

Step Five

Module Two

Mini Lesson Guide

the
marketing
Democracy™

Welcome!



Your success is out of your control and in the hands of your customers. You need a clear line of sight between customer actions and your bottom-line in order to grow your business. This module is designed to help you take your business goals and link them directly to the customer behaviors that have to take place in order for you to achieve those goals. We are going to provide you with the tools that you need to evaluate business gains (and losses) from existing customers and then help you to determine how you can grow your business by gaining new customers as well.

- Judy

Module Overview

In this module, we are going to focus on four key ideas:

- In [Lesson One](#), you will learn the difference between inside-out and outside-in business goals.
- In [Lesson Two](#), you will learn about customer lifecycles and how to manage relationships at the beginning, the middle and even the end of a customer's time with you.
- In [Lesson Three](#), you will learn that customer relationship management is a bigger idea than a loyalty program. All customers at every phase need to feel special.
- In [Lesson Four](#), you will learn to focus your limited resources on the customer behaviors with the greatest impact on your bottom-line.

To help you link customer behaviors to your business goals, you can purchase a "Customer Actions and Business Outcomes" Framework. This downloadable PDF is fully functional if you open it in Adobe Acrobat Reader. Be sure to click on the "listen" icon in the lower right-hand corner to learn more about this helpful tool. And, for additional inspiration, you can watch the real-world example video to see this lesson in practice.

Congratulations on taking this important step in your journey to developing world-class marketing for your business.








Lesson One

Inside-Out vs Outside-In Business Goals

Why This Matters

You've invested all this time and money into developing your marketing strategy. How will you know that everything you planned will work? Are some channels driving sales while others aren't pulling their weight? A marketing strategy that is focused on channels (instead of customers) will likely fail. This lesson will help keep you focused on the big picture. If you are ready to accept a bit of ambiguity, and if you have faith in your strategy (because you developed it based upon an informed understanding of your customers) you should be good to go. Learn how to embrace the old saying, "Half of marketing is wasted."

5 Key Takeaways

-  Your business goals are out of your control. Your customers hold the key to your success.
-  Every customer behavior is linked some way to your business growth or decline. Learn how to read the signals.
-  Set business goals from the outside-in. Start with customer behaviors and work backwards from there.
-  A customer-centered approach to setting your business goals is humbling. It takes your P&L and makes it human. There are people behind all those numbers.
-  Business goals need to be realistic. If you're asking too much of your customers in order to meet your goals, take another look and make the necessary adjustments.



Ask Yourself

Before moving on to Lesson Two, take the time to reflect on this lesson.

Do you understand the five key takeaways that were presented at the beginning of the lesson?

Are you working with more customers, the same number of customers, or fewer customers than before? How will this impact your goals?

Can you come up with different sales scenarios for different customer groups-- how much they spend and how often? If you can, you can use this information to build scenarios to reach your goals.

Will your sales goals require radical shifts in customer behavior? Can you justify these shifts?

Do you currently test your marketing strategies before you broadly implement them? If the answer is "no" what steps can you take to gain confidence that your plans will get the job done?






Lesson Two

Understand and Manage the Lifecycle of Customer Relationships

Why This Matters

Despite all your best efforts, customers will come and go. Your relationship with your customers is truly a “relationship.” And like any other relationship, they take a lot of work. You need to invest in customer relationships and you also need to know when it’s time for one of the parties to walk away. Every customer relationship goes through different phases. This lesson will describe the different phases of customer relationships and how you can manage each phase to nurture the relationship. You will also learn about the natural life cycle of a relationship and when a relationship has run its course.

Key Takeaways

-  Your relationship with customers will go through different phases. Each phase requires its own form of customer relationship management known as CRM.
-  Customer attrition is part of a natural relationship cycle. Know the root causes and plan for it. Don't fight the inevitable.
-  Relationships are a two-way street. If the relationship tips in favor of one party or the other, it's better to break up.
-  Don't take your existing customer relationships for granted. Maintaining a healthy relationship takes work. Do the work.
-  Value creation is the sum total of the value created across a "lifetime" relationship with customers (this is known as CLV).



Ask Yourself

Before moving on to Lesson Three, take the time to reflect on this lesson.

Do you understand the five key takeaways that were presented at the beginning of the lesson?

What can you do to build stronger relationships with the customers who contribute high value to your bottom-line? How can you earn their loyalty?

Are you over-investing in acquiring and maintaining customers who are only willing to buy your products and services at a deep discount? Is it worth it?

Do you understand the natural lifecycle of your business? How do customers naturally come and go? How can you plan for this natural ebb and flow?






Lesson Three

Make Every Customer Feel Special

Why This Matters

One of the most important yet misunderstood aspects of customer-centered marketing is to make each and every customer feel special. This simple concept should permeate every aspect of your marketing strategy and plan. All too often, customer appreciation is interpreted to mean a company's loyalty program. While loyalty programs are certainly a part of customer appreciation, they are not the only tool in the arsenal. This is a much bigger assignment. Making a customer feel special can be anything from a special incentive, to a personal "thank you" and everything in between. This lesson is designed to broaden your thinking about what it means to show customer appreciation.

Key Takeaways

-  Make every customer feel special--not just the loyal ones. Don't confuse customer appreciation with customer loyalty plans.
-  Speaking of loyalty, your most loyal customers deserve special offers and incentives to reward that loyalty.
-  Whether you're a brick and mortar business or fully virtual, get to know your customers as real people vs transaction receipts.
-  Learn to read the signals that customers will leave for you. Their searches, their likes, and their past purchases provide a clear picture of their wants and needs.
-  Sometimes all it takes is a "thank you" to make your customers feel special. Small gestures can have the greatest impact.



Ask Yourself

Before moving on to Lesson Four, take the time to reflect on this lesson.

Do you understand the five key takeaways that were presented at the beginning of this lesson?

How do you say "thank you" to your customers? What small acts can you easily implement to make each customer feel special?

What are the offers and incentives that you save exclusively for your most loyal customers?

What steps can you take to learn more about your customers--beyond their sales transactions with you?

Lesson Four

Allocate Limited Resources for Maximum Impact

Why This Matters

What's the right amount of money to budget for your annual marketing plan? That's the million dollar question. And, this lesson will help you to determine the right level of spending for your situation. There's an easy way to set a budget: pick a number! And, there's a strategic way to set a budget: figure out what it takes to get the job done. Either way, you will likely run out of resources before you run out of ways to spend those resources. This lesson will help you to think strategically about spending your money to deliver both short and long returns on your investment.

Key Takeaways



Chances are, you will run out of resources before you run out of ideas. Allocate minimum resources for maximum impact.



Marketing is an investment in sales return. Take an "investment" approach: build equity, manage risk and set both short-term and long-term goals.



You need to spend money to make money. Treating marketing as an expense that should be managed down to zero will damage your P&L in the long-term.



The easiest way to set a marketing budget is to allocate a percentage of current year sales toward marketing investments for the upcoming year.



The most strategic way to set a marketing budget is to allocate "what it takes" to achieve each customer behavior goal you set for the coming year.





Ask Yourself

Before moving on to the action plan, take the time to reflect on this lesson.

Do you understand the five key takeaways that were presented at the beginning of the lesson?

Do you treat your marketing as an expense that you try to manage down to zero? If you answered yes, what steps can you take to embrace the mindset of an investor?

How do you currently set your marketing budgets for the coming year? If you haven't tried a "percentage of annual sales" approach, try it here and see what you come up with.

Are your priorities in place? Are you funding the most important elements of your marketing plan?