

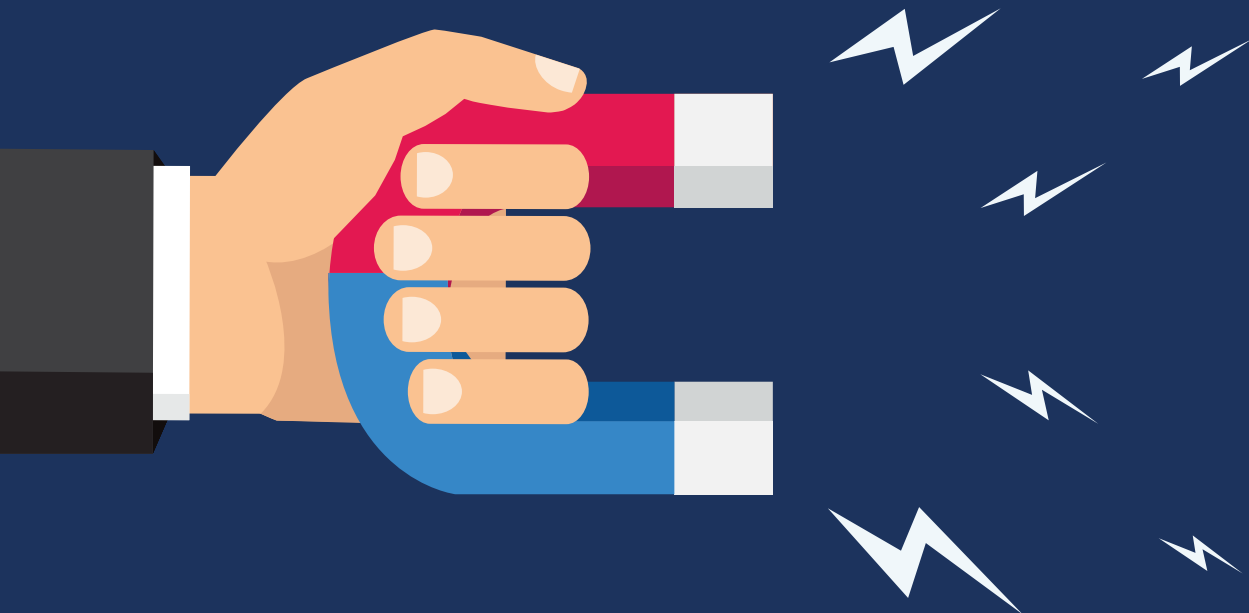
The Ultimate Guide to Customer Retention

Increase customer retention using Marketing Automation tools and key customer experience strategies



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Introduction

Global changes and the introduction of a new norm forged from the ongoing effects of the pandemic have led to high amounts of economic uncertainty, making buyers more cautious than ever about their spending habits and budget restrictions. This uncertainty and consumer caution has led to one of the slowest GDP growths since the 1960s, with GDP only rising to 1.7% in 2023, just over half the expected rise forecasted by banks.

The current landscape is not only changing customer habits but also customer expectations. With more consumers wanting a higher-quality experience that matches those performed by enterprise businesses or even worse, if they feel like they aren't receiving it. Consumers today have no problem leaving a long-term partnership and finding a new company offering a better experience.

For SMBs (small to mid-sized businesses) this change in expectations puts them in a difficult position as they often do not have the tools, strategies or financial resources available to match the capabilities of enterprise businesses. The solution to this is Marketing Automation. Marketing Automation can provide the tools SMBs need to improve their customer experience and overall retention, but which tools should SMBs look out for and what strategies can they implement?

1 Marketing Automation for SMBs

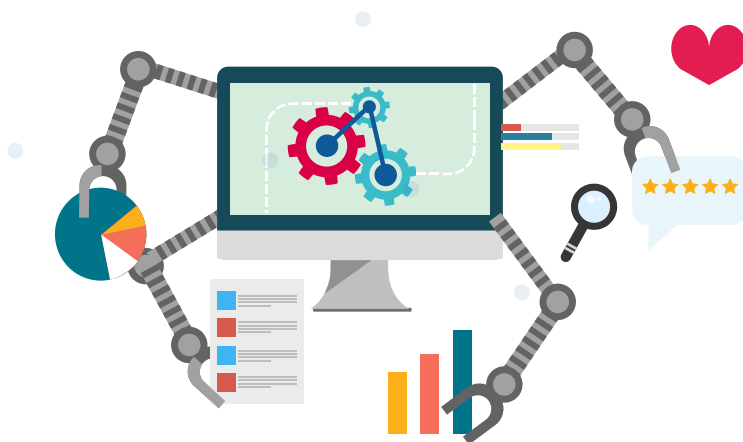
For a simple and quick definition “Marketing Automation refers to the technology which helps marketers find, nurture, convert and engage with customers through automated tasks and actions”.

Source: [What is Marketing Automation in 2023? \(clickdimensions.com\)](https://clickdimensions.com/what-is-marketing-automation-in-2023/)

Tools such as social posting and web intelligence within a Marketing Automation solution help identify and engage customers, which is greatly important. But for SMBs looking to improve their customer experience and retention to nurture and convert prospects, then campaign automation and lead scoring tools should be considered.

Together these two tools track, evaluate and examine customer behavior, using a trigger-based scoring method to identify when a prospect is ready to buy or if they are a cold lead. Leaving the last step to the Sales teams to then facilitate a purchase/

commitment. But the customer journey doesn't end once a lead has financially agreed to a product or service, and this is where the difference between SMBs and enterprise businesses lays. Many young, growing SMBs are victims of simply wanting to get their brand out there and believe that once an initial purchase has been made then the lead becomes cold and a focus on retention becomes an afterthought rather than a pivotal point in an ongoing customer journey. But this is wrong and where customer retention strategies come into play for both new and existing SMBs.



2 Customer Retention Strategies

Did you know that by improving your customer retention rate by just 5%, businesses can experience profit increase of 25%-95%? Compare this to the cost of acquiring a new customer, which can be between 5-25% more expensive, and customer retainment is a clear winner especially for financial gain.

Work out your customer retention rate here:

$$\text{Customer Retention Rate} = \frac{\text{Customer at the End of the Period} - \text{New Customers}}{\text{Customers at the Start of the Period}} \times 100$$

Improving your customer experiences with the aim of improved retainment is also useful for your buyers when explaining the value of your company/ partnership to budget managers and c-level leaders. The key focus here is value. Almost all retainment strategies are built upon the idea of consistently providing value to your customers after an initial purchase has been made.

With this in mind, many SMBs and even enterprise businesses fall into the trap of just continually feeding customers with generic marketing efforts, which often fall flat and can even become annoying to the customer.

3 Personalized Value Efforts

Using an example from one of ClickDimensions [previous articles about retention](#), imagine you're a company which supplies washing machines and within your company's database lay hundreds of customers who have previously bought a machine from you...

Though these customers have already fulfilled their primary goal of buying a washing machine, nurture and engagement opportunities to cross or upsell are still present in the form of maintenance tips and tricks, discounts on specific items that can be used with the main product (for instance washing tablets) and warranty updates.



Both lead scoring and campaign automation can help to strategically distribute these messages at exactly the right time and structure a new scoring system for customers when they show interest in additional products or services.

3 Personalized Value Efforts *cont.*

“ Customers love personalized experiences! Using marketing automation to reach out to a personalized way by including their first name in the email and referring to a product or service they demonstrate interest in will go a long way.

Remember: Offering information about other products to clients helps retainment as it increases stickiness. ”

Karen Hoff, Marketing Services Team

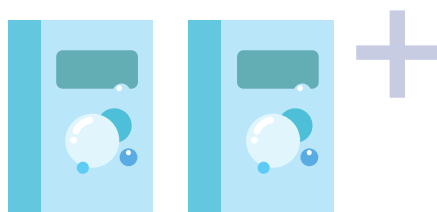
In further depth:

Campaign Automation will send out personalized messages via **email** or **SMS** to specific customers when their warranty is ending depending on the type of machine purchased and the initial warranty agreement. From the customer's point of view, these types of personalized messages provide a more hands-on type of customer experience as their needs are met and addressed even before they know they had them.

Lead scoring will track which messages customers open and interact with, not only through email but also on your website, to build a greater picture focusing on the customers perspective and where in the buyer journey they are for cross sell opportunities, such as the washing tablets previously referenced. The above example supplies a very simplistic view

on the power of personalization when used in a customer retention strategy, but at the core of it, personalized value efforts continually engage with customers by referencing previous activities and catering messaging to fit the customer's needs. Using Marketing Automation solutions to create campaign automation strategies and lead scoring profiles are easy and can be quickly implemented by SMB teams.

Need some more help setting up lead scoring profiles? ClickDimensions Marketing Services team is here to help you.



4 Retention Begins at Home

Fact: It takes 12 positive customer experiences to make up for one negative experience

If I asked you where you experienced the worst meal you've ever eaten, I'm certain you would be able to answer instantly, whereas if I asked you where you had the best meal you've ever eaten then you would take more time to think of an answer. This is because as humans we remember negative experiences more vividly than positive ones and the same thought processes that happens when thinking about good and bad meals, happens when your customers think of their experiences with your company.

But where do most negative experiences with a company happen?

It might surprise you to know but negative experiences often occur during the handoff between Marketing and Sales. Misalignment between these teams frequently leads to customers having to repeat themselves over and over again, misinformation about what the customer wants and a lack of engagement once a lead has been passed to or from the other team. All of these problems reduce retention and loyalty as your buyers feel forgotten or not heard during and after their initial interaction with your teams.

Marketing Automation can track, engage and nurture your potential leads until they are ready to be handed over but once given to Sales, unless the team has access to the same data and tools as your Marketing team, then your customer experiences dramatically decrease in quality.

Using a tool which unifies both your Sales and Marketing teams not only improves customer experiences but also the value of tools such as lead scoring as it follows the same lead throughout their entire journey and beyond.

Top tip: unification can also reengage cold leads that are sent back to marketing for further nurture so that no lead is ever left behind!

Find out more about unification by checking out [ClickDimensions Sales Engagement tool here](#)

5 Conclusion

What have we learnt about customer retention and the tools and strategies surrounding it?

Customer retention is paramount during periods of economic uncertainty and developing strategies which facilitate retention increases should be at the forefront of any SMB's mind. Providing continuous value to customers through tools such as lead scoring and campaign automation reinforces your businesses' worth and facilitates a catered, personalized approach towards the customer experience which rivals many enterprise businesses.

Ensuring your customers are provided with the same high level of experience during both your Marketing and Sales efforts will positively impact customer loyalty and retention, while unifying your internal teams under one clear goal. Want to improve your customer retention strategies, or find out more about Marketing and Sales solutions?

Submit a request and talk to our team here.

