a customer's motivations and challenges. To distill this into a persona, most companies conduct qualitative interviews and surveys of their customer and salespeople as well as analyze the customer demographic, firmographic, behavioral, and purchase data that is available to them in their CRM, marketing automation platform, or other systems.

Developing buyer personas requires some initial investment, but it pays off throughout the customer lifecycle—not only for content creation, but also across all of your marketing efforts. The better you understand and humanize your customers, the more relevant your marketing will be to them.

If your business serves several different types of customers, you'll want to develop multiple buyer personas, which may include an **executive sponsor, decision-maker, and the user** of your different cross-sell products. Somewhere between four and six personas is ideal, although you might create fewer for a less complex audience.

Why Create Personas?

They determine which kind of content you need — If you break your existing content down by persona, you can easily see which personas have plenty of content and which personas need more.

They set the tone, style, and delivery strategies for your content — Some buyers respond best to a light, conversational voice, while others trust a more formal tone. In creating your personas, you'll discover the best tone and style for your content.

They help you target the topics you should be writing about — Why speculate about the topics your buyers care about, when you could just ask? You'll generate a list of relevant topics for each persona.

They tell you where buyers get their information and how they want to consume it — Does your audience like to sink their teeth into 100-page guides, or do they prefer short, snappy graphics? Do they spend their time reading third party reports, or do they comb through Twitter? This information will inform the way you create and distribute your content.

DESIGN AND EXECUTE A WINNING CUSTOMER MARKETING STRATEGY

If you don't have customer personas yet, or you are adapting them from the personas you have developed for prospects and acquisition, here is a set of questions you will want to ask in order to get started:

This information will help you develop the right content and messaging, utilize the right communication channels, and build a strong campaign mix and cadence to address your target persona.

Questions to ask when building your customer persona:

Background	Company, key job responsibilities, likes and dislikes about job, team structure
Goals	Business goals, challenges, pain points, and how your products will help them achieve those goals
Source of Information	Where your persona likes to consume content (channels)
Preferred Content Topic	The content topics your customer is interested in
Marketing Message	The messaging that speaks directly to this persona
Objections	The objections you anticipate from your persona during the sales process
Specific Product Interest	Do they have interest in a particular solution or product?
Role in Purchase Process	Persona's influence in the decision-making process
Quotes	Bring your persona to life with actual quotes during interviews

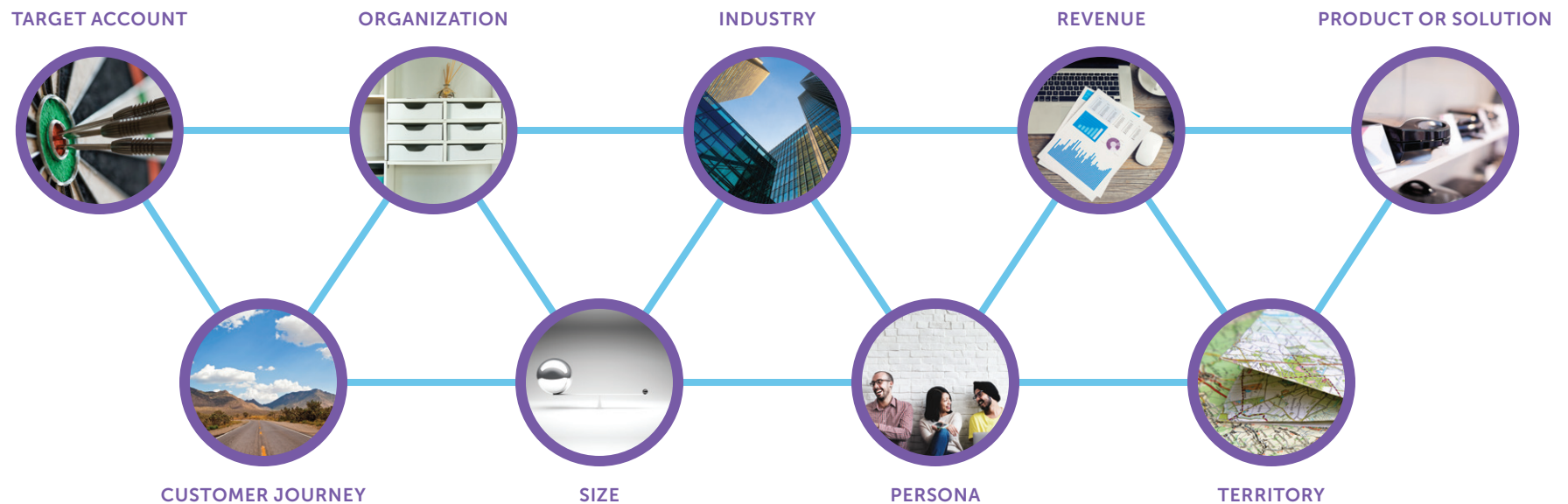# DESIGN AND EXECUTE A WINNING CUSTOMER MARKETING STRATEGY

Step 3: Segment Your Customer Base
Next, you'll want to start developing segments of your customer base. Segments are more advanced than a persona and take into account behavioral data and scoring.

If you have a customer base marketing solution, like Marketo's, segmentation is much easier to accomplish. You are able to define what behaviors you want to listen to—for example, the last engagement or website visit, attendance of your event, specific asset download, score threshold, or product usage or non-usage data.

The more precisely you segment, the more targeted and relevant your campaign messaging and communications will be, which ultimately drives higher engagement, conversions, customer satisfaction, retention metrics, and revenue.

Ways to Segment

TARGET ACCOUNT   ORGANIZATION   INDUSTRY   REVENUE   PRODUCT OR SOLUTION

CUSTOMER JOURNEY   SIZE   PERSONA   TERRITORY

DESIGN AND EXECUTE A WINNING CUSTOMER MARKETING STRATEGY

Step 4: Map Products and Solutions to Segments

Next, look at the products and services in your portfolio and map those products to your segments. Start by looking at which products or solutions are owned by your customer accounts already (which should be available in your CRM system) and where the "white space" is for cross-sell (an opportunity to sell them more products) or upsell (an opportunity to sell more of the same product).

This is a process that you don't want to do in isolation, and you'll find valuable perspectives if you work closely with other teams. Consider including product or segment marketing, sales, and other business unit stakeholders. In the chart to the right, you can see the dot represents current product ownership by a particular segment and the blank space represents paths, or opportunities, for cross-sell.

This type of chart is very helpful when you start to build your cross-sell, upsell, and retention nurture streams. Another way to think about it is that the dot on this map represents retention streams and product/solution topics of interest, while the blank space represents cross-sell nurture paths. Use the data that you gather from this exercise to define and then prioritize your most promising segments, which should also take into account the size of the opportunity or potential revenue.

A Solution for Success

A solution like Marketo Customer Base Marketing will allow you to sell more to your existing customers by listening and engaging with your customers in a new way, understanding your best sources for growth, targeting your sales function on their best bets (propensity to buy), enabling marketing to understand the ROI of their campaigns, and delivering an optimal customer experience across every stage of the lifecycle. It's about nurturing, educating, and providing value for customers as they come on board and well after.

Segments	Product A	Product B	Product C	Solution 1	Solution 2	Solution 3
Segment 1 Persona		●	●		●	
Segment 2 Persona		●		●		●
Segment 3 Persona	●	●		●		
Segment 4 Persona	●					●

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DESIGN AND EXECUTE A WINNING CUSTOMER MARKETING STRATEGY

Step 5: Design the Campaign Mix

Now, it's time to determine your marketing tactics. You'll want to use a mix of campaigns designed to engage your customers across a variety of channels, including email, social media, events, web, mobile, etc. If you're starting to build your campaign mix and don't know what works well just yet, start small by testing some proven tactics that you know work well for acquisition, like nurture, webinars, email, and some live events. Then, you can optimize and scale your campaigns as you grow. In a latter section, we will explore how to develop campaigns at scale.

VIDEO

EMAIL

PRINT

DIRECT MAIL

SOCIAL MEDIA

ONLINE

DISPLAY

SEARCH

CALLING

EVENTS

BLOGS

MOBILE

CREATE CONTENT THAT SELLS

A big component of how you engage your customers for upsell and cross-sell is with the content that you have to support them. If you want a winning customer demand generation process, you need to create content that understands and educates your customer and helps you sell to them.

With the proliferation of marketing messages, one of the only ways to break through to your customer is with content that offers relevant, useful, and valuable information. In fact, according to a Marketo online survey, 50% of respondents named content marketing as a top skill critical to their success in 2016.

Answer	Response	%
Email Marketing	148	69%
Data Analytics	142	66%
Demand Generation	130	61%
Marketing Operations	118	54%
Content Marketing	107	50%
Inbound Marketing (SEO, Paid Search, etc)	97	45%
Storytelling/Creativity	85	40%
UX (User Experience)	70	33%
Social Media Marketing	64	30%
Mobile Marketing	54	25%
Design	52	24%
Influencer Relations	50	23%
Partner Marketing	48	22%
Customer Experience Architect	30	14%

CREATE CONTENT THAT SELLS

Create Content That Educates

As you think about creating content to support your customer marketing activities, frame your thinking around your audience's needs and interests. Without those in mind, you will produce content that is blind to the value you aim to create for your customers. At Marketo, for example, we not only aim to create valuable content for our customers, but we focus on educating first and selling second. Because of this philosophy, we follow a 4-1-1 rule. This rule states that for every four educational or entertaining assets (infographic, blog, awareness-level ebook), you offer 1 soft/mid-level promotion (a more solution-focused asset) and one hard/late-stage promotion (a demo, for example). This mix allows you to offer value that far outweighs the sales element of your mid and late-stage promotions and educates your customer so they are more welcoming to the later stage messages.

Create Content That's Targeted

Every piece of content that you create should have an intended audience. That audience may be broad, but you should understand the purpose and persona(s) you are setting out to speak to, inform, and educate with the asset. For example, a practitioner would be interested in actionable content that walks them through "how-to" steps of accomplishing a digital task. Whereas an executive would likely be more interested in higher-level strategy, best practices, and how other companies in their industry see success. Content also needs to be targeted based on company size (SMB vs. ENT) and written with relevant language for a particular industry vertical.

Image: Targeted ebook examples for different verticals: Healthcare and Financial Services

![Marketo]

CREATE CONTENT THAT SELLS

Create Content That's Targeted (continued)
Regardless of whether your asset has a broad audience that addresses multiple personas or if it's very targeted, there are a few things that you can do to create targeted content out of your already existing assets and make it feel more relevant for a specific audience. You can start by applying the 3 Rs (reorganize, rewrite, retire), and an additional R, redesign to the content that you have already.

The 4 Rs
Many organizations operate with a small team or even no dedicated team to create content that fulfills their nurturing needs. To maximize the value of your team, save money, and effectively create the content that you need, use the 4 Rs of content marketing.

Reorganize: Maximize your efficiency and use sections of the same piece to create smaller breakout pieces. At Marketo, we do this with our 100-page definitive guides.

Retire: Remove content that no longer has relevant information, content that's underperforming, outdated reports or statistics, or content that was created for a particular event or moment in time that's passed.

Rewrite: Extend your investment of time and money when creating content by using the content that you already have.

Redesign: Create different versions of your content that is designed to appeal to a certain persona.

CREATE CONTENT THAT SELLS

Create Content That Educates

To achieve buy-in across your organization and ultimately develop the content that you need, create a content process that supports your organization's goals. If you don't have that process, it's important to build it. You need a process that helps:

- Support the content roadmap
- Oversee content creation process
- Ensure consistency of messaging and voice
- Streamline content creation for scalability
- Reduce duplicate efforts and resources

At Marketo, we have addressed this issue with the formation of a content committee and formal content process. The content process follows the structure outlined below:

1. Send out a call for briefs to content stakeholders (people that use the content in their campaigns)
2. The content team evaluates each request for completeness of message, audience, and goals
3. The content team proposes a list of content to the content committee. The content committee is a group of executive-level business stakeholders who evaluate the proposed content production plan against the needs of the individual business stakeholders and overall organizational priorities.

This process of checks and balances ensures that all content created at Marketo goes through a centralized organization that checks for duplication and applies the lens of company messaging and priorities to every asset.
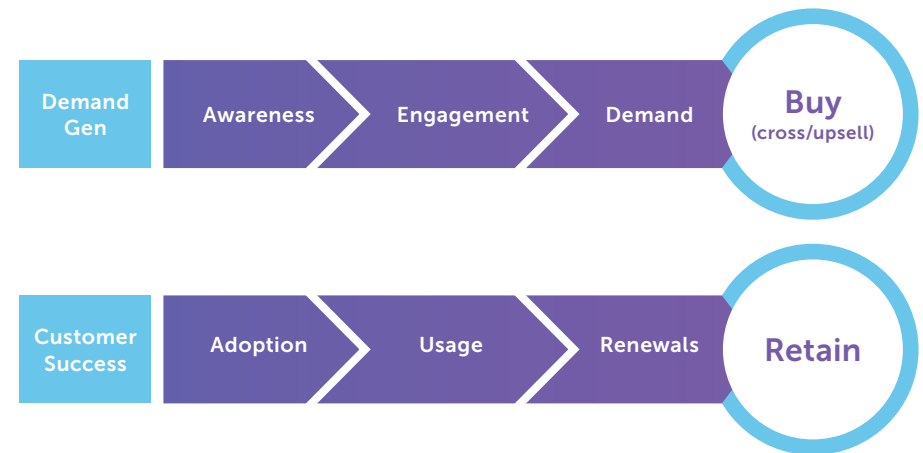
DEVELOP CAMPAIGNS AT SCALE

Just as we covered in the beginning of this ebook, different teams in your organization have different goals—from Customer Account Management working on retention, to Customer Marketing working on advocacy, to Demand Generation working on driving cross-sell and upsell opportunities.

For the purposes of cross-sell, upsell, and retention for demand generation, we'll look specifically at nurture campaigns as the foundation of building long-lasting relationships with customers rather than cover every type of campaign.

One of the key ways that marketers create demand from an existing customer is through nurture campaigns. So, let's take a deeper look at what cross-sell, upsell, and retention nurture campaign paths look like:

Different Teams Have Different Goals

| Demand Gen | Awareness | Engagement | Demand | Buy (cross/upsell) |

| Customer Success | Adoption | Usage | Renewals | Retain |

DEVELOP CAMPAIGNS AT SCALE

Types of Nurture

Nurture is the process of building relationships with customers throughout their buying cycle by engaging them in personalized, relevant conversations across multiple channels. Nurturing is about listening, building trust, providing valuable and relevant information, and engaging customer in conversations on the channels of their choice.

There are a couple different types of nurture campaigns that we'll discuss.
1. Email Nurture
2. Advanced Multi-Channel Nurture

This section will explore these two types of nurture campaigns and how they support your cross-sell, upsell, and retention campaigns.

Let's look at cross-sell nurture first. At Marketo, we use the Marketo Customer Engagement Engine to develop all nurture campaigns. For cross-sell nurture, we structure our streams based on products that customers don't have and their interest in complementary products like web personalization, retargeting, predictive content, advanced analytics, mobile, etc. These would vary depending on the Marketo solution you purchase. Consider whether this is a model that you can apply to your business and how you can sell your products and then base your stream structure off of that.

DEVELOP CAMPAIGNS AT SCALE

Here are some dimensions to consider as you structure your streams:

Audience Segments (who you nurture)**:** Your audience segments depend on complexity of your business and the products you sell. At Marketo, we segment our audience based on the company size (small-medium, emerging, and enterprise), the type of marketer they are (B2B vs. consumer), and by the specific solution they purchase and their potential cross-sell product interest. Another layer of complexity is the customer role. Is the customer contact a primary user, decision-maker, or executive? Additionally, consider the overall account health. This is information that you can get from your customer success or customer support teams. This is important to consider because you do not want to, for example, send a cross-sell nurture email to a customer account that is at risk of churning.

Story Arc (what content)**:** How do you tell a story to convince your customers to buy advanced analytics apps? You start by creating a need for it. And to do that, you need to demonstrate the value and benefits of your product or application, highlight other companies' success with your tools, and eventually invite your customers to see a demo. Your content should lead them down a path—from awareness to conversion and beyond. So what content do you need to build that path and support your nurture stream? Start by understanding the 4-1-1 rule—a rule that helps marketers govern their content mix by ensuring that it's educational, inspirational, focused on best practices, addresses how a product or service addresses solution-specific challenges and needs in the right proportions.

DEVELOP CAMPAIGNS AT SCALE

Triggers and Transition Rules: Define what customer behaviors trigger entry into a nurture stream, or the next message or piece of content, and on what channel. For example, any customer who doesn't have a specific product and expressed some interest in it by either visiting a related product page on your website, downloading a related piece of content, or attending a related webinar or event is automatically triggered to be added to one of these streams. Additionally, you may want to define: Are the streams mutually exclusive or can customers be in multiple streams at the same time given their interest in multiple products? When do you hand off customer leads to sales for follow-up? How do you accelerate the flow?

Cadence (how often): What is the appropriate cadence of nurture emails for your customers? How do nurture emails interact with other database emails or "batch" campaigns? Use your industry best practices to define this timing and monitor your email send volume, open rates, and unsubscribe rates. At Marketo, customer nurture emails go out every two weeks and they are not mutually exclusive since a customer can express interest in multiple products at the same time (this is different from prospect nurture). Also, nothing is set in stone—reassess your cadence periodically as your business matures. Be sure you have a communications preference center for customers to adjust the topics they are interested in, the frequency of communications, and the communication channels.

WHERE: EMAIL STREAMS
TRIGGERS: PRODUCT USAGE
- Analytics
- Web Personalization
- Calendar
- Mobile
- Retargeting

WHO: SEGMENTS
- Products they have
- Type of company (B2B/B2C, ENT/SMB)
- Customer role (Practitioner, Executive)

WHAT: CONTENT
- Thought leadership
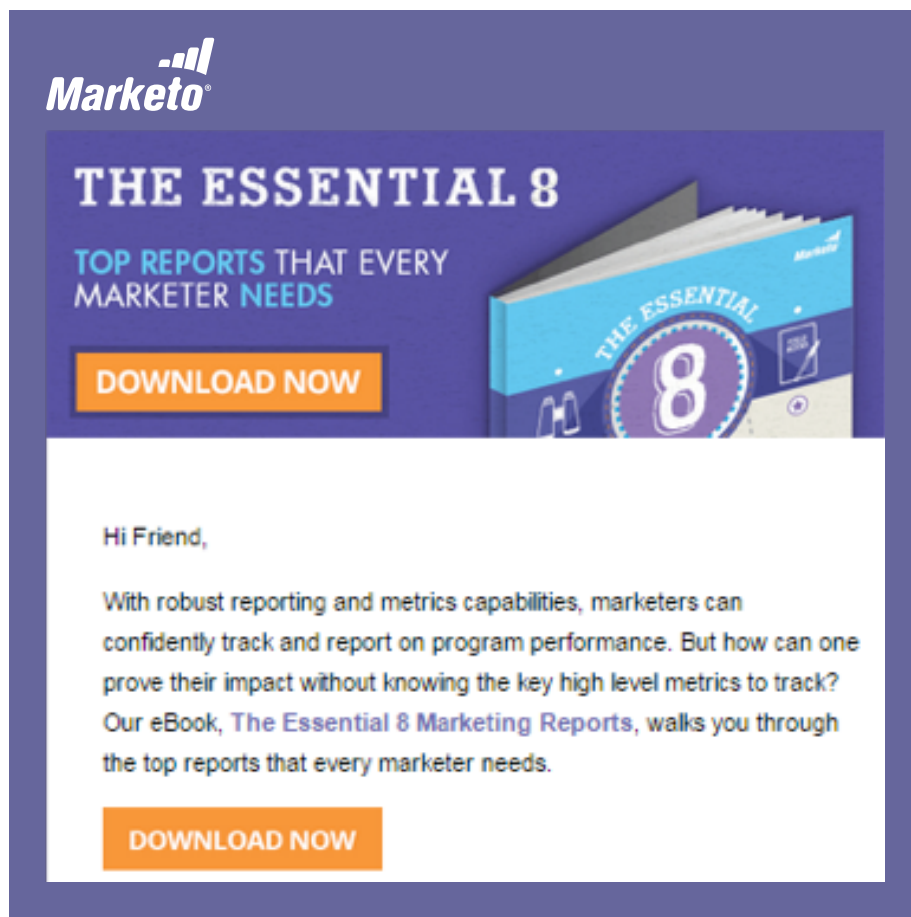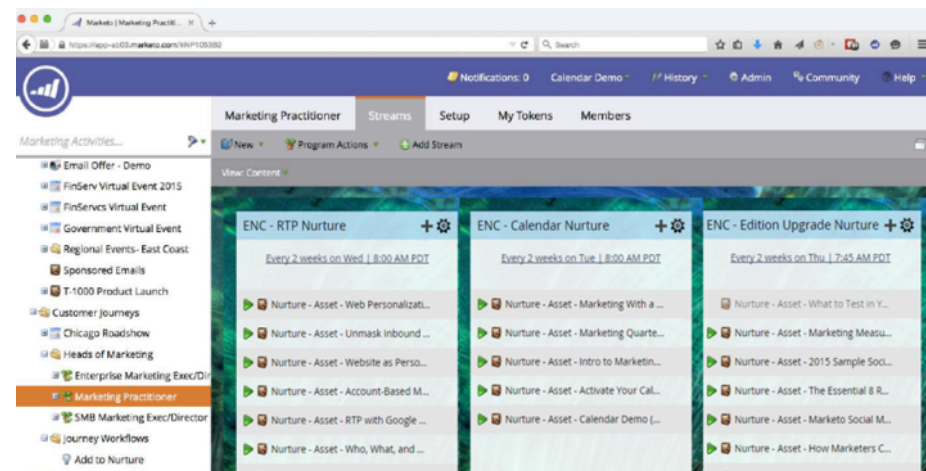- Business use case
- Why to buy
- Product-based

Image: Cross-sell nurture email examples for different audiences

![Marketo]

DEVELOP CAMPAIGNS AT SCALE

Here are some examples of emails from our analytics-focused nurture streams. As you can see, they are targeted based on title and role.

DEVELOP CAMPAIGNS AT SCALE

Retention Email Nurture
Nurturing with the goal of retaining your customers is different. The primary goal with retention nurturing is to drive product adoption and usage among practitioners as well as to illustrate value and thought leadership with all stakeholders (user, decision-maker, influencer, gatekeeper).

Segmentation is based on the products a customer has, the depth and breadth of features used, and topics related to those features or capabilities. You can group customers who purchased a given solution based on their level of usage maturity and categorize them as a novice, intermediate, or advanced user. But how do you determine where to place someone?

To start, if you can, leverage product usage data from your customer success platform (a technology platform that measures customer engagement with your product and its specific features if you are a SaaS business). These platforms often integrate with the most common CRMs (like Salesforce) and your marketing automation platform (like Marketo). An integration between these three powerful and data-rich platforms—customer success, CRM, and marketing automation—gives marketers the ability to trigger nurture campaigns based on how someone uses the product.

It also allows marketers to identify if someone is a novice user or is slow to adopt your product. This is important because if this behavior goes unnoticed, it could result in the customer not realizing value and churning. For example, at Marketo, we look at usage indicators that factor in the number of active engagement streams, exhausted content, emails sent, the number of basic analytics reports, and landing pages and forms to identify a customer's health and level of product usage maturity. Then, we nurture the customer with best practices—from strategy and the important benefits of using the capabilities to practical 'how-to' basics and more intermediate topics.

Other ways that you can identify your customers' adoption/retention needs and segment them include using qualitative data from any quarterly business review (that your customer success team runs) or customer surveys that you run which may indicate what they're interested in and what kind of content they find valuable.

WHERE: EMAIL STREAMS
TRIGGERS: PRODUCT USAGE
- # of emails, landing pages, forms that use triggers, A/B testing, nurture, personalization, events/webinars, basic reporting
- Scoring/lead management, advanced analytics

WHO: SEGMENTS
- Products they have
- Type of company (B2B/B2C, ENT/SMB)
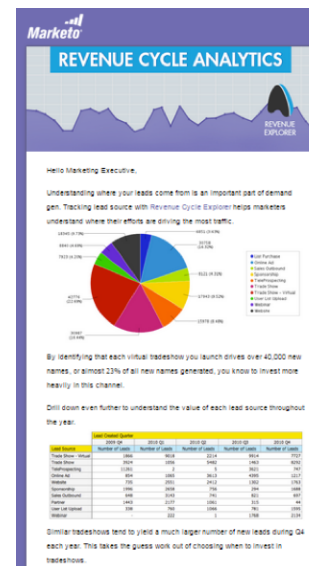- Customer role (practitioner: novice, intermediate, advanced; executive)
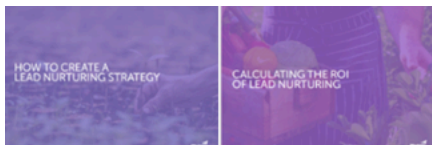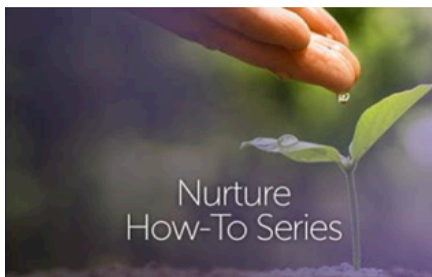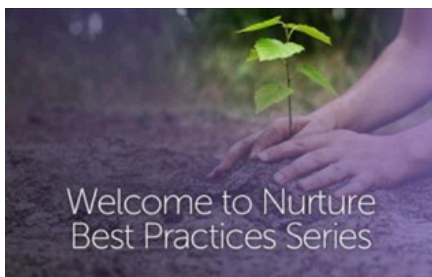
WHAT: CONTENT
- Why: strategy, value, best practices
- How: step-by-step, tips & tricks

DEVELOP CAMPAIGNS AT SCALE

Here are a couple of examples of nurture emails that drive the adoption and usage of Marketo's nurture capabilities (Customer Engagement Engine); they contain information on why nurturing is important and give best practices on developing a nurture strategy before providing detailed tips and links to step-by-step documentation and instructional videos on how to set up nurture streams in Marketo. As you can see, the content here is more detailed and instructional than content that's designed for a pure acquisition demand generation process.

Examples of Nurture Emails:

Outside of email nurture, we also run webinar series and more hands-on workshops, field events, university courses, and user group seminars to help customers successfully adopt and use Marketo products.

DEVELOP CAMPAIGNS AT SCALE
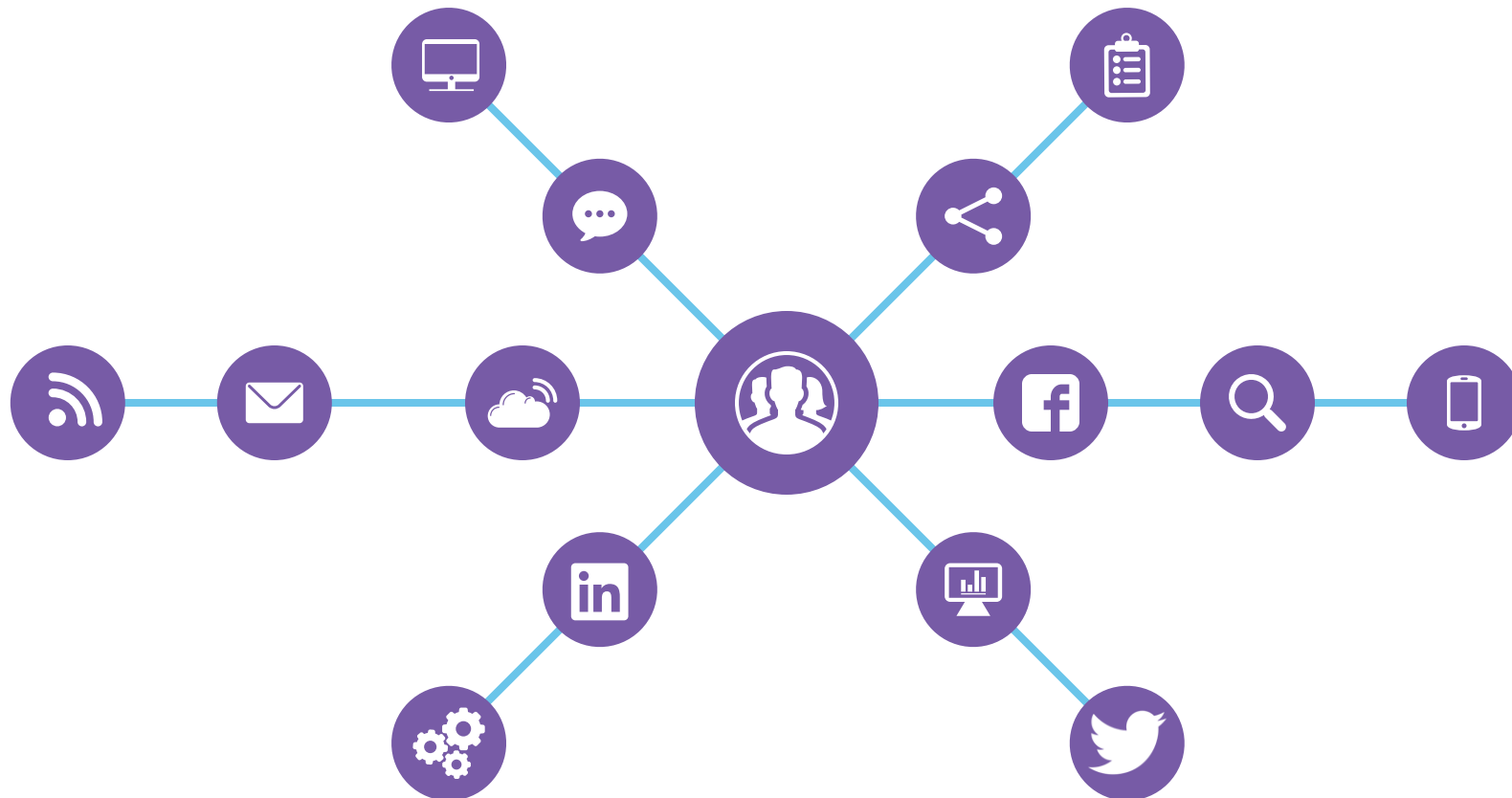
Multi-Channel Nurture

While you are probably familiar with email nurturing, multi-channel nurturing enables marketers to have a continuous conversation with customers across channels through targeted, relevant offers, content, and calls-to-action. Using your cross-channel tools to listen and respond to customers with the right message, at the right time, and in the right place, you can accelerate customers through their unique buyer journey.

The main concept of multi-channel nurture is to listen and respond. As a multi-channel marketer, you'll need to:

Listen: Pay close attention to buyer behavior across all channels so you have a single, holistic view of the buyer persona.

Act: Manage, personalize, and act on conversations with buyers across channels. A conversation you start in an email must continue when the buyer navigates to your website and shouldn't skip a beat when she jumps over to your Facebook page.

DEVELOP CAMPAIGNS AT SCALE

Let's look at the multi-channel nurture dimensions. You can replicate the same segments and content used in your email nurture campaigns and leverage them on other channels—across your web site, social channels, and third party web sites.

You then need to listen for signals indicating where the engagement takes place (and take into account customer channel preferences and conversions on specific channels) and orchestrate content and flows accordingly.

Here are a few examples:
In the example to the right, we want to nurture a Marketo customer coming to the Marketo website. Using web personalization to dynamically identify the customer, you show them different content than you would to a Marketo prospect. With web personalization, like Marketo's, you can define segmentation rules as broadly or as narrowly as you need. You can replicate your email nurture segments for your website using web personalization or create new ones for very targeted campaigns like regional events.

And if you want to take it even further, you could nurture the same customers not only via email and on your website, but also on third party web sites through Google retargeting on their ad network. Using Marketo's retargeting capabilities, you can upload the same segmentation data (smart lists if you're using Marketo) to social networks like LinkedIn, Twitter, and Facebook and optimize your targeting capabilities, thereby making your advertising dollars work harder and increasing your campaign ROI.
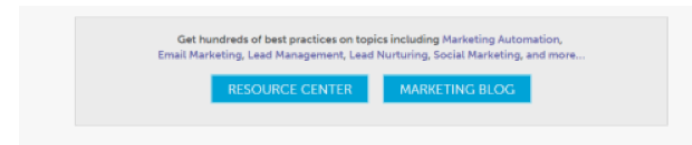
In Zone section of website personalized with content specifically for companies with a mobile app

With Marketo Marketing Automation, which includes apps for anonymous and known retargeting and web personalization, you can create personalized, targeted experiences for your customers everywhere they are—email, web site, 3rd party website, and most social networks.

The fun part and the challenge of multi-channel nurturing is orchestrating the flows—which is what happens after someone downloads your offer on an email channel. You don't want to show them the same offer on the web site and vice versa.

DEVELOP CAMPAIGNS AT SCALE

Types of Nurture

Lead scoring is the process of tracking a lead's level of interest and sales readiness—whether they are a customer or prospect—according to a methodology agreed upon by both marketing and sales. Companies can score leads in a number of ways: by assigning points, by implementing rankings such as A, B, C, or D, or by using terms such as "hot," "warm," or "cold."

General MQLs or Product MQLs

How do you score customer leads and their readiness to buy? Is there a concept of a Marketing Qualified Lead (MQL) for customers? And how is it different from prospects?

Regardless of what you call customer leads, you need a way of scoring and prioritizing them for your sales teams. At Marketo, we started with general MQLs for customers based on engagement, but as we grew our cross-sell products and services portfolio, it became obvious that we needed to measure the customer's interest and buying intent for different products separately. That's why we moved to product MQLs. This may work differently at your organization.

Here's an example of how we score MQLs:

Product MQLs are based on product interest scores. A product interest score works just like a lead activity score. The difference is that it only scores for a specific product. The threshold for becoming a product MQL is a product interest score of 5+ points.

A customer can be an MQL for multiple products in the same month. However, the customer can only be a specific product MQL once every quarter. Even if the customer hits the threshold for becoming an MQL more than once a month or during another month that same quarter, he/she will only be qualified as a product MQL once. If the customer does not continue to engage with specific product content, their score for that product will decay over cycles of two weeks until it hits zero.

A customer can be an MQL for multiple products in any given quarter. Keep in mind that this is not set in stone and could be very different for your business depending on your sales cycle.

Use Scoring

We mentioned earlier that scoring is important as it enables us to prioritize leads in terms of overall fit, behaviors, and interest in particular products. Scoring can be used for establishing demographic fit (A VP of Marketing is scored higher than a Marketing Coordinator). For asset scoring, look at whether it's an early-stage or late-stage asset and the level of engagement that's required to consume it (for example, an infographic may be 1 point, but lengthy and comprehensive guide may be 10 points).

MEASURE AND OPTIMIZE

Now that you've designed a robust customer marketing plan that includes high-value content and the appropriate nurture paths for cross-sell, upsell, and retention, how do you measure your success? This section will examine how to evaluate your demand generation campaigns and demonstrate your success.

Marketers can struggle to measure campaign ROI for two reasons:

1. They might not think about measurement up front. Accordingly, they fail to create the right structure/framework to measure results.
2. There is no alignment on what metrics matter.

When you start to identify your metrics, you want to consider your audience and understand and define what key performance indicators (KPIs) you'll be measuring at what point in time.

Measure the Right Data
There are two sets of metrics that you want to consider:
- Engagement Metrics (tactical)
- Revenue Metrics (strategic)

Engagement Metrics
Engagement metrics are tied to your campaigns. You may want to track them relative to goals you set at the beginning of a campaign and over time. Some of those metrics include:
- Campaign Successes (depending on the campaign, this could include downloads or attendance)
- Click-Through Rate (CTR), Click-to-Open Rate (CTO), Unsubscribe Rates
- Act Nows (an action demonstrating high buying intent and requiring immediate sales follow-up)
- Call Nows (an action demonstrating engagement in a mid- to late-stage campaign, which may indicate buying intent so follow-up is recommended)

MEASURE AND OPTIMIZE

Revenue Metrics

Another set of metrics is revenue metrics or late-stage metrics. These metrics are especially critical to your sales team, CMO, and CEO. These can't be measured immediately since it takes time to create opportunities, generate pipeline, and close deals. These metrics are critical to track because understanding how your campaigns contribute to revenue and the return on investment (ROI) demonstrates marketing's contribution, gives you credibility, and drives budget decisions.

Let's look at an example of key metrics from the revenue funnel that we established in the beginning of this ebook, starting with the bookings revenue goal.

Say your revenue goal is $5M and your average sales price (ASP) is $25k. To hit that revenue target, you would need to win 200 deals (divide $5M by $25k), and if your win rate is only 25%, you'd need 4x the number of opportunities or 800 opportunities to get there. And your pipeline is $20M or the number of opportunities multiplied by ASP.

If 90% of your SQLs turn into opportunities, then you need 889 SQLs and if your MQL to SQL conversion rate is 15%, then you'd need 5926 MQLs. These numbers become targets for different teams and you can hold them accountable for meeting the goals. At Marketo, Demand Generation is not only responsible for driving campaign successes and MQLs, but we're actually compensated on the number of opportunities and pipeline generated by marketing.

1	Bookings goal:	$5,000,000
2	# of Wins:	200
3	# of Opportunities:	800
4	Pipeline:	$20,000,000
5	# of SQLs:	889
6	# of MQLs:	5926

ASP: $25,000
Win rate: 25%
Pipeline= Opps x ASP
SQL to Opp-ty conv. rate: 90%
MQL to SQL conv. rate: 15%

MEASURE AND OPTIMIZE

Revenue Metrics (continued)

In addition to setting goals, when you're discussing metrics, it's critical to keep your audience in mind as it may influence what metrics you want to measure early on, right after your campaign ends, and over a longer period of time. In this example, you'll see a set of metrics from early to late that measure the success of a campaign right after launch all the way through the long-tail of the campaign months later.

Early - Engagement Metrics

1	Campaign Successes
2	Downloads, Attendance
3	CTR, CTO, Unsubscribe Rates
4	Act Nows, Call Nows

Late - Revenue Metrics

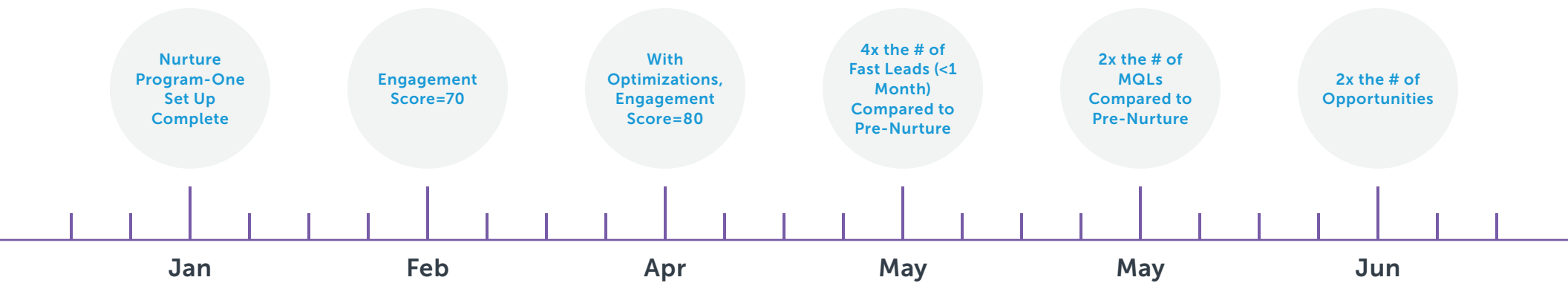| 1 | MQLs, SQLs |
2	Opportunities
3	Pipeline
4	Revenue, ROI

Make Your Campaigns Measurable

It's very important to have a framework and a timeline for measuring the results of your campaigns. For example, an email nurture campaign may have different metrics you will measure over a six-month period. Let's look at this in action:

In January, you set up and launch your nurture campaign. You measure the engagement score **a month later** (combination of clicks, opens, content downloads). It's 70. You start testing and optimizing it and increase your score to 80 by month 4. **In May (month 5)** you compare your results to historical results—pre-nurture or to a control group that hasn't been nurtured. In this example, nurture drove 4x the number of fast leads and doubled the number of marketing qualified leads (MQLs). At the **six-month** mark, the number of opportunities that exist doubled, and you are able to take a look at the pipeline generated and closed deals.

Timeline for How to Measure Your Campaigns

Example for a campaign launching in January

Nurture Program-One Set Up Complete	Engagement Score=70	With Optimizations, Engagement Score=80	4x the # of Fast Leads (<1 Month) Compared to Pre-Nurture	2x the # of MQLs Compared to Pre-Nurture	2x the # of Opportunities
Jan	**Feb**	**Apr**	**May**	**May**	**Jun**

ALIGN YOUR TEAMS AROUND THE CUSTOMER

For your customer marketing to be successful, it's important to align your marketing team and its activities with the other customer-facing teams. You cannot run cross-sell, upsell, or retention campaigns in isolation and expect success. So how do you partner with these teams and create a collaborative relationship that drives results?

Agree on Definitions
The first critical step in alignment is to agree on definitions. What does each term mean to your different teams? It's vital that you have the same working definition.

Some terms you may want to define include:
- Campaign Success: For each campaign, what indicates success? Is it a click, download, webinar registration, or attendance?
- Marketing Qualified Lead
- Sales Qualified Lead
- Opportunity
- Act Now, Call Now: What is an indicator of priority and what actions are paired with that priority, and for whom?
- Scoring and Prioritization

Align Teams to Big Picture Goals
Teams also need to align on goals—pipeline, revenue, opportunities, MQLs. Tracking these goals in a centralized place—such as a big screen monitor—via a calendar, like Marketo Marketing Calendar, provides visibility to sales, the C-suite, and all business stakeholders. Everyone is in the know on the key campaigns, which supports cross-functional alignment.

Define the Process
What is your marketing to sales hand-off process? Your marketing efforts are wasted if there is no process or a breakdown in this process. Define what your marketing to sales to customer success path looks like and get buy-in from stakeholders across teams.
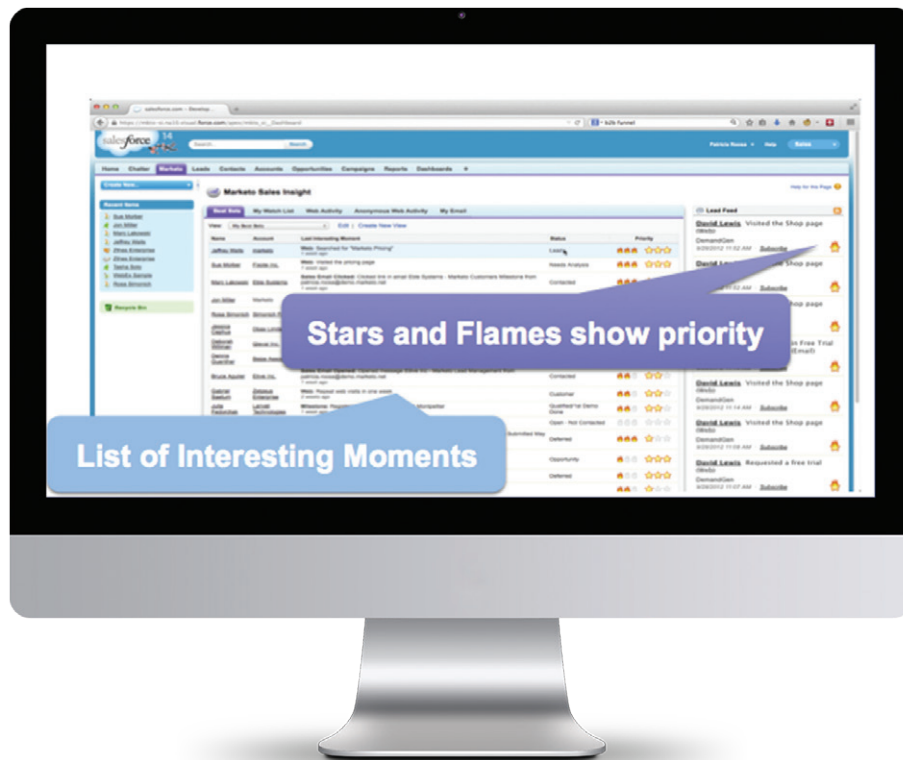
Marketing

↓

Sales
Department

↓

Account Exec

↓

Enablement

↓

Customer
Success
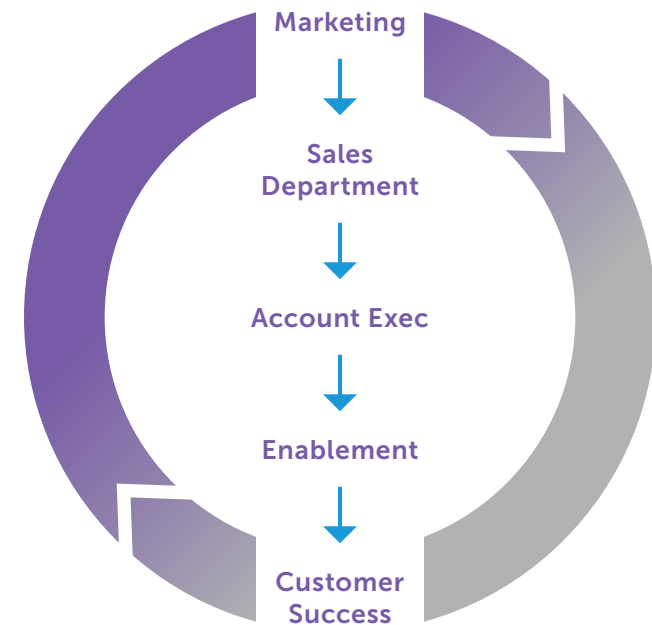
Marketo®

ALIGN YOUR TEAM AROUND THE CUSTOMER

Prioritize Leads for Sales

Regardless of who follows up on leads, sales needs a way to prioritize the volume of leads that marketing generates for them. At Marketo, we use our Marketo Sales Insight tool that integrates directly into Salesforce to help with prioritization. This is what it looks like for a sales rep inside the CRM.

As you can see, customer leads are sorted by a single score, but reps can see if the lead is scored high due to fit or engagement/buying intent, or both.

Interesting moments show the customer's activity, so the sales rep can have a relevant conversation with the customer. This is how we help focus the sales rep on the hottest leads and enable them to be more effective when they do connect with a prospect or customer.
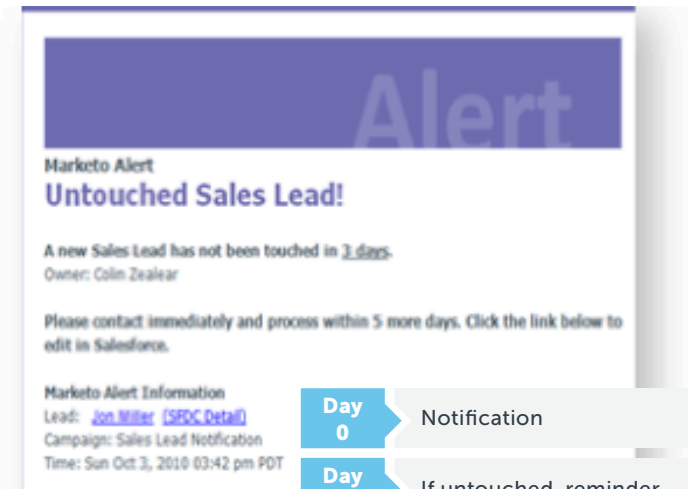
ALIGN YOUR TEAM AROUND THE CUSTOMER

Develop and Enforce Service Level Agreements

Service level agreements are essentially contracts between sales and marketing that document the expectations and the flow of activity if the agreed upon expectations are not met. At Marketo, we have Service Level Agreements (SLAs) in place and they are automated. For example, when a customer becomes a hot lead or an Act Now (which warrants immediate follow-up), if after the first day sales hasn't touched it, they get a friendly email alert. And you can see that the reminders get more insistent as time goes on. As you can imagine, there are very few leads that aren't followed up within a 3-day period, but most receive follow-up much more quickly.

Marketo Alert
Untouched Sales Lead!

A new Sales Lead has not been touched in 3 days.
Owner: Colin Zealear

Please contact immediately and process within 5 more days. Click the link below to edit in Salesforce.

Marketo Alert Information
Lead: Jon Miller (SFDC Detail)
Campaign: Sales Lead Notification
Time: Sun Oct 3, 2010 03:42 pm PDT

Day 0	Notification
Day 1	If untouched, reminder
Day 2	If untouched, reminder cc boss
Day 3	If untouched, alert executives

Communicate and Train Frequently

Relationships take work, and that's exactly what you've created with your other customer-facing teams. Here are some ways that you can maintain your relationship and ensure you're all tracking to your SLA's and goals:

- Weekly "To help you sell" email updates
- Global forecast notes
- Weekly Sales/Customer Account Manager team meetings
- Quarterly business reviews
- Semi-annual revenue team kickoffs
- Ongoing conversations

Marketo Alert
Stale Sales Lead!

Your Sales Lead is now 8 days old and is stale.
Owner: Nick Valldeperas

Please Convert, Recycle, or Disqualify immediately. Click the link below to edit in Salesforce.

Day 7	If stale, reminder
Day 8	If stale, reminder cc boss
Day 9	If stale, alert executives

CONCLUSION

The value of a customer extends way beyond acquisition or the first sale. In fact, because it's 10 times cheaper to retain and upsell a current customer than to acquire a new one, customer marketing is a high-value strategy that many marketers are not spending enough time and energy on. With cross-sell, upsell, and retention marketing, you can focus on driving revenue throughout the entire customer lifecycle. As with any strategy and campaign, it's critical that you design your campaigns to be measurable from the start and relevant across channel. Now that you've read this ebook, use it as a guide to get started with customer marketing or fine-tune your existing customer marketing strategy.

Marketo (NASDAQ: MKTO) provides the leading engagement marketing software and solutions designed to help marketers develop long-term relationships with their customers—from acquisition to advocacy. Marketo is built for marketers, by marketers, and is setting the innovation agenda for marketing technology. Marketo puts Marketing First. Headquartered in San Mateo, CA, with offices around the world, Marketo serves as a strategic partner to large enterprise and fast-growing small companies across a wide variety of industries.

To learn more about Marketo's Engagement Marketing Platform, LaunchPoint® partner ecosystem, and the vast community that is the Marketo Marketing Nation®, visit **www.marketo.com.**