

## Essential Components of a Customer Marketing Strategy

Although the practice of marketing to customers has been around for decades and many organizations would claim they “do” customer marketing, few have defined a customer marketing strategy that is tightly aligned with the company goals for customer base revenue and growth.

In a time when CEOs are cutting marketing budgets and expecting significant revenue and growth from their customer base, having a solid customer marketing strategy that prioritizes the right goals, customers, and initiatives is a key driver of success.

There are seven essential components of a strong customer marketing strategy (see Figure 1). These components cut across three phases and are intended to ensure that the customer marketing strategy is grounded in the most critical improvement opportunities and implementation challenges.

**Figure 1: Seven essential components for developing a customer marketing strategy**



### Phase 1 — Assess Opportunities for Customer Marketing Impact

Customer marketing can have a profound positive impact on revenue and profitability targets. But it can be a resource-intensive endeavor and may not always be the most critical focus area for reaching the growth goals of the organization. Take the time to assess and prioritize opportunities for customer marketing impact before jumping into execution mode.

**Before you get started:** Get oriented by grounding your thinking in company goals for customer retention and expansion. Understand your CFO's financial model behind the forecasted revenue and growth by getting clear on which customers and which products and services comprise the numbers. This will provide an initial perspective for which customer marketing activities may best support achieving these goals.

Reflect on what you see and capture your initial ideas for where customer marketing can make an impact. For example, you may sense that improving customer onboarding could positively impact customer retention and upsell potential. Or that communicating high-value use cases through the voices of your customers could help drive cross-sell and expansion to new buying centers. The point is that you likely have some hunches about opportunities, so go ahead and capture those. Then, expand your perspective on where to prioritize by auditing current customer engagement initiatives, conducting customer research, and analyzing your customer data.

## Essential Component 1: Audit Customer Engagement Initiatives

It's challenging to stay aware of all the different activities and touchpoints where customer marketing is or could be happening, since they are typically driven by different functional groups across the business. As a result, having a clear view of your company's customer engagement initiatives and practices is foundational to developing a focused and effective customer marketing strategy.

Start by identifying the customer engagement activities and initiatives that are run or managed by functions outside of marketing. This may include strategic accounts programs, onboarding and training, as well as upsell and cross-sell plays run by relationship managers. Talk with colleagues in these functions as well as those in revenue operations and finance, to gather insights and perspectives.

Then, audit all marketing-led, customer-facing programs. This may include programs to develop case studies or capture customer stories, customer reference programs, advocacy programs, customer communities, customer events, customer newsletters, and rewards programs. To aid in the evaluation of your organization's initiatives and current approach to customer engagement, consider utilizing SBI's [customer engagement maturity assessment](#).

Review customer relationships management (CRM) and financial data to understand and quantify the impact of these programs on customer retention, renewals, and expansion. Be sure to account for any regional or geographic differences in program design and execution.

## Essential Component 2: Conduct Customer Research

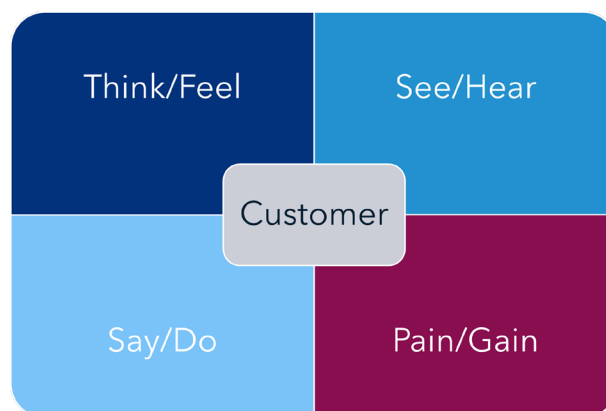
Customer research provides context for customer behavior, revealing how customers think and make decisions at different stages of the customer journey. It helps you to see and act on the intersections of logic and emotion that influence how customers move through their experience with your products and relationship with your company.

Add qualitative customer research to connect the “why” with the “what” and gain a more complete perspective on how to engage customers.

Although it is ideal to have an always on approach to customer research, you can start at any time by interviewing customers and running surveys. Ask insightful, open-ended questions to discover how customers are thinking, feeling, and acting throughout the various stages of their journey. For example, ask questions about what is happening in the minds of your customers when they are getting stuck or dropping off in usage and how you can help them achieve their goals. Or ask questions about why customers participate in your customer stories, reference, and advocacy programs, thus enabling you to drive more participation in these high-value initiatives. Use this [discussion guide for qualitative customer insights](#) to structure and run your customer interviews.

While interviews and surveys are reliable methods to gather customer intelligence, additional techniques can help you get deeper into the mindset of your customers. Empathy mapping is one useful method. Empathy maps (see Figure 2) are tools to understand the thoughts and feelings of customers at various stages of the customer journey and at different points of product usage and engagement with a company. Empathy mapping is also a useful exercise to drive collaboration and shared understanding with your colleagues from functions across the business. For a refresher and/or quick reference on empathy mapping, see this [overview of empathy mapping](#).

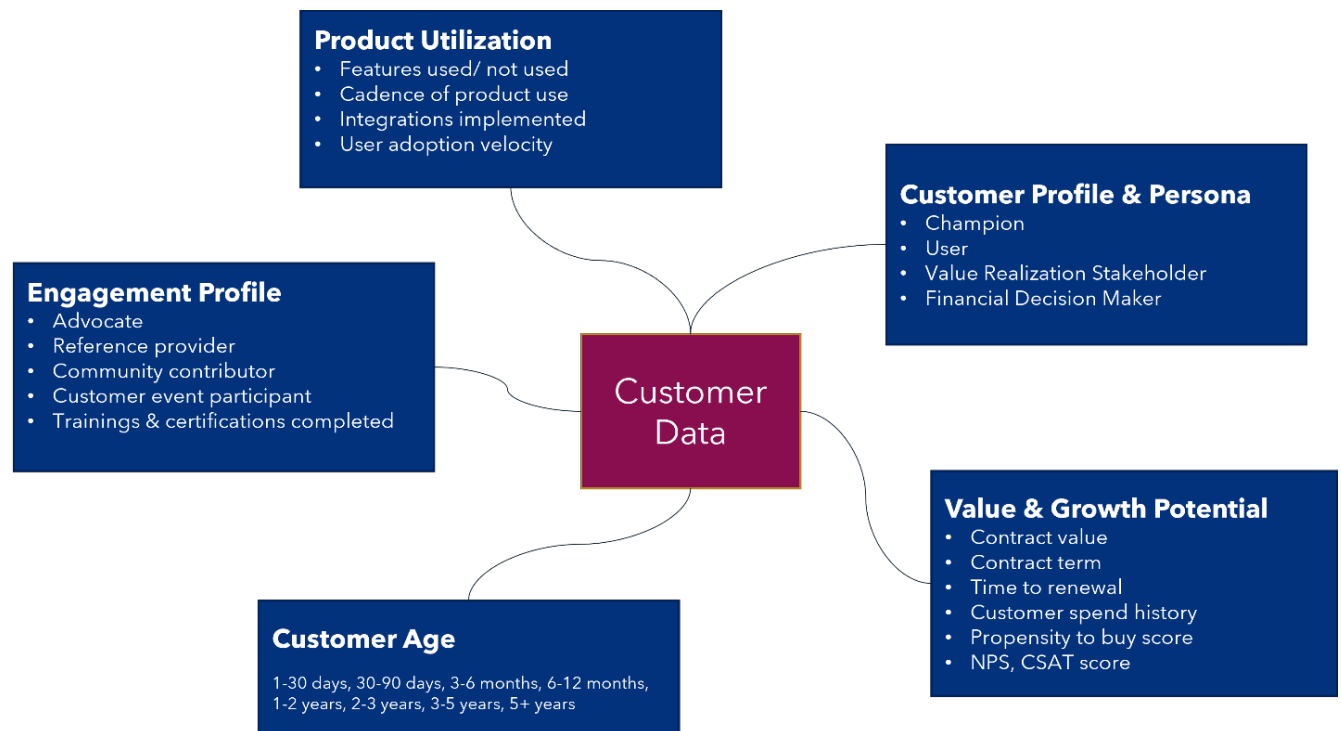
**Figure 2: Empathy Map Template**



## Essential Component 3: Analyze Customer Data

One thing that makes customer marketing different from other forms of marketing is the breadth and depth of first-party data about your customers available from your internal product, marketing, sales, and financial systems of record (see Figure 3).

**Figure 3: First-party customer data available from business systems of record**



Analyze this data to find friction points in the customer journey that customer marketing can address, as well as leading indicators of positive outcomes customer marketing can influence. If you have access to a data analyst or advanced data analytics platform, use these resources to expand your ability to evaluate customer data for hidden connections and relationships.

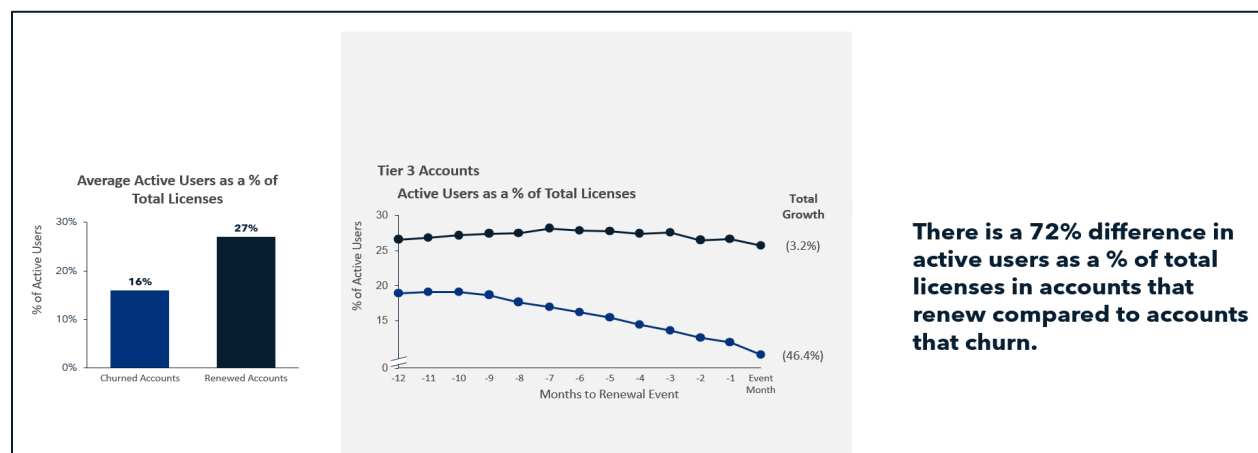
To keep your analysis efforts focused, use company goals to constrain how you approach the data. See Figure 4 for examples of data analysis structured in the context of customer marketing strategy development.

**Figure 4: Customer data analysis supporting customer marketing strategy development**

Goal	Data Analysis
Reduce churn	Identify behaviors of users before they churn.
Increase customer lifetime value	Identify the behaviors and characteristics of customers with the highest lifetime value.
Increase retention	Identify factors to trigger proactive customer outreach to increase customer retention rate.
Drive feature adoption	Understand how specific segments adopt product features over time.
Drive customer profitability	Identify the most profitable features that drive elevated levels of customer engagement.
Increase product adoption	Determine factors that influence how customers move from product awareness and initial use to seeing value and more consistent use.

To take one of these examples, let's look at churn analysis. Analysis of churn helps you understand when, why and how you might interact with customers to prevent them from discontinuing use of your product or service. See Figure 5 for an example looking at the difference in active users as a percentage of total licenses between churned and renewed accounts. This data can lead to further analysis of the renewed accounts and drive a strategy to proactively encourage and nurture more active users with similar characteristics.

**Figure 5: Comparing active users at churned versus renewed accounts**



It is likely that your product team already does product usage analysis, and therefore they may have useful data you can leverage for customer marketing strategy development. Reach out to your product marketers to see what data and insights they can share. Alternatively, if you have access to your product analytics platform, pull reports yourself and accelerate your customer data analysis process.

### **Use segments to analyze customer data and explore attribute combinations.**

Using customer segments as a lens to evaluate your data is helpful to organize and structure your analysis. Start with your current customer and/or account segments. Remain curious and go further by experimenting with different attribute combinations. This will help you identify additional or alternate characteristics to refine the priority segments for your customer marketing strategy. Reference Figure 6 for an overview of common methods to segment your customer base.

**Figure 6: Five common methods for segmenting customers for analysis**

<b>Firmographic</b>	Group customers based on factors like business size, company location, industry, and technologies used.
<b>Needs</b>	Group customers according to what they are looking for in a product. This focuses on buying motivations, pain points, and attitudes.
<b>Behavior</b>	Group customers by the ways they interact with your products. This can also include how they found your business and what content they interact with.
<b>Tier-based or profitability</b>	Group the importance of customers based on revenue and growth potential. Usually combined with firmographic attributes, this method uses financial measures including customer lifetime value (CLTV), monthly or annual recurring revenue (MRR/ARR), customer acquisition cost (CAC), net recurring revenue (NRR) and others.
<b>Customer sophistication</b>	Group customers based on their awareness of the problem your product solves. This will indicate how much awareness and education may be needed to progress them on their journey or expand to new buying groups.

**At the completion of Phase 1, document the following:**

1. Company goals related to customer base revenue and growth.
2. Customer base revenue targets for retention, upsell and cross-sell by team: sales/account management, customer success and marketing.
3. Results and insights from your audit of current and past customer marketing initiatives across all functional teams.
4. Summary of findings and ideas generated from customer research and data analysis.

## **Phase 2 — Define the Customer Marketing Approach**

Your customer marketing approach should prioritize the goals, customers, and initiatives where you can have the most impact on business objectives. Defining your customer marketing approach leverages skills that you already have from developing your overall marketing strategy. The key difference is that your focus is entirely on your known universe of current customer accounts.

With the assessment work from Phase 1, you are now ready to identify your customer marketing goals, prioritize customer segments, and define customer marketing initiatives.

### **Essential Component 4: Identify Customer Marketing Goals**

Build your customer marketing goals around the insights and opportunities identified from your initiatives audit, customer research, and data analysis.

You likely identified a dozen or more insights from your audit, research, and analysis. Things like where existing initiatives have fallen short or been duplicative, when, and why customers are churning, or what appears to be driving more feature adoption among customers. You can establish your customer marketing goals with the intention to reverse or accelerate those observations.

Articulate customer marketing goals using language that captures how you will help customers be more successful. This helps keep customer experience in the forefront and reminds execution teams to consider customer value first in everything they do.

When writing goals, think about the syntax of your words. For example, write each goal statement highlighting the customer value first and business outcomes second. Further refine your goal language with words that evoke empathy towards what the customer wants to achieve (see Figure 7).

**Figure 7: Example goals written in customer-centric language**

- Encourage customers (who are not yet active in our online community) to develop community connections that help them to improve and/or learn new skills from peers and lead to more consistent use and value received from our product.
- Enable and educate customers (who are using our product less than 1x per month) on how to increase impact in their business by guiding them to activate under-utilized and high value use cases, features, and functionality within our product.

Your ideal number of customer marketing goals will be a function of how impactful each goal can be and your resources to pursue them. Most organizations find that three or four is a manageable number of goals to focus customer marketing strategy at any one time.

If you have identified a long list of potential goals, use a scoring method to compare them. Figure 8 illustrates a goal prioritization quick assessment you can use. The seven-point rating scale allows for enough distribution of points between goals to see meaningful differences. From this prioritization select as many goals as you have the resources to pursue.



**Figure 8: Goal prioritization quick assessment**

Dimension	Score 1 = Low, 4 = Medium, 7 = High						
	1	2	3	4	5	6	7
Alignment with company goals for customer base revenue or growth							
Scale of potential impact on company revenue or growth							
Estimated time horizon to see impact (7 = 30 days, 4 = 6 months, 1 = 18 months)							
Expertise and/or capabilities to execute initiatives that will achieve goal							
Resource intensity (7 = low investment, person-hours, 1 = high investment, person-hours)							

As you work to refine and sharpen their articulation, any goal you select should also have clear indicators of success tied to them. Identify both leading and lagging indicators. For example, if your goal is “increase customer lifetime value”, then you might select leading indicators like customer engagement rate or net promoter score and lagging indicators like average revenue per customer or customer churn rate.

## Essential Component 5: Prioritize Customer Segments

Prioritizing customer segments is essential to maximizing the impact of customer marketing. Running customer marketing without segmentation will significantly limit your ability to deliver targeted, relevant messaging, content, and customer experiences. And focusing on the wrong customer segments will reduce your chances of goal achievement.

When conducting customer data analysis, you will have looked at several different customer segments, and through that process have identified some that were more instructive than others. In addition, through your understanding of company goals you will have started to see which customer segments matter more to your financial plan. Now it’s time to take all of that learning and establish the most productive way of segmenting customers to tailor your customer marketing approach (see Figure 9).

**Figure 9: Example customer segment defined by five attributes**

Segment Attribute	Attribute Detail
Journey stage	Onboarding
Behavior	Not logged into platform and/or not used any features related to key use cases for immediate value and impact.
Need	Configure product for use case that delivers immediate value and impact
Account Tier	Any
Role	Account seat holder/ user

You can define segments by any relevant combination of customer attributes. To keep segments manageable and actionable, select 3-5 attributes per segment. This is where your data analysis is critical to help you identify the right attributes to define the best customer segments for your business and customer marketing strategy.

Also, calculate the number of customers in each segment. This will help you to estimate and compare the potential impact of targeting one customer segment versus another.

Use customer segments as an input to define your initiatives. Share them with team members responsible for leading, developing and managing customer marketing initiatives. Once in execution mode, you will want to implement segments within your systems (CRM, SFA, MAP, etc.) to enable tracking and measurement of initiatives targeted to each segment.

## Essential Component 6: Align Initiatives to Drive Goal Achievement

Once you have identified customer marketing goals and priority customer segments, start to define initiatives that will drive achievement of the goals. For example, you may have a goal about helping new customers see early value from the product. You could tie several initiatives to that, like developing a personalized onboarding experience focused on three ways to see immediate value while learning how to use the product or creating on-demand training to enable users by role.

It is common to identify more viable initiatives to achieve your customer marketing goals than you have the resources or in-house expertise to act on. Your task now is to prioritize initiatives that are strategic, imperative, and achievable.

To do so, stay focused on the areas of the customer journey where you believe customer marketing can make the most impact. Most organizations will see the greatest return on effort

and investment by prioritizing a select few goals and initiatives that focus on specific points in the customer journey (see Figure 10).

**Figure 10: Example goals and initiatives by customer journey stage**

<b>Journey Stage</b>	<b>Onboarding</b>	<b>Growth</b>	<b>Retention/ Renewal</b>
Example Goals	Enable new customers to realize early value in a manner that confirms the business case for product purchase.	Ensure mature customers see recurring value and recurring impact.	Ensure customers nearing renewal see and feel value in the relationship with the company.
Example Initiatives	<p>Develop a personalized onboarding experience for new users, tailored to their goals and core use cases identified during the sales process.</p> <p>Create a digital learning program to enable and educate on key features and functionality related to each use case.</p>	<p>Develop a nurture program tailored to activity-based customer segments, to drive feature awareness, increase or maintain usage levels, and introduce under-utilized features/capabilities and related products.</p> <p>Begin upselling and cross-selling motions in coordination with account and customer success teams.</p>	<p>Develop and share best practices and peer success stories.</p> <p>Invite highly active and engaged customers to participate in an advisory board, online community, small group peer discussions, online and in-person events.</p>

If you have identified more initiatives than you have capacity to develop and manage, filter them down by comparable criteria. Use the following four dimensions and a quick assessment, like what you did to prioritize your goals (see Figure 11).

**Figure 11: Initiative prioritization quick assessment**

Dimension	Score (1 = Low, 4 = Medium, 7 = High)						
	1	2	3	4	5	6	7
Complexity to implement (dept coordination, data & system integrations, etc.)							
Time to results (7 = 30 days, 4 = 6 months, 1 = 18 months)							
Investment level							
Resource utilization (7 = low person-hours, 1 = high person-hours)							
Scale of potential impact on company revenue or growth							

Sometimes you may need additional criteria to evaluate geographic nuances as well as where initiatives may require more challenging consensus and approval processes than others. Add these to your initiative assessment as needed.

**At the completion of Phase 2, document the following:**

1. Customer marketing goals and their associated KPIs.
2. Priority customer segments.
3. Customer marketing initiatives.

## Phase 3: Address Obstacles to Strategy Execution

Customer marketing has unique demands that require cross-functional teams to coordinate and orchestrate customer engagement in a variety of ways. The best way to ensure successful execution of your customer marketing strategy is to proactively document important considerations and assumptions up front. Begin by thinking through the requirements for executing and managing the initiatives you defined in phase two.

### Essential Component 7: Evaluate Orchestration, Interlocks, and Resourcing

Focus on key areas where clarity of process and responsibility can proactively mitigate confusion or disagreement. Make sure to consider two key areas when finalizing your customer marketing strategy:

1. How teams work together.
2. Org structure and role clarity.

#### **Clearly define roles, responsibilities, and ways of working.**

Unfortunately, customer marketing initiatives can suffer from inefficiency and frustration if cross-functional communication is poor, information-sharing between teams is inconsistent or withheld, and decisions are made in silos. In contrast, well-coordinated, cross-functional teams broaden perspective, accelerate decision-making, improve problem-solving, and expand the impact of open information sharing.

Ensure that leaders understand the commitments for their teams to execute the initiatives defined in the customer marketing strategy. Take the time to consider the processes, roles and responsibilities of each team involved with your customer marketing initiatives to mitigate inefficiencies during program rollout, execution, and management.

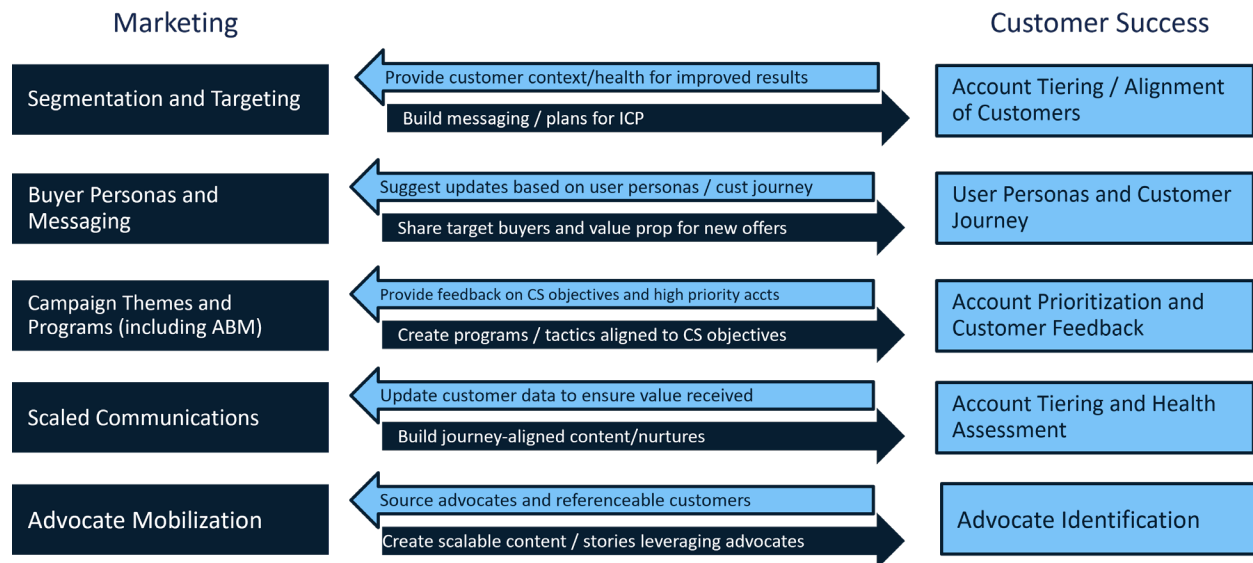
Define ways of working and agree on the factors to escalate decisions. List out all the initiatives and identify who will be impacted, who will be critical to success and how teams will coordinate.

You may find that a proper RACI is helpful, or that simply capturing and sharing key considerations and assumptions in writing will suffice. The point here is that you will want to purposefully design operational processes that support your initiatives and encourage collaboration, regular information sharing and visibility to initiative progress and results between execution teams.

Establishing a higher-order roles and responsibilities framework and articulating high impact team interlocks will ensure broader customer marketing success. See Figure 12 for an illustrative

example of a framework for interlocks between two essential partners in delivering customer marketing initiatives.

**Figure 12: Illustrative framework for team interlocks related to customer marketing**



**Consider emerging org models and roles to deploy resources in more effective ways.**

As more organizations make the transition from lead gen to demand gen and further embrace customer marketing as a distinct discipline, they are restructuring their org models and rethinking how customer-facing teams should be staffed. To this end, evaluate how cross-functional pods or flexible "customer value squads" could help you deliver on the goals and initiatives laid out in your customer marketing strategy.

Also consider how connector roles for information-sharing between teams, such as a customer lifecycle manager, could drive goal and initiative achievement, for example by coordinating more insight-driven customer messages, engagement programs and plays. For more information on roles and responsibilities to support customer marketing see the SBI report, [Unlock the Potential of Customer Marketing](#).

**At the completion of Phase 3, document the following:**

1. Roles, responsibilities, and ways of working.
2. Operational processes that encourage visibility and information sharing.
3. Any updates to org model and new job roles.

## Conclusion

Building an effective customer marketing strategy is about prioritizing the right few activities that will support achievement of your organization's customer base revenue and growth goals. It is also about staying in tune with your customer data and changing customer attitudes and behaviors to continuously deliver a great customer experience. With the right customer marketing strategy and operational processes in place you will stay ahead of customer changes and be able to pivot as needed to achieve your goals without losing momentum.

## Next Steps

[Use this presentation template](#) to assemble and share your customer marketing strategy.