

Beyond the Brand – Enabling Customer Success

By Tom Lipscomb

THE OPPORTUNITY

Today customers have more choices for products and services that are readily available than anytime in history. This evolving reality makes retaining customers more challenging than ever. It's always been recognized that it's easier to sell to an existing customer, that acquiring new ones is more expensive, and that satisfied customers are willing to pay premiums. To leverage these facts, tactics such as personalization or effortless customer interactions should be incorporated into a strategic framework. This strategic framework is called "Customer Success" and shifts the perspective to an "Outside-In" view. At its core is the creation of products and services that enable a customer to achieve their personal objectives like getting in shape, improving work/life balance, or realizing their dreams.

THE APPROACH

A customer success strategy is designed to evolve the traditional marketing "big idea" into a more visceral personal experience that connects your products and services to the realization of an emotionally relevant personal goal. It is not about an event or an interaction. It is about a journey that helps customers realize their desired outcomes - shifting the paradigm from selling to adding value in people's lives as measured by them. It is going beyond a greater share of wallet to a greater share of life.

THE BENEFITS

Increased Revenues: At the center of a customer success strategy is the maximization of Customer Lifetime Value (CLTV). Customer success is a strategic framework that extends your relationship with the customer where: 1) customers are 14 times as likely to buy from you, 2) you avoid the cost of acquiring new ones, which is 5 to 25 times the investment, while 3) driving up profitability by being able to charge up to a 25% premium.

Investment Efficiency: A Customer Success strategy defines a methodology for refining your strategy by optimizing segmentation to assure investments in customers as assets is proportional to their long-term value.

Decrease Risk: Strategies that leverage a cohort using a Customer Success strategy enables you to leverage the inherent "next step" nature of a "value path". This journey-based approach enables you to test market a sub-segment of a cohort because inherently, the velocity that individuals in a cohort move down the value path varies. This "next step" approach also enables you to pursue strategies like

brand licensing to augment the journey by leveraging and extending your core brand with less risk.

Differentiation: A strategic customer success approach using a value path enables you to help define the journey a cohort takes. By adding value at every step, the ability to influence and ultimately define this journey exists. Designing the journey enables you to differentiate yourself from competitors. Thus, your paths of evolving outcomes influence the perception of how personal goals are attained, thus creating market entry barriers.

EXECUTION

Central to the strategy is the discovery of what the customer wants. We want to sell them a shoe - they want to get into shape. We want to deliver food - they want to cook a gourmet meal at home. We want them to “meet someone” - they want to go out for a great evening.

To understand what the customer wants, we don't need to understand the individual. The focus is on cohorts, groups who have something in common relative to a specific time and place. We need to better understand and define these cohorts. This is more than just understanding the customer where we traditionally interact with them. We need to create a 360° view of the customer. We may know who they are at the ball game, but who are they when they leave the stadium? In the morning do they get up and go to a factory, stay at home and take care of their family, or hop on a plane to go see customers?

Once we have an understanding of this, we can write the Master Narrative that not only explains the journey, but also legitimizes it. This acceptance of our journey as the de-facto path to achieve a desired outcome enables us to leverage channels such as social media by advocates that are more than proponents of the brand but believe in and passionately promote the fact that the journey you take them on enables them to realize their desires.

THE RESULTS

When we gain this level of understanding of our customers we can help them realize their desired outcomes, creating a journey that can be extended to increase CLTV. Whether the journey exists to enable the realization of a dream, or a better way to manage or eliminate the issues and challenges they face in their life, we have created an evolving relationship with our customer that increases CLTV and the associated revenues and earnings.

Tom Lipscomb is a Customer Success Subject Matter Expert that works with ISM clients to create and implement Customer Success programs. If you would like to learn how ISM can help your company develop and/or implement a Customer Success program, please call ISM at (301) 656-8448 or contact Derrick Smith at dsmith@ismguide.com.

