

A decorative banner with an orange-to-yellow gradient background. It features a grid pattern, a globe, and several envelope icons. Binary code (0s and 1s) is visible in the background.

Exploring the Six Factors of E-mail Relevance: Lifecycle Management

By Millie Park, *Account Director*

For most companies, establishing strong customer relationships is absolutely fundamental to driving growth and profitability, and e-mail programs can play a significant role in nurturing these relationships from the moment a customer becomes aware of a brand. One of the ways this can be done is by building programs and corresponding messages around the customer's placement on a lifecycle continuum.

A key e-mail relevance factor, lifecycle management is an effective means by which you can strengthen your brand, generate more revenue, foster customer loyalty, and ultimately "recruit" customers to become ambassadors for your company and its products. And good news — it doesn't have to be complicated. You can easily devise and execute productive customer lifecycle management programs from the data you are already collecting.

First, it is important to keep in mind that there are two lifecycles simultaneously at play when we refer to lifecycle management: the lifecycle of a product or service and the customer lifecycle. There are many categories of messages that make up lifecycle management campaigns, all with distinct goals. While product lifecycle can influence consumer messaging, for our purposes we'll focus solely on customer lifecycle. Whether striving to drive a customer to make another purchase, or instill in him positive feelings about your products and services, lifecycle-based e-mail campaigns can create important touch points that will keep your customer engaged with your brand and enable you to achieve a lasting, symbiotic relationship.

Second, if we consider the average customer lifecycle, there are essentially five core stages: new customer; multiple purchaser; loyal customer; ambassador; and finally, the dormant or lost customer. E-mail can serve as a powerful vehicle for moving a customer from one desired stage to the next. Following are some primary examples of proven programs that specifically map to each stage.



Welcome programs

At the most basic level, you can begin engaging a new customer through a welcome program. For example, after a customer makes an initial purchase, send an e-mail in follow-up that welcomes him “to the club,” activates his account, thanks him for selecting your product or service and provides information on how he can contact you with customer service issues. You can also request preference data from him or alert him to helpful information that may be available at your Web site.

First-time buyer programs

Let’s face it, a good customer is a repeat customer. If you can drive a second purchase within a certain period of time, particularly the first 30 days, the lifetime value of that customer (and likelihood of ongoing purchases and loyalty) will increase significantly. First-time buyer programs give you an opportunity to entice new customers to make another purchase. For example, you could recommend to a customer who just bought running shoes that she next buy the latest in high performance runner’s apparel. Or, you could provide her with an incentive (i.e. discount, free product) to purchase something inside of 30 days. The key is reaching out to customers consistently, maybe even daily, with relevant messaging.

Loyalty programs

If a customer has purchased products or services from you multiple times, it is a logical next step to further cultivate your relationship with them and work to strengthen their loyalty to your brand. One of the best ways to achieve that objective is by rewarding them; offer them points for every dollar spent or for every purchase, which can be redeemed for discounts or free merchandise. In essence, with loyalty programs you’re applying one of the most basic principles of psychology. It’s about rewarding a customer for a certain behavior in a way that will encourage and continue that behavior.

Once you’ve firmly established loyalty, you can often successfully convert a customer into an ambassador for your brand, and that’s viral marketing in its truest form.

Ambassador programs

The desired end game for most is having evolved a customer into the ambassador stage. But you must create programs that will engage those ambassadors, continue to provide them with measurable benefits and enhance their positive feelings about your products and services. For example, send e-mail inviting a customer to publicly comment about your product; maybe feature her review on your Web site — let’s face it, most people like to see their name in lights. You could also supply her with a 30 percent discount off her next purchase and a 25 percent discount for her friends. Many companies

also invite their most loyal customers and ambassadors to special events where they can get VIP seating, receive free gifts, and/or enjoy top-notch entertainment.

Re-activation programs

You certainly don't want to "graduate" customers to dormancy status, but the reality is that some may not make a purchase for an extended period of time, so you should put a program into place that strives to re-engage these folks. Try to capture a customer's attention with a catchy subject line, such as "We've missed you" or "Where have you been?", and remind him about your products and services. Often a simple reminder can jar a customer back into activity. Of course, you can also present him with a special offer that is good for a defined period of time, such as 10 days, two weeks, or 30 days.

If there's no response to your offer, it may be that e-mail is simply no longer the best way to reach that customer. Explore other communication channels. The NFL used dynamic printing to send a personalized direct mail piece to lapsed customers. This was a successful tactic for them and we'll have more details in a case study coming soon.

If, despite your best efforts, customers don't respond, take a hard look at your list. Non-responders really aren't valuable to you, so even though keeping them on your list doesn't cost much, you might be better served to stop mailing them and focus on more actively-engaged customers.

You can't win 'em all

Although lifecycle management programs can be very productive, you will surely find that in some cases, despite all of your efforts, a customer has decided to unsubscribe. Try to think of unsubscribe requests not as failures, but opportunities for improvement. Find out what you could have done better by including a few optional questions, or even a short survey on your unsubscribe confirmation landing page. For example, you can ask your customers if they were receiving e-mail too frequently, whether the content was relevant or not, or if your messages weren't rendering properly. The insight you gain from the survey can help you to improve the relevance and effectiveness of your communication with existing and prospective customers moving forward. As the old adage says, all good things come to an end — inevitably, every lifecycle does too.