

## Why Use Xspond and Life-Cycle Marketing?

For many companies, the current recession has made one fact abundantly clear: Doing business the same old way simply won't work. Old methods of sales and marketing are too inefficient, too costly, and they may be a risk to the business itself.

Postponing a change in marketing strategy one more year is no longer an option; your ideological transformation must start now. Web, Direct Mail, Email, Social Media, traditional, and digital advertising must all be in your marketing strategy.

Simply stated: Xspond and Life-Cycle Marketing ensures you get the right message, to the right person, using the right media, at exactly the right time.

### Consider The Following:

- Purchasing decisions include many factors that most consumers are not even aware of. Five steps are involved in nearly every purchase made: need recognition, information search, evaluation of alternatives, purchase decision, and finally post purchase behavior. Even the simplest purchases can include any or all of these steps. (Brown, 2005)
- Purchases are further influenced by such things as personal, psychological, and social issues. A good market researcher will study the thought process undergone by consumers, compare it with their demographic data, and use the resulting information to market their products. (Armstrong et al, 2005)

Marketing Factors: Consumer Buying Behavior  
February 01, 2006 by S. L. O'Brien

Life-Cycle marketers use analytics to predict when customers are most likely to buy. They then reach out with incentives aimed at encouraging the consumer to buy from them. Timing and message are keys. Instead of wasting marketing dollars trying to reach a large audience, many of which have no interest at all in the offer, the Life-Cycle marketer targets an audience where he or she is most likely to succeed.

The benefits of a Life-Cycle Marketing Strategy extend beyond higher conversion rates. The collection of useful, measurable data will allow you to develop trends, segments, and behavioral patterns that can be used for more precise targeting. Your marketing efforts will become more specific to the consumers' needs as you will understand them better. Their level of trust and appreciation for your brand will increase, improving loyalty and soon advocacy.

### Taking the first step in this transition may seem daunting. Where do you begin?

The answer is Life-Cycle Marketing with the Xspond Marketing Platform (XMP). An integrated suite of web-based marketing tools and mission-critical services designed to engage, interact, respond and ultimately grow relationships and business.



## What is Life-Cycle Marketing?

Life-Cycle Marketing transcends traditional thinking about customers and prospects. Instead of focusing on individual campaigns aimed at the masses, Life-Cycle Marketing instead considers the individual prospect/customer, keeping in mind where they are in relationship to the sale, and communicating with them accordingly.

To be effective, A Life-Cycle Marketing Strategy must capture views of the customer as he or she moves through the life-cycle stages: Reach, Acquire, Convert, Retain, and Advocate.

### 1. Reach Phase

The **Reach Phase** is the starting point. Reach refers to the potential target audience. It can relate to current customers and prospective customers alike. Reach is what advertisers and marketers do to gain their attention. It is getting in front of leads, turning them into prospects.

**Reach** can be exciting. It's the glitz, the ad, the website, the wow, the bang. Reach works best when your leads understand your company's brand, service, or product.

**Reach**, with Xspond, will target the audience at a point when they are most likely to be affected by the message. Advertising, direct mail, variable data direct mail, social media, email or other methods may work well. Unlike many campaigns, all the methods employed during this phase will be coded and measured. The ultimate goal of reach is to acquire prospects, but just in case that doesn't happen, Reach, with Xspond, will gather valuable information to be used in future campaigns.

### 2. Acquire Phase

The goal of the **Acquire Phase** is customer participation. Did the prospect interact with your organization? Did they walk in your store, call, email, visit your site? Acquiring a prospect happens the moment your lead shows interest.

We know how they responded (e.g. signing up for a newsletter, filling out a credit application, taking a survey, requesting a coupon, downloading a demo or any other action). We have a bona-fide prospect, but actually making the sale could still be in question.

**Acquire**, with Xspond, will define the methods and processes required to handle this phase of the customer life-cycle. Responses will be personalized (age, gender, point of interest, and others), using information gained from the prospect. As in the Reach phase, all Acquire outreach will be coded and tracked so trending data can be collected.

### 3. Convert Phase

The **Convert Phase** is the point at which the sale is made, and the prospect has been converted into a customer. It may take several actions on both sides of the process before the prospect actually converts.

**Convert**, with Xspond, is the phase where customer segmentation begins. What did they buy? Where do they live? What additional products or services did similar buyers purchase? Age, gender, buying power, the

need for additional services, and other factors determine your next move as a marketer. The closer you can get to your customers at this point, the greater your opportunity to sell them again.

The Xspond Marketing Platform was built to bring you closer. Its web-based suite of Life-Cycle Marketing tools will give you the means to accomplish your goals. After all, isn't more efficient to keep existing customers than to constantly be looking for new ones?

## 4. Retain Phase

The **Retain Phase** is the process of nurturing the relationship and encouraging repeat sales. It is far easier, and less costly, to sell additional products and services to an existing customer than it is to find new leads.

Current customers have already made the decision to buy. They already have a relationship with your company. They have decided to trust your sales team, product or process. The importance of maintaining, if not enhancing, this trust cannot be overstated.

**Retain**, with Xspond, is where the Life-Cycle Marketing strategy truly enhances your business. Knowing that the customer will stray if we neglect him or her, it is imperative we maintain contact. At Xspond, we will work closely with your management applications to create trending models and tracking mechanisms. Xspond will deliver the proper message, data, and content to exactly the right person, at exactly the right time, so customers are retained.

## 5. Advocacy Phase

The **Advocacy Phase** is the completion of the cycle, returning business to a better beginning. These leads have the word of a friend, a loyal customer, fresh in their minds.

Customers with the greatest life-time value are the ones who advocate on your behalf. They tell their family and friends. They suggest your products on social websites. They run fan clubs. They tattoo your company logo on their bodies. Just ask Harley-Davidson how that's working out for them.

**Advocate** is simple with Xspond. Advocates will get the attention they need, and if necessary, the tools to do what they do best... sell your organization to their network.

## How do I use Life-Cycle Marketing?

Once a company has decided to pursue a Life-Cycle Marketing Strategy it must have clear understanding of each phase of the process. Each phase of the strategy builds upon the previous phase, creating an ongoing cycle with predicted expectations and measurable results.

- To begin successfully putting a Life-Cycle Marketing Strategy into action, marketers must have a clear understanding of their current business status and their long term goals.
- They need to capture the right data to identify both their profitable and unprofitable customers, understanding their behavior to given offers, incentives and messaging. With that information, they must structure a plan to contact customers at the optimal point when they are ready to act. understanding of their current business status and their long term goals.



- Marketers must have in place an active tool that allows them to check results against objectives and to act accordingly.
- Test, tweak, measure, act. Then, test, tweak, measure, act. It is a never-ending process, but isn't all marketing? The difference is decisions made in a Life-Cycle Marketing program are based on facts, not hunches and wishful thinking.

To realize the maximum benefit fully from a Life-Cycle Marketing Strategy, marketers should:

- Utilize the life-cycle stage as a means to narrow data collection.
- Create rules and personas for each customer segment.
- Stop thinking campaign, start thinking relationship building.

## **What about the impact (ROI) of a Life-Cycle Marketing Strategy?**

Like any other investment your company will undertake, Life-Cycle Marketing should be implemented with clear goals and expectations for its return on that investment. Unlike traditional thinking where an offer is sent and the direct result of that offer is measured, the Life-Cycle Strategy looks at the whole picture. As the strategy itself implies, marketing is conducted over the life-cycle of the customer. In the same fashion, ROI needs to be evaluated over that same span.

### **Important Considerations:**

Findings from a study conducted by about.com

- Repeat customers spend 33% more than new customers.
- Referrals among repeat customers are 107% greater than non-repeat customers.
- It costs six times more to sell something to a prospect than to sell that same thing to a customer.

Like all good relationships, Life-Cycle Marketing relationships take time to develop, and their value should be assessed over time using a variety of measures. Doing this is not always easy, but for the companies that embrace this strategy, the rewards are worth the effort.

You can learn more about Life-Cycle Marketing by visiting our website at [www.xspond.com](http://www.xspond.com).

## **About Xspond**

Xspond is a data-driven marketing solutions business. We are a lifelong strategic partner for our clients, helping them deliver the right message with the right medium to the right person at the right time.

Xspond uses application and web development, automated VDP Direct Mail, and targeted social media to meet customers where they want to be encountered. Likewise, we are dedicated to using web analytics and research to continuously improve our products.

See how we can help your business build and improve client relationships through our interactive marketing solutions. Visit our website at [www.xspond.com](http://www.xspond.com) or call us at 810-225-8350.

Find us on Facebook at <http://bit.ly/4IN8Ay> and follow us on Twitter at <http://www.twitter.com/xspond>.

