

## Living in the MOEment: Strategies for Successful Lifecycle Messages

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Lifecycle messages perform 389% better than standard broadcast campaigns. So if your contact strategy does not account for the stage in which it finds the audience, your program may be massively underperforming. The concept is simple and no doubt you've heard it before: customers go through certain stages in their purchasing life. The specifics and timing of each stage is influenced your product, brand, or market, but the stages themselves remain fairly consistent across the board. Each step is a moment of engagement (MOE), a phrase you might remember from the first article in the "Living in the MOEment" series.

If you are looking to improve e-mail relevance, moments of engagement are a great place to start. After all, lifecycle management is one of the six factors of e-mail relevance identified in e-Dialog's Relevance Trajectory™ methodology, and moments of engagement provides you with a constructive framework for orchestrating and managing your customer lifecycle. Of course moving your e-mail program from broadcast only to lifecycle-driven is a significant step, and certainly more than an afternoon's work. But when you are done, you will have a more effective e-mail program, not to mention happier customers who value the communications you send them.



Customer lifecycles can be long and complex. For now let's concentrate on the fundamental stages: Welcome, Post-purchase, and Lapsed. These stages are the basic building blocks of lifecycle management. In the next article in our series, we'll use these stages as a starting point.



## Welcome

It's probably wrong to rank any one of these stages as more important than the others, but it is certainly fair to say how you Welcome customers is one of the most important things to consider. We need to listen to our subscribers, and someone who has just signed up for your program is giving a clear message: "I'm here, I'm interested. Now what do you have for me?" These are our next, best customers so show them your brand's best side. Here are some essential considerations, as well as some advanced tactics to employ with new customers enrolling in your e-mail program.

**Who:** Brand new subscribers, signed up without purchase.

**Goal:** Educate and guide to first purchase.

**Timing:** Soon. Ideally instant, but within the hour or the next morning may still be acceptable, depending on the nature of your business and your customer.

### Essentials to consider

**Rich creative:** Make sure your new customers receive a stunning and lasting first impression of your brand. The Web is a rich environment, thus a simple text e-mail will not only be lost in the noise but will fail to serve as an effective introduction to your brand. This first impression doesn't have to be spectacular, but it does set the tone and feel for ongoing communications. Use great imagery and a design that communicates your key branding. And of course stick to best practices so that your e-mail renders properly when it is opened.

**Comprehensive information:** Some products are simple, but if you are welcoming someone to a loyalty program, or if your product demands some understanding, now is the time to do it. Give the customer something he will value and keep: membership number, sizing guide, information on important dates (and downloadable reminders). Don't forget to include useable navigation links to your Web site. We know from interaction records that navigation bars at the top of the e-mail are popular links, and often receive clicks long after mailing.

### Advanced tactics

Customers who receive your Welcome message are hot leads; don't let them get away! The purpose of a Welcome message is not just to say hi, or even to make a positive impression. The real purpose is to get the audience to make a first purchase as soon as possible. For most products, if a customer buys three times within a certain time period, the likelihood of straying is dramatically reduced. The smartest thing you can do at this stage is to create a Welcome sequence of three, even four messages guiding the customer to this point.

Consider setting up a Welcome sequence similar to this:





The timing of this trigger is important, which is another reason not drop new customers into your regular cadence just yet. Of course you will face business needs to advertise certain products above others. But this can be handled relatively simply through elegant content management. Work with your account team to understand how you can draw topical content into these e-mails.

Certainly you'll need to adapt the timelines to suit your product, and if you're particularly specialized you might want to add a fourth step for a follow up by your call center. It might sound like a lot of effort, but remember: if you can move customers into the post-purchase cycle before they have a chance to stray, you might have them for life.

### **Post-purchase**

There are a number of reasons why we skip directly to this stage. First, you are already doing inspiration mailings; for some it's all you do. So it's less of a lifecycle stage and more of a default position for average customers. Active shopping is very important, but customers who have just made a purchase can be identified easily. You are probably already mailing confirmation details, so this is something of a low-hanging fruit.

It's a classic mistake to see converted customers as the goal you've been striving for when in fact this is just the first major hurdle. Loyal customers are our true goal; they're worth so much more than one-time visitors. Make sure your contact strategy recognizes the importance of this stage and plays a part in making it an enjoyable customer experience, and of course moves the customer as quickly as possible to a repeat purchase.

**Who:** Anyone who has recently (very recently) made a purchase.

**Timing:** As instantly as you can achieve. Customers have been trained to expect an immediate confirmation of a purchase.

**Goal:** Make the purchase process easy and enjoyable, and speed the route to a repeat purchase.

### **Essentials to consider**

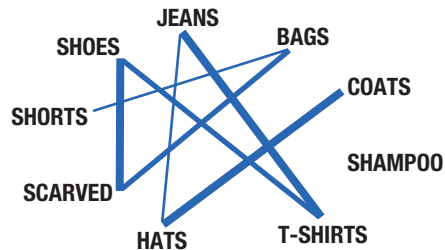
Of course you need to include all the necessary information about the purchase, such as shipping and customer service information, but this is prime ground for two other elements: acquisition and cross-sell. Don't forget, some customers receiving this e-mail are not on your list. Make sure you identify them and provide a route to sign up. Stay in touch with customers who show a propensity to buy. And while customers are in buying mode, make life easy for them. Display a selection of items related to their purchase, offer to add them to the current order so they don't incur new shipping fees, and consider offering a small discount if they purchase again quickly (make sure to test this, sometimes the discount isn't necessary).

### **Advanced tactics**

Customers who purchase are at a point in which you know the most about them, so you have the best opportunity to give them exactly what they need. Use common sense – if the customer just purchased a lamp, she could probably use some bulbs too. But as database marketers we know better than to rely on supposition. If you can, build relationship models between products and use this predictive analytics to decide what to market next. Such models are visualized like the one below. The lines show relations between products, thick lines are stronger relationships:



Here we can see the relationship between several products. Thicker lines denote stronger relationships, so there is a strong correlation between jeans and t-shirts, as you would expect.



But there is also a relationship between jeans and hats which you might not consider. Brands that go through this exercise sometimes find some surprising correlations, and you might also find an opportunity to promote staple products that are always worth marketing.

On a technical note, make sure your Web site asks customers to create an account when they purchase, so that when they return you can recognize them and make the buying process as relevant and smooth as possible. Ease of purchase breeds loyalty.

#### Lapsed customer

Strange to think of this group of customers as an easy one to target, but they offer the greatest potential for incremental revenue. Right now you are getting zero value from lapsed customers, and they are at the greatest risk of unsubscribing permanently, so if you can re-engage them in a few simple steps, there is a lot to win and very little to lose.

**Who:** Customers who have neither made a purchase, nor clicked on your e-mails for a set period.

**Timing:** Your choice depending on your product. If you sell vacation packages, then a lapsed customer might take up to 380 days to qualify; if you are an online grocer, customers who haven't purchased in a month or six weeks are probably shopping elsewhere.

**Goal:** Re-engagement. It's too lofty a goal to be attempting to take this group from the doldrums to purchase in one fell swoop, so take things one step at a time. For example, measure your success by the number of customers leaving your lapsed bucket and moving into recent clickers.

#### Essentials to consider

It's back to basics for this crowd. Most of these customers will not have opened an e-mail from you in some time, so this should be your first mission. Start with the subject line. Include personalization by name and make a distinction between this e-mail and the others the customer has already ignored. Something like "Mr. Lucas, where have you been?" traditionally works well, but as with any strategy like this, choose two alternatives so you can test and refine as you go on.

In regards to content, you must distinguish this message from your day-to-day content. The lack of interaction from this group means you know very little about them, but you do know this: whatever you are mailing them right now isn't working, so take a different tactic. The same message with a new subject line will not bring these customers back into the fold for long.



Of course you should consider using an offer, but test it to make sure you are not giving money away for free. If you find a small discount is required, it could be money well spent. We all know how much cheaper it is to serve an existing relationship versus acquiring a new customer.

#### **Advanced tactics**

Consider using the e-mail to remind the customer of the breadth of services and products you offer. If he is not engaging with you right now, that means his perception is that your product isn't what he wants. So ask why! Include a poll, or allow him the opportunity to update his account details so you can send more relevant e-mail to him.

Once you've conquered the basics, add the goal of steering customers away from this group entirely. Identify a pattern of behavior that puts individuals at risk of lapsing. This might be actions you take, like sending too many e-mails (survey customers who leave your base to find out if this is major reason for leaving) or it could be actions you observe, like a sudden drop in open rates. Once identified, put these customers on your at-risk list. Take them out of the regular cycles and concentrate on service and value, perhaps at a reduced volume.

Finally, don't underestimate how important this group is to you as a barometer of your program as a whole. If your disengaged segment is small and getting smaller, you're sending interesting relevant e-mail. But if you see a constant stream of new customers marching into this bucket, that's a strong message that what or how you're communicating isn't connecting with your audience base. It's the first sign of churn and should be an alarm bell for change.

As you can see, lifecycle messages are a natural starting point for creating relevant communications because they closely follow existing customer interactions or relationships with your brand. In the next few months, we'll take a look at Brand and Merchandise MOEs and how you can manufacture additional moments of engagement in order to strengthen your customer relationships and take relevance to the next level.