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MARKETING

FROM CUSTOMERS TO ADVOCATES

A B2B MARKETER'S ROADMAP TO CUSTOMER-LED GROWTH

INTRODUCTION

As B2B organizations continue to navigate changes in the market, the need to build efficient and sustainable processes is growing exponentially. Many of yesterday's methods are no longer effective. This means organizations must unlock new strategies to achieve revenue goals.

Rather than focusing on what they can't control, organizations should focus on what they can control – their current customers. Today, lead generation alone is not enough. To build a sustainable foundation for success, organizations should tap into the potential of customer-led marketing.

Although customer-led growth isn't a new concept, organizations vary in terms of adoption.

While 44% of surveyed marketers say they've seen customer marketing impact higher conversion rates and shorter sales cycles, only 26% say they place as much emphasis on developing customer advocates as they do on creating net-new business opportunities (Forrester). This highlights there's still work to be done.

To help you on your journey to implementing customer-led strategies, we've compiled some tips, tricks, and best practices.

In this guide, we cover how to ignite efficient growth through:
- Defined ideal customer profile (ICP)
- Messaging that resonates
- Customer-driven content
- Post-sales stages and customer lifecycle metrics

Before we dive in, let's explore the benefits of a customer-centric mindset in uncertain times.

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BENEFITS OF CUSTOMER-LED GROWTH

Retaining Existing Customers:
During economic downturns, customer acquisition becomes more difficult, not to mention expensive. That's why focusing on retaining existing customers becomes super important. Loyal customers who have experienced a company's value and quality products/services are more likely to stick around during challenging times. By investing in customer-centric strategies, such as personalized experiences, exceptional customer service, and proactive communication, businesses can build stronger relationships and boost customer loyalty. And the best part is satisfied customers not only stick around but also act as brand ambassadors, promoting the company through positive word-of-mouth.

Driving Customer Advocacy:
When customers feel like they matter, they can become your secret weapon, even when the economy is not in your favor. They share their positive experiences with friends, family, and colleagues, providing free and authentic marketing. In today's digital age, this word-of-mouth advertising has an amplified effect through social media platforms and online reviews. By actively engaging with customers, encouraging feedback, and addressing their concerns, companies can harness the potential of customer advocacy, effectively amplifying their brand's reach and influence.

Customer Insights for Strategic Decision-Making:
When times get tough, businesses need to make smart decisions that help them make the most money and work like a well-oiled machine. And guess what? Customer-led growth is all about knowing what your customers want, what makes them tick, and what bugs them. So, how do you get all that juicy info? By actively seeking feedback, running surveys, and digging deep into customer data. With these valuable insights into consumer behavior, you can make decisions that actually make sense. Whether it's developing new products or services, setting prices, or crafting killer marketing campaigns, you'll be able to meet customer demands like a pro and adapt to the ever-changing market.

BENEFITS OF CUSTOMER-LED GROWTH (CONT.)

Competitive Advantage:
Competition among businesses only intensifies as companies fight for a limited customer base. By focusing on customer-led growth, businesses differentiate themselves from competitors by delivering exceptional customer experiences and addressing customer needs more effectively. This differentiation can give them a competitive edge and help them weather economic storms more successfully.

Long-Term Customer Relationships:
Building long-term relationships with customers is key to staying afloat whether the economy is booming or busting. When people have a great experience with your brand, they're more likely to stick around even after the economy bounces back. So, make customer satisfaction your top priority. Invest in loyalty programs, treat them to exclusive offers, and keep the communication personal and meaningful. This way, you'll foster customer loyalty that stands the test of time and creates a solid foundation for future growth.

In a customer-led organization, understanding your customer is the first step to building a strategy. Let's uncover how a defined ideal customer profile (ICP) can make or break your marketing and sales engine.

5 WAYS ICPS INCREASE MARKETING & SALES EFFICIENCY

Efficiency is defined as "capable of producing desired results with little or no waste." But marketing and sales teams can only be efficient if they have a trusted strategy behind their efforts. That's where ideal customer profiles come in.

1. Targeted Marketing Campaigns
Businesses can better understand their customers' needs, pain points, and motivations by creating detailed company criteria and personas and tailoring their marketing and sales campaigns accordingly. When you know exactly what a day in the life of your perfect customer looks like, you can address their pain points in your messaging rather than make broad generalizations.

Instead of spending marketing budget to reach anyone who might be interested in your product or service (TAM), you narrow your scope to hit just those organizations and the right people within them. You may start with a smaller target, but you'll end with at least the same number of leads having spent less to achieve a greater ROI.

- Metrics to watch: Customer Acquisition Cost

Hyper-targeted campaigns allow you to better connect with your target market. As a result, you should start to see your customer acquisition costs decline. If you update your ICPs and see acquisition costs rise, you know you need to re-evaluate.

2. Improved Response
The targeted marketing you created based on your ICPs should also generate higher response rates and conversions. So, not only will you acquire customers for less, but you'll acquire more of them with the same amount of effort.

That means you'll have greater bandwidth to tackle new offers and markets that were neglected previously—a significant revenue driver for most businesses.

- Metrics to watch: Conversion Rate

The key is to monitor the conversion rates at different parts of your funnel to check if you're delivering the right offer and messaging at the right time. Keep in mind that minor adjustments can greatly impact your conversion rates. So, keep testing until you're happy with your conversion rate.

5 WAYS ICPS INCREASE MARKETING & SALES EFFICIENCY (CONT.)

3. Higher Customer Retention

Once you acquire a customer, you want to keep them around as long as possible. That only happens if they feel like you delivered on your marketing and sales promises. ICPs allow you to anticipate your customers' current and future pain points to provide the solution they need, sometimes before they even know they need it.

As a result, those customers are more likely to stay with your business, spend more money, and even become your biggest advocates.

- Metrics to watch: Retention Rates and Net Promoter Scores

Unfortunately, too many businesses either don't have the right product-market fit or don't understand how to deliver what their customers need, evidenced by low retention rates and the number of poor reviews across the internet.

Detailed ICPs eliminate that problem before it occurs so that customers can't help but stick around and sing your praises.

4. Appropriate Resource Allocation

You can't talk about becoming more efficient without considering resource allocation— namely, time, talent, and money. Resource allocation is particularly challenging when you're trying to spread your limited budget across different audiences. But dialed-in ICPs allow you to optimize time-consuming tasks like content creation and execution by greatly reducing the one-off research required for each campaign.

ICPs also help you minimize your advertising costs by better informing the ad platforms who you're targeting from the start—thus allowing them to "learn" who to show your ad to more quickly.

- Metrics to watch: Customer Lifetime Value

Tracking how much your customers spend over time ensures you use your limited resources to attract, acquire, and retain the customers you can offer the most value.

By using lifetime value to hone your ICPs, you guarantee you use the majority of your resources on your best-fit customers.

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5 WAYS ICPS INCREASE MARKETING & SALES EFFICIENCY (CONT.)

5. Product Development and Innovation
Often, businesses overlook the value of efficiency in innovation and product development. They continue to run the same unchanging offers to the same ICPs for years, even when the market has shifted.

But that's a mistake. Instead, you must innovate to make the most out of every lead and customer.

Regularly updated ICPs help you determine if your product or service still serves your audience and what else you could offer them that wasn't an option previously. These updated offers let you reach fresh markets and tap into new revenue streams.

- Metrics to watch: Market Share and Revenue Growth

If your market share has remained stagnant for years or dropped slightly, it might be time to introduce a new product or service or go after a new market. Start by using your ICPs to identify missed opportunities to add value to your current offers for the most efficient approach.

You want to identify opportunities to add revenue without adding new expenses by maximizing your available resources – i.e., your current fulfillment tools or in-house talent.

However, knowing your customers intimately is the only way to know a great offer from a good enough one.

In addition to your ideal customer profile, your brand messaging is another crucial piece of the customer-centric puzzle. To create lasting value for your customers, you must first resonate with them as prospects. Let's discuss how.

TIPS FOR EFFECTIVE MESSAGING THAT DRIVES RESULTS

As a B2B marketer, creating effective messaging is key to driving success for your business. It can be challenging to craft messaging that resonates with your target audience, but with the right approach, you can create messaging that converts leads into customers. Here are some tips for creating effective messaging to capture the right customers that become advocates.

Conduct Comprehensive Market Research
The first step in defining a target audience is conducting comprehensive market research. This process involves gathering relevant data and insights about the industry, competitors, and potential customers. Start by analyzing demographic information such as industries, job titles, geography, company size, and revenue. Leverage market research tools, surveys, and interviews to gain a deeper understanding of customers' needs, preferences, and pain points.

Additionally, consider psychographic factors that define consumer or buyer behavior, including attitudes, values, goals, and challenges. This information will help you create more accurate buyer personas and enable your team to tailor marketing messages to specific segments effectively.

These personas will also help provide deeper understanding of members in the buying committee. In the B2B landscape, purchasing decisions are rarely made by a single individual and instead involve a group of stakeholders in the organization, each with their own roles, responsibilities and perspectives that make the decision together. From here you can tailor your marketing strategies to effectively address the needs, challenges, and priorities of each stakeholder involved in the decision-making process.

Utilize Customer Data and Analytics
Leveraging customer data and analytics is essential for refining your target audience. Analyze data collected from various sources such as website analytics, customer relationship management (CRM) systems, social media platforms, and email marketing campaigns. Look for patterns and trends to identify the characteristics of your most engaged customers.

Segment your audience based on purchasing behaviors, frequency of engagement, and average order value. This process will enable you to create targeted marketing campaigns that resonate with specific customer segments. Continuously monitor and analyze data to identify any changes in customer behavior, allowing you to adapt your marketing strategies accordingly.

TIPS FOR EFFECTIVE MESSAGING THAT DRIVES RESULTS (CONT.)

Highlight Your Unique Value and Selling Propositions
In a crowded market, it's essential to differentiate your product from competitors. Your messaging should highlight your unique value proposition (UVP), or what you're offering and how it provides unique value to your ideal customer. Additionally, your unique selling proposition (USP) entails why a customer should buy from you over a competitor. When defining these, avoid using generic phrases or buzzwords that might lose the attention of your audience.

Leverage Social Listening and Online Communities
Social listening involves monitoring online conversations and discussions about your brand, industry, and competitors. Engaging with online communities relevant to your target audience can provide invaluable insights into their opinions, preferences, and challenges.

Participate in industry-specific forums, social media groups, and Q&A platforms to gain a deeper understanding of your audience's needs and concerns. Take note of the language, phrases, and keywords commonly used by your target audience. This information will help you craft more compelling and relatable marketing messages that resonate with their interests.

Leverage Social Proof
Social proof is a powerful tool in B2B marketing. It's the idea that people are more likely to believe something if they see others doing it. Include social proof in your messaging and use it to your advantage by showcasing customer success stories, testimonials, and case studies. This will help build trust and credibility with your target audience and increase the likelihood of conversion.

Test and Refine Marketing Campaigns
Defining a target audience is an ongoing process that requires continuous testing and refinement. Once you have developed your marketing campaigns, it's important to measure their effectiveness and adjust as needed. A/B testing can be a powerful tool in understanding which strategies work best with your target audience.

Experiment with different messaging, visuals, channels, and calls-to-actions to identify the most effective combinations. Monitor key performance indicators (KPIs) such as click-through rates, conversion rates, and customer engagement metrics to gauge the success of your campaigns.

TIPS FOR EFFECTIVE MESSAGING THAT DRIVES RESULTS (CONT.)

Regularly seek feedback from your audience through surveys or customer interviews to understand their perception of your brand, messaging, and overall experience.

By analyzing the feedback and data gathered, marketing teams can make informed decisions to refine their campaigns and messaging further. Continuously optimize and tailor your marketing strategies based on the insights gained from customer feedback and performance metrics. This iterative approach ensures that your efforts align with the evolving needs and preferences of your target audience.

In addition to testing and refining campaigns, it's essential to stay up to date with industry trends and changes in consumer behavior. The market is dynamic, and what works today may not work tomorrow. Stay informed through industry publications, market research reports, and attending relevant conferences or webinars. This knowledge will enable you to adapt your strategies proactively and keep your target audience engaged.

Defining a target audience is a vital aspect of successful marketing campaigns. By following these tips your marketing teams can better understand their target audience's needs, preferences, and behaviors.

When it comes to customer-led growth, leveraging the right messaging goes hand in hand with creating valuable content. As you continue cultivating true brand advocates, customer voice and success stories can continue to fuel your revenue engine.

HOW SOCIAL PROOF INFLUENCES PURCHASING DECISIONS

If you're struggling to show your potential customer the value of your product or solution, look no further than the power of social proof. Of all the types of social proof, customer case studies are a powerful way to build credibility with prospects. These real-life stories showcase how your company solved a client's problem, and they're a crucial tool for sales and marketing professionals.

Here's why they matter:

Demonstrate the Value of Your Offering
Potential customers want to see concrete examples of how your product or service can benefit them. Case studies allow you to show, not just tell, by highlighting specific problems your clients faced and how your offering provided a solution. These stories demonstrate the tangible value your company can bring to the table, making it easier for potential customers to envision working with you.

Build Trust with a Track Record of Success
In the world of B2B sales and marketing, trust is key. Potential customers want to know they're partnering with a company that has a proven track record of success. Case studies provide evidence of your capabilities and build trust by showcasing the results you've achieved for previous clients. By sharing real-life examples of how you've helped other businesses, you can establish your credibility and demonstrate your expertise.

Provide Social Proof of Your Offering's Effectiveness
When it comes to making purchasing decisions, potential customers look to others for guidance. Case studies provide social proof by demonstrating other businesses have successfully used your product or service. By showcasing how your offering has helped other businesses, you can increase your credibility and provide assurance that your product or service is effective.

Address Potential Objections
Potential customers may have objections or concerns about your offering. Case studies provide an opportunity to address these objections and demonstrate how your product or service overcomes them. By highlighting how you've helped other businesses with similar concerns, you can alleviate any doubts or hesitations potential customers may have.

HOW SOCIAL PROOF INFLUENCES PURCHASING DECISIONS (CONT.)

Best Practices for Effective Case Studies
To create effective case studies, consider the following tips:
- Choose a Representative Client and Project: Select a client and project that's representative of the type of work you typically do. This will make it easier for potential customers to see how your offering can benefit them.
- Tell an Engaging Story: Use storytelling techniques to make your case study engaging and easy to read. Highlight the challenges your client faced, the solutions you provided, and the results achieved.
- Use Visuals: Visuals such as images, graphs, or infographics can help make your case study more appealing and easier to understand.
- Promote Your Case Studies: Use your website and social media channels to promote your case studies. Share them with potential customers during the sales process to build trust and showcase your capabilities.

Data that Supports the Power of Case Studies
Here's some data to back up the power of case studies: 73% of B2B buyers have used case studies to make a purchasing decision. That's a significant majority! By not using case studies, you could be missing out on potential business opportunities.

Here are great examples of case studies that Heinz Marketing recently developed featuring customer success stories:
- How Financial Force Found Success Using AI and Personalization
- Anthology's Website Revolution Through Personalization and Content Intelligence
- How Two Companies Deliver Personalized Content Experiences With PathFactory

Case studies are a simple, insightful, and compelling way to showcase the value of your offering and win new business. By demonstrating the value of your product or service with concrete examples, building trust with a track record of success, providing social proof of your offering's effectiveness, and addressing potential objections, case studies can help you close more deals. If you're not using case studies yet, it's time to start.

So, how do you create a foundation for a customer-first mindset across both your marketing and sales teams? Enter, the bow-tie model.

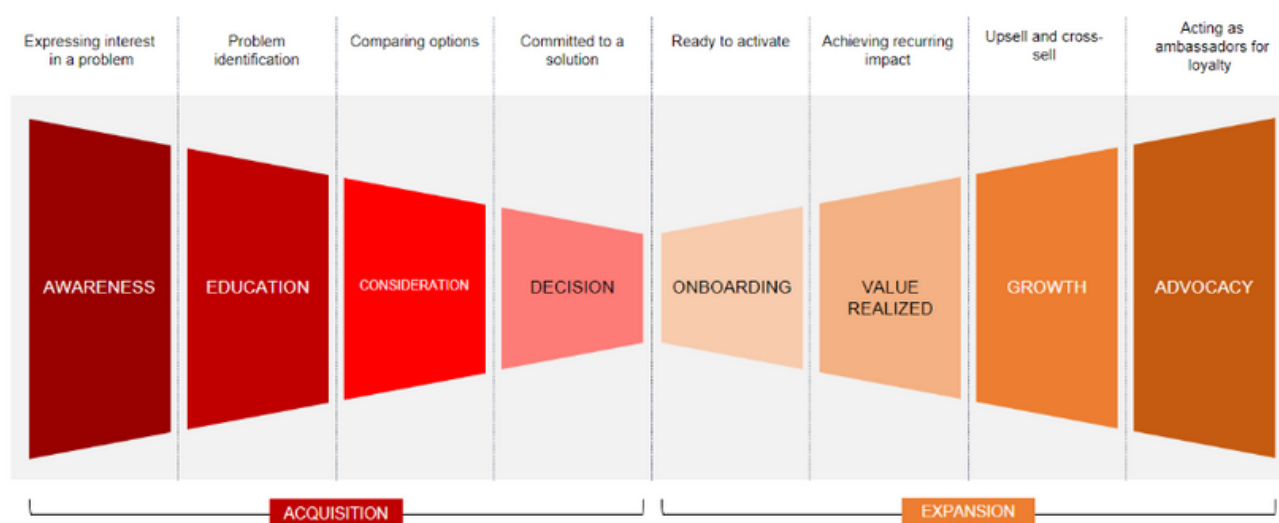# MANAGING CUSTOMER LIFE CYCLE STAGES FROM ACQUISITION TO EXPANSION

A B2B customer's journey extends beyond the dated marketing funnels for learning about a brand, item, or service. Gone are the days when B2B buyers used a linear approach to sell and market products. With the recent economic uncertainties that battered multiple industries, more and more B2B companies are realizing that retaining and expanding their existing clientele is the most prudent way to move forward.

Customer retention was historically not given much weight by B2B marketers, but it is now a crucial component of B2B marketing strategies today. Managing the B2B customer life cycle stages with a holistic approach from acquisition to customer expansion offers a better way to maximize the time, money, and effort when creating campaigns and conducting sales outreach. After all, retaining customers is cheaper than acquiring new ones. In fact, customer retention is 5-25 times cheaper than customer acquisition.

So, how should this be reflected in our customer journey model?

The Bow-Tie Model
In recent years, the bow-tie model has emerged as a popular framework in B2B marketing. While the traditional funnel model has been the go-to for many years, the bow-tie model recognizes that the customer journey is not linear and that the post-sale stage is just as important as the pre-sale stage. The bow-tie model addresses this shortcoming by incorporating both pre- and post-purchase stages, creating a more holistic view and more effective marketing strategy that meets the needs of customers at every stage.

MANAGING CUSTOMER LIFE CYCLE STAGES FROM ACQUISITION TO EXPANSION (CONT.)

The model typically consists of five stages: (1) Awareness, (2) Consideration, (3) Selection, (4) Implementation, and (5) Post-Implementation. Visually, it's divided into two halves, with the moment of purchase/closed deal at the center. The left side represents the traditional sales funnel, with a focus on building awareness and consideration. The right side focuses on post-purchase stages, including adoption, retention, expansion, and customer support/follow-up. This dual approach allows businesses to not only acquire new customers but also nurture existing ones, ultimately driving long-term growth and success.

Advantages of the Bow-Tie Model
One of the key advantages of the bow-tie model is its emphasis on brand trust and customer loyalty. As explained by Jacco van der Kooij in a Winning by Design video, the majority of revenue in a Sales as a Science approach is made after the sale. By focusing on post-purchase stages such as customer support and follow-up, businesses can capitalize on their existing customer base, which is often a more cost-effective strategy than solely concentrating on new customer acquisition. Implementing the right side of the bow-tie also provides more consideration of customer feedback and input, giving companies a better customer perspective to improve products and services. In turn, B2B companies can improve customer satisfaction and increase the likelihood of repeat business with a more customer-centric approach to marketing.

Another benefit of the bow-tie model is its ability to track customer growth and measure the drivers that impact total revenue. By analyzing data such as lookalike, clickstream, and attribution information, businesses can gain valuable insights into customer behavior and preferences, allowing them to tailor their marketing efforts for maximum impact. Another area of concern with the traditional model is failing to recognize that different customers have various needs and preferences. In the traditional funnel model, the focus is on moving all prospects through the same linear path. In contrast, the bow-tie model acknowledges that different customers have different needs and preferences and that marketing activities should be tailored accordingly. By personalizing marketing activities to meet the needs of individual customers or personas, B2B companies can create a more effective marketing strategy that resonates with prospects.

MANAGING CUSTOMER LIFE CYCLE STAGES FROM ACQUISITION TO EXPANSION (CONT.)

The bow-tie model also offers advantages in terms of lead generation and lead nurturing. In the traditional funnel model, the focus is on generating as many leads as possible and then filtering them down to a smaller group of qualified leads. This approach can lead to a high volume of unqualified leads, which can be a waste of time and resources. In contrast, the bow-tie model emphasizes the importance of lead nurturing, which involves building relationships with prospects over time and providing them with relevant content and information that meets their needs. The bow-tie model can help businesses identify areas where organizational gaps are, enabling them to implement proactive, sustainable strategies to improve performance, such as lead nurturing. This way, B2B companies can build stronger relationships with prospects and increase the likelihood of a successful sale.

In conclusion, incorporating both pre- and post-purchase stages and emphasizing brand trust and customer loyalty, the bow-tie model enables businesses to optimize their marketing strategies for long-term growth.

Lastly, we have customer lifecycle metrics. To monitor your traction in customer-led growth, here are 12 KPIs that you can start measuring right away and at each stage of your customer journey.

12 CUSTOMER LIFECYCLE METRICS TO TRACK

Onboarding

Onboarding is not just about getting your customer familiar with the product. It is also about hand-holding the customer in the initial usage which fits right in their context. They need to start finding value from the product to make sure that their ROI is soon and easily recovered. And, onboarding metrics help you gauge if your customers can attain those results or not.

1. Time to First time Value – This metric shows how fast will your product solve the customer's pain point and help them gain a positive return on their investment. Sometimes it is also used to measure how fast a customer is onboarded, but in those cases, quality is compromised with speed. You can also think about implementing some key features first so the customers start realizing the value of the product sooner.

2. Free Trial to Paid Conversion Rate – Measures the percentage of users that have converted to a paid account from a trial period. This metric indicates product value by measuring the number of users that find enough value in the product to pay for it.

Adoption

3. Product Adoption Rate – Product adoption can be measured as the percentage of users performing certain behaviors. Your mission is to identify these behaviors! What actions do people take that prove they're getting value? How many daily/monthly active users do you have vs all users?

4. Time of First Primary Action – This is another metric you can track if you have identified what is that crucial primary action within your product, that defines the adoption of your product

5. Time Spent on Each Feature – Read 'each key feature'. This will show if the customer has started solving their pain point as discussed during sales calls. This will also show if the customer knows how to solve their problems – another indicator of successful onboarding and adoption.

12 CUSTOMER LIFECYCLE METRICS TO TRACK (CONT.)

Loyalty

6. Customer Retention Rate – Customer retention rate measures the number of customers a company retains over a given period of time. Keeping your existing customers is much less expensive than trying to win new ones. Loyal customers also contribute to your business' health by providing referrals, promoting your brand on social media, and giving feedback to improve your product or service. See more details on these metrics in the Advocacy stage below.

7. Churn Rate – This is just the opposite of what the customer retention rate is tracking. For example, if your customer retention rate is 80%, your churn rate is 20%. In simple terms, it is the rate at which your customers stop doing business with you, or don't renew their subscription with you.

8. CLV – Customer lifetime value is the measure of how much income your business is expected to generate from a typical customer for as long as that account remains a customer. This is an important metric that indicates if you need to invest more in marketing for current customers.

Advocacy

9. Net Promoter Score (NPS) – NPS measures customer experience and predicts business growth through customer loyalty and advocacy.

10. Pipeline from Past Customers/Referrals – Another way to directly measure customer advocacy is within your pipeline. Set up an opportunity source as a 'referral from a past customer' or 'past customer at the new company' and measure how much pipeline you are generating from this source.

11. CSAT – Customer Satisfaction Score or CSAT Score is a customer experience metric that measures the happiness of your customers. The main benefits of CSAT are that it's fast and easy to calculate, and because CSAT surveys generally only ask a single question, you're likely to get high response rates from your customers.

12. Social Mentions and Reviews / Social Interactions – Some customer success teams are measured upon social mentions and reviews of the product and/or company. There are a lot of social listening tools in the market that have made this manual work way more efficient. Effective social interactions with your customers will increase customer satisfaction!

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WRAPPING IT UP

As the market continuously shifts and buyers change, there is nothing more reliable than investing in your existing customers and future advocates. With this guide, we hope you've gained the resources to jump start your customer-led growth journey.

Looking to learn more about full funnel marketing? Check out this comprehensive eBook for tactical and pragmatic approaches to every facet of modern marketing success.

ABOUT HEINZ MARKETING

Focused on helping clients drive predictable growth via a revenue-responsible focus, Heinz Marketing helps B2B marketing teams elevate their impact and contribution to business outcomes that matter. Heinz Marketing's proven Predictable Pipeline methodology has been successfully customized and implemented at countless organizations, changing the trajectory of marketing work, careers, and lives. The Heinz Marketing team is made up of full-funnel experts who speak the language of sales, empowering clients with strategy and tools for success.

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