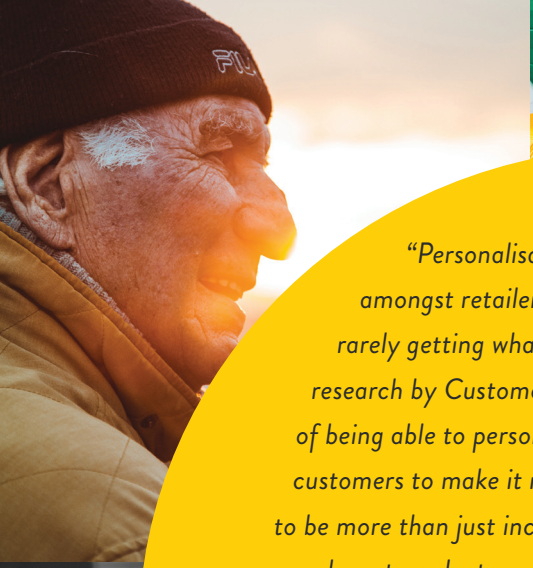
THE UNSPOKEN CUSTOMER

2023 Australian Customer Values Analysis



FOR LIFE CUSTOMERS

Customology



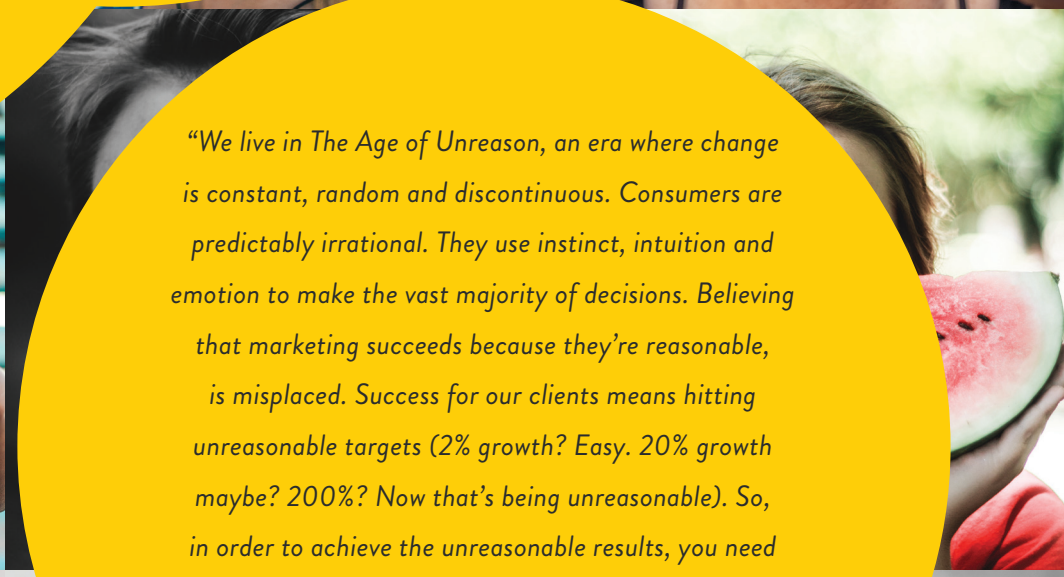


"Personalisation has long been a buzz word amongst retailers, with consumers requesting it but rarely getting what they want. The Unspoken Customer research by Customology shows the importance for retailers of being able to personalise all of your communications to your customers to make it relevant and meaningful to them. It needs to be more than just including their name, customers are expecting relevant products and messaging specially for them. The data states that more than half of customers (58%) don't believe they are targeted in a relevant way even after providing their personal details and even more importantly that 1 in 4 would respond to a personalised message. This goes to show the importance in having the right understanding of your customer and being able to personalise their messaging to gain cut through amongst all of the other content they receive."

Anastasia Lloyd-Wallis APMP, MSc. Chief Operating Officer



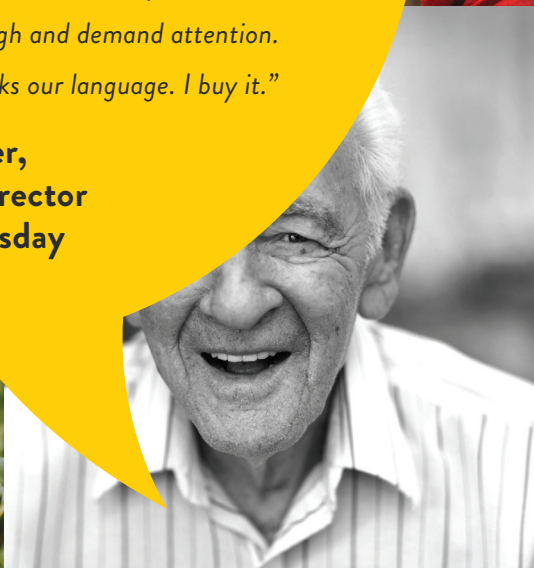




"We live in The Age of Unreason, an era where change is constant, random and discontinuous. Consumers are predictably irrational. They use instinct, intuition and emotion to make the vast majority of decisions. Believing that marketing succeeds because they're reasonable, is misplaced. Success for our clients means hitting unreasonable targets (2% growth? Easy. 20% growth maybe? 200%? Now that's being unreasonable). So, in order to achieve the unreasonable results, you need unreasonable ideas that cut through and demand attention. The Unspoken Customer 2.0 speaks our language. I buy it."

Dan Adler, Managing Director @nextThursday











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Foreword

Consumers want products that deliver solutions to their needs, and they want positive purchase experiences from brands they can trust.

Brands need to be consumer-centric to understand their decision-making journey. They should seek to understand the problems their customers need to solve and deliver a product or service that delivers distinctive value.

Five main highlights emerge from the 2023 Unspoken Customer report that will help brands looking to refocus and realign marketing strategies:

1 **Above all, consumer trust is the central driver of customer-brand relationships,** and is critical for sustained engagement.

2 **Brands need to focus on developing a strong retention strategy** and carve out an appropriate budget to support it if they want to keep their customers. Acquisition is still important for attracting new customers, but it can't be the only priority.

3 **Approaches to market segmentation matter.**
To cut through the noise, messages need to be targeted and offer specific solutions that resonate with the target market. Messaging also needs to be consistent across channels to support perceptions of reliability and trust.

4 **The buying experience involves more than the product.**
It is a combination of product functionality, experience during purchase, and social value. Customers think about many aspects of a product, beyond just price and quality.

5 **Negative feedback should be viewed as an opportunity to recover a customer**, and make a personal connection during the process.

The 2023 Unspoken Customer report is on target and on trend. It offers valuable consumer insights that can help businesses to enhance their connection with customers to help distinguish their brands.

Professor Tania Bucic PhD
Professor of Marketing, UNSW

Introduction

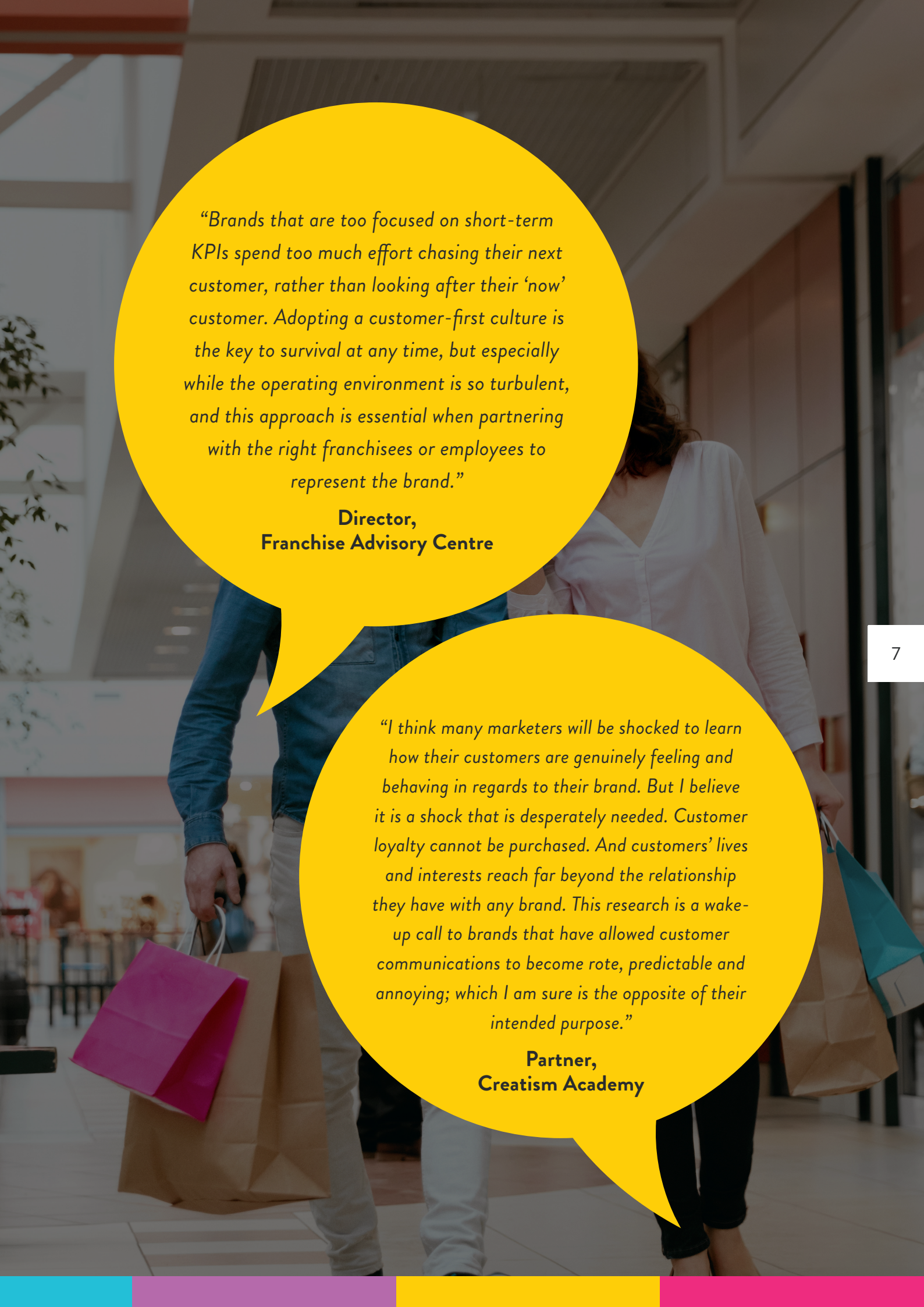
Your business has implemented a well-designed marketing plan, with focus on digital and investment in paid advertising. So where is the return on investment through new sales?

The reality is many brand leaders and business owners are so focused on finding new customers, they neglect one of their most profitable assets: existing customers. In any industry, there are countless products and services competing for a customer's attention in an effort to grow market share. Seeing the world through customers' eyes and understanding exactly how they feel, think and behave, is crucial in building customer sales and growth.

Our role as Customologists is to deliver real insights and data about what the everyday customer wants. Knowing how they feel, think and act helps brands to retain their loyalty and continue their relationships by targeting their specific needs and wants. However, not every customer is worth fighting for, so knowing when and how to target the right ones is important to the success of your brand.

Our 2023 release of *The Unspoken Customer* provides current insights into what customers are thinking. Our research and latest data allows brands to truly understand what their customers value and in turn increase their overall retention rate by influencing the right behaviours.

Bonnie McCoy
General Manager and Customologist



"Brands that are too focused on short-term KPIs spend too much effort chasing their next customer, rather than looking after their 'now' customer. Adopting a customer-first culture is the key to survival at any time, but especially while the operating environment is so turbulent, and this approach is essential when partnering with the right franchisees or employees to represent the brand."

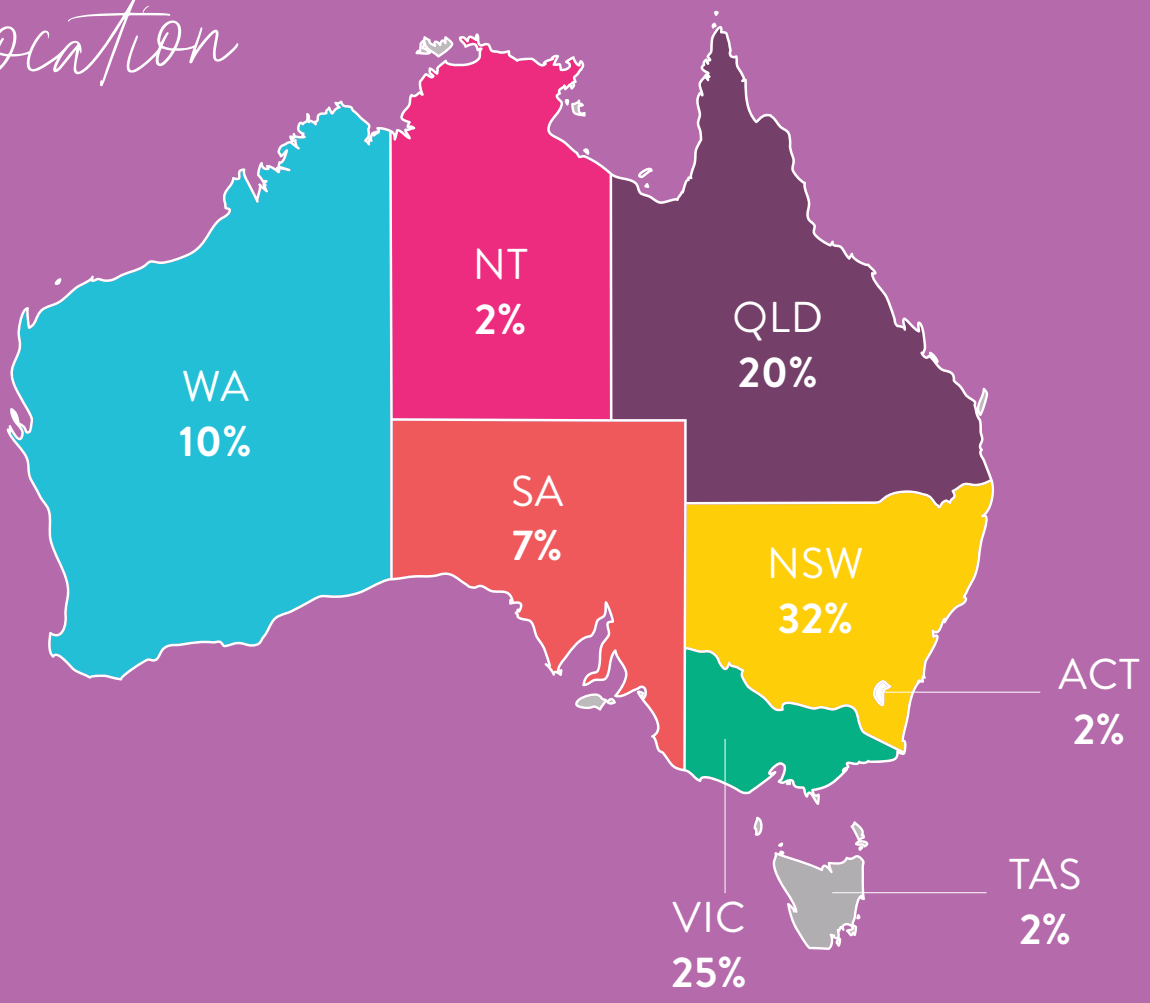
Director,
Franchise Advisory Centre

"I think many marketers will be shocked to learn how their customers are genuinely feeling and behaving in regards to their brand. But I believe it is a shock that is desperately needed. Customer loyalty cannot be purchased. And customers' lives and interests reach far beyond the relationship they have with any brand. This research is a wake-up call to brands that have allowed customer communications to become rote, predictable and annoying; which I am sure is the opposite of their intended purpose."

Partner,
Creatism Academy

2,506 AUSTRALIANS SU

Location



Gender

48%
Male

51.7%
Female

0.3%
Prefer not to say

Customology

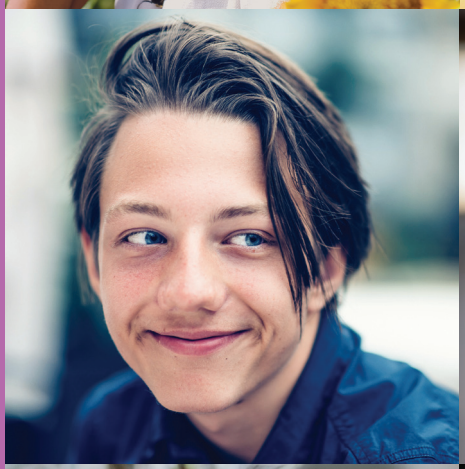
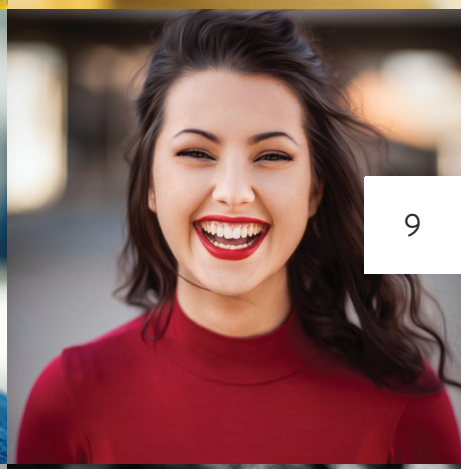
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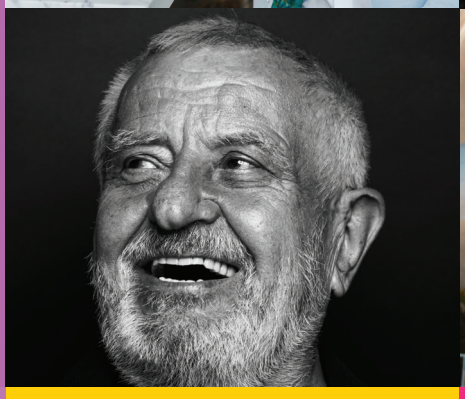
age

- 18-24 YEARS — 13%
- 25-34 YEARS — 18%
- 35-44 YEARS — 19%
- 45-64 YEARS — 18%
- 55-64 YEARS — 15%
- 65+ YEARS — 17%






The trust CRISIS

"Developing a strong base of loyal customers is one of the key ways any brand can drive themselves ahead of their competitors. Customer data is at the heart of this. It reveals all you need to know about your customers, helping you to design relevant and effective rewards programs."

Sales Director AU/NZ, Givex

"Data is best used with customer and patient transparency, in a way that enhances their experience with the brand. At the end of the day, it is the Healthia customer/patient who needs to benefit from effective utilisation of their data through better health and wellness outcomes."

Chief Technology Officer, Healthia

Trust and loyalty underpin a brand's success. Trust inspires brand loyalty and is key to developing long-term customer relationships. As humans, personal relationships are developed and maintained on the basis of trust and loyalty, so why should business be any different?

48% OF CUSTOMERS
BELIEVE BRANDS LIE in their marketing

69% OF CUSTOMERS
DON'T TRUST BRANDS with their personal information

Customers have instant access to an entire digital world of information where they can research and determine how they feel about a brand and its offerings. They will compare what brands say about themselves with the opinions of friends and family and will seek out customer reviews. Believing what they're being told about a brand will ultimately determine how they spend their money. When there is a mismatch between what brands say and what their customers hear from other trusted sources, the brand is perceived as, at best, out of touch and, at worst, deceptive. A brand that is perceived as untrustworthy is dead in the water.

In addition to skepticism about the claims brands make about themselves, our research shows a majority of customers are reluctant to share their personal information without a clear idea of how it will be used. Once the data is shared they expect the brand to use it, ideally to provide relevant information and offers.

Notes from a Customologist

Businesses collect many types of sensitive customer data, from delivery addresses, a customer's name, email, banking details, and so much more. In doing so they create an expectation the data will be used and used responsibly. Our research found that 1 in 5 customers received no follow-up communication from brands that had asked for personal information which begs the question: If you aren't going to use the data, why collect it?

To keep faith with customers:

- *Review your data collection practices regularly to ensure you only request what you need and will use.*
- *Contact customers promptly on receipt of their data even if it's only to say thank you. There are no second chances to make a good first impression.*



50% OF CUSTOMERS *don't believe online reviews are genuine*

Transparency builds trust

Let's face it, no one likes receiving a bad review, least of all when it's public. In the face of negative feedback, brands typically respond in one of three ways:

- *they ignore the review or try and hide it,*
- *they respond with excuses that seek to blame the customer, or*
- *they listen carefully and respond thoughtfully*

Trying to hide bad reviews is doomed because customers have access to many and varied sources of information that the brand cannot control. Only displaying positive reviews on your website if other sources tell a different story appears deceptive to your customers.

Bad reviews arise from a mismatch between a customer's expectations and their experience. Brands must accept that they are ultimately responsible for both creating and meeting those customer expectations and seeking to blame the customer for their poor experience pretty much guarantees they will never buy from you again.

Listening and responding recognises that bad reviews, even when the language is harsh and unforgiving, are actually a gift for which brands should be grateful. They not only point to opportunities to improve customer experience, but can also allow brands to publicly demonstrate their commitment to their customers in a way that builds trust and confidence. Who would you rather buy from - a brand that ignores feedback and blames the customer or one that accepts responsibility and seeks to make things right?

Notes from a Customologist

Don't ignore feedback. If a customer takes the time to provide feedback you should at the very least acknowledge it. Failing to do so raises valid questions about a brand's commitment to their customers. Trying to hide it leads to an even greater erosion of trust.

Accept responsibility. Don't blame the customer for your poor performance. If customers have unrealistic expectations it's because you have encouraged them.

Respond thoughtfully. Responses should be specific and relevant to the problem so customers feel heard. If a customer has made a mistake, try and find a non-public channel to advise them. Resist the temptation to make them look foolish.





CUSTOMERS ARE RECEIVING

TOO MANY MESSAGES THAT SIMPLY AREN'T RELEVANT TO THEM.

This is such a missed opportunity to continue the conversation with our customers to bring them back in-store. We're creating messages that we think customers would be interested in, when really they don't care - unless it benefits or impacts them in some way. It's time to stop using surveys and demographic data to make assumptions. Leverage your behavioural and transactional data to start a relevant and personalised conversation with your customers.

58% OF CUSTOMERS DON'T BELIEVE THEY ARE TARGETED in a *relevant way*, even after providing THEIR PERSONAL DETAILS

A consistent theme in the research was disappointment and frustration at receiving generic messages and offers even when brands had plenty of information to personalise beyond simply using their name in a salutation.

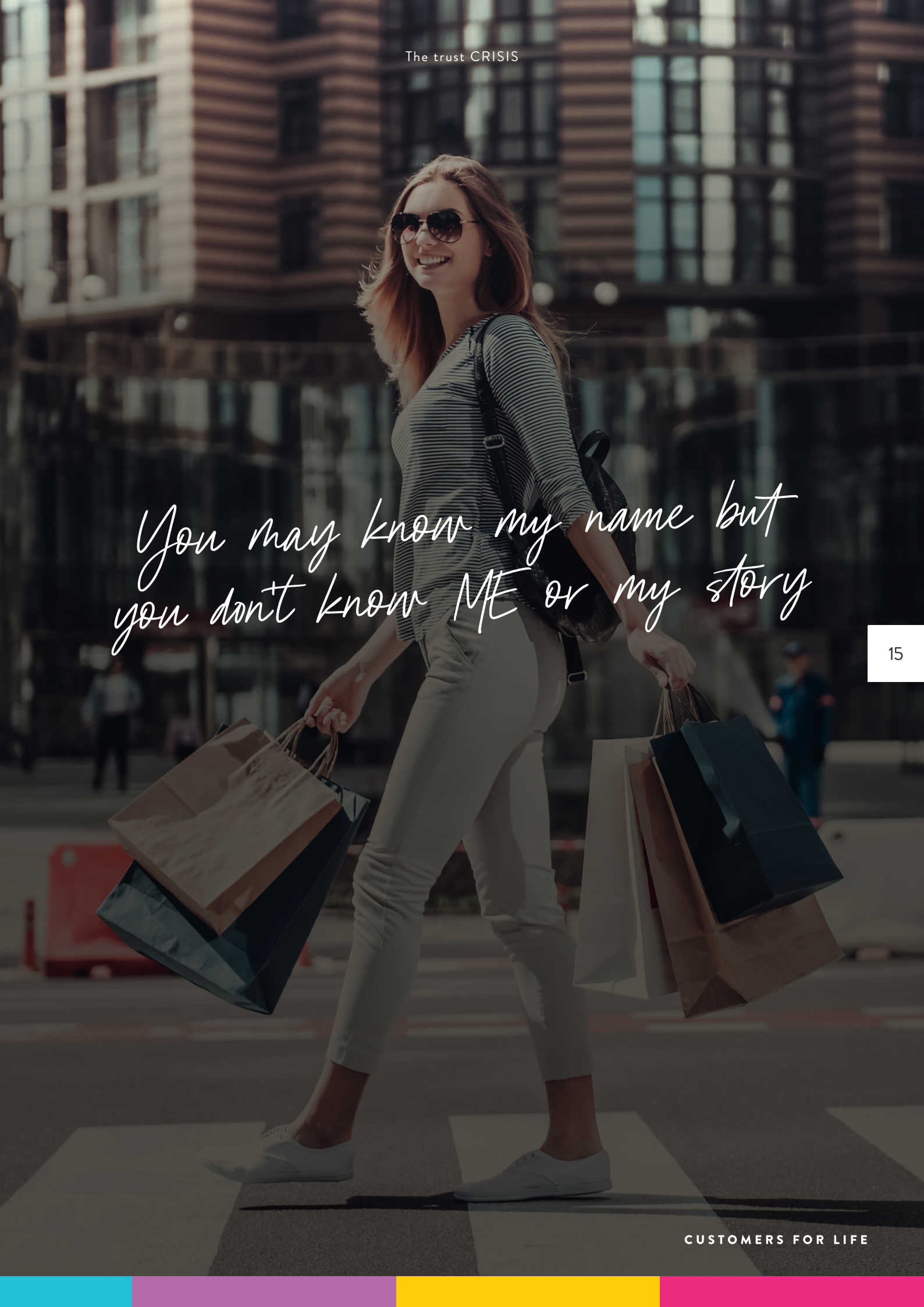
When the customer shared their information, there was an assumption that it would be used to their benefit to provide targeted, relevant communications and offers. When brands inundate them with generic broadcast emails it further erodes customer trust.

Advice from a Customologist

Ask yourself:

1. *What percentage of your campaigns are sent to your whole database?*
2. *How much of the content is targeted to the relevant interests/next sell/lifecycle state of the individual customer?*
3. *Do you alter your sending frequency or switch channels for customers who don't open your emails?*
4. *Do you use multiple channels to engage the customer at different times?*
   For example: Direct Mail, outbound calling, SMS
5. *Are your messages genuine and consistent?*




You may know my name but
you don't know ME or my story

19% OF CUSTOMERS DID NOT RECEIVE

ANY FORM OF COMMUNICATION

after their first visit, despite sharing their details.

Business gets busy, we get it – so it's no wonder one in five customers say brands do not follow up with them. In such a competitive and crowded market, the consequences of neglecting customers are dire. Customers will simply be lured by a competitor working harder to secure their loyalty.

The cost of finding new customers is increasing and far exceeds the cost of keeping the customers you've already paid to acquire. The combination of stricter data and privacy laws, ballooning inflation and declining ROI from digital marketing are driving up acquisition costs. With our research showing 1 in 5 customers receive no communication following their first visit there is a golden opportunity to convert one-off transactions into repeat customers at a much lower cost than finding replacements.

The findings of our research are sobering to say the least and clearly point to an escalating crisis of trust. But embedded within the bad news are clear signposts of where improvements can be made. For brands willing to heed the warning and make the necessary changes, there is a very real opportunity for sustainable growth.

Advice from a Customologist

To get started, ask yourself, what is my brand's retention budget? Every brand has an acquisition budget, but not every brand has a retention budget. What are you willing to spend to keep a customer? Once you have this figure, you can start building trust. A simple 'thank you' (minus the up-sell) is a good place to start!



71% BELIEVE

THAT BRANDS ARE PUSHY IN THEIR APPROACH TO SALES

Let's be real: nobody likes a pushy salesperson. A staggering 71% of customers believe marketing communications are too aggressive in encouraging them to make another purchase. So how can brands guide their customers to make another sale, without coming across as too forceful?

Don't rush. Many brands want to give customers as much information about a product or service as possible. However, in doing so, they overload the customer and lose their attention. Furthermore, don't cram; customers want short and concise. Bombarding your customers immediately after purchase will only overwhelm and frustrate them. Wait until it is appropriate to send out marketing communication or customers may perceive you as desperate and, when you do, make sure the content is relevant to the customer to have the best chance of bringing them back again.

Thoughts from a Customologist

Your communication should focus on the individual needs of your customer. But how do you know what your customer wants or needs? Put your data to work!

1. *Consolidate the data that you have available; from transactional, behavioural and qualitative data create meaningful segments within your database.*
2. *Then, tailor your marketing to those customer segments.*
3. *Test and learn. Try out different messaging to your customer segments and measure what is most effective.*

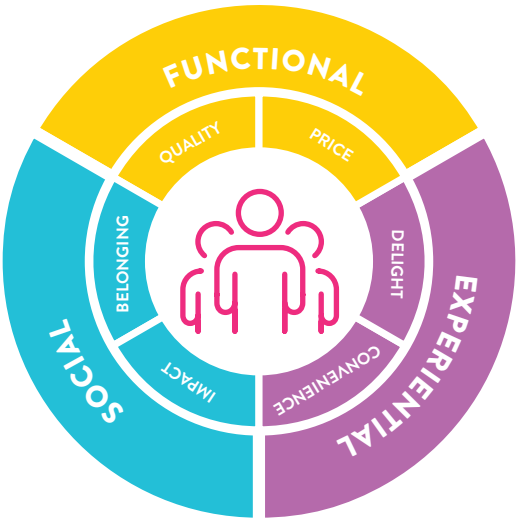


Rethinking value for customers

Not surprisingly, our research found customers were strongly influenced by economic uncertainty with 90% reporting they were more conscious of spending decisions. With customers becoming more price sensitive it's tempting for brands to respond with discounts and other price signals. However, this can quickly become a race to the bottom that some brands won't survive.

Most brands would rather talk about value than price. Elevating the conversation with customers in this way opens the door to brand differentiation and premium pricing. But what does value really mean from a customer's perspective? Traditionally, value has been defined as a relationship between quality and price. And while this isn't wrong, this functional model doesn't tell the whole story. It doesn't explain why a t-shirt sells for $5 at Kmart and $500 at Chanel. Can the quality of the Chanel shirt really be 100 times better than Kmart? Something else is at work in the customer's reckoning of value.

Customology Customer Value Matrix



Customology has developed a Customer Value Matrix that includes quality and price but which brings together a range of other drivers of perceived value that brands can consider. It is by no means exhaustive and some factors will be more or less relevant across industries.

Experiential Value

While quality is important it is no longer the only factor at play. Customers also weigh up their experiences in acquiring and consuming a brand's products. Experiential value has an emotional dimension that is highly relevant in establishing customer loyalty. Was the customer delighted? How convenient was the experience?

EXPERIENTIAL VALUE CAN BE DEFINED AS DELIGHT X CONVENIENCE

Social Value

Whether it's sustainability, local community engagement or fair trade and social enterprises, customers are increasingly aware of the social impacts of their consumer choices and actively prefer brands with a neutral to positive social footprint. Our research found 82% of customers thought it was important for brands to give back to the community and more than 50% said it would directly influence how loyal they were to a brand.

Brand choices also send social signals that communicate status and belonging. Paying $500 for a Chanel T-shirt marks the consumer as a fashionista with high excess disposable income. Similarly using a keep cup or driving an EV affirms a sense of belonging to the environmentally conscious tribe.



Social **VALUE**

CAN BE DEFINED AS

IMPACT X BELONGING

Thoughts from a Customologist

Defining value can no longer be one-dimensional or rely on any single factor. We need to first start with the customer in mind and work backwards to the best balanced proposition. There will always be outliers, but a word of caution: don't build a strategy around them.

So, places to start:

1. *Go on a listening tour with the customers who exhibit the purchase behaviour you would like to replicate.*
2. *Ask why they choose to purchase from you.*
3. *Ask them what would tempt them away.*
4. *Become a customer of your own brand and see what it feels like. It is rarely a radical change but more of a refinement.*
5. *And be ok to test and learn.*



Same, same, but NOT different

Our research revealed the **three main customer irritations** about the marketing communications they receive today:

They are non-stop

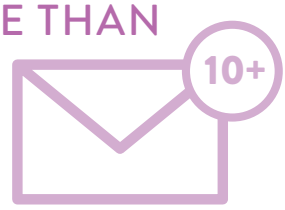
They always contain the same information

Apart from name, the content is not personalised

Unfortunately, the need to send something often wins out over the desire to create genuine value for the customer.

The digital economy has given us access to more customer data than imaginable, and yet we don't take advantage of it, continuing to spam our customers with the same messages, sent at the same time. Too many of us are guilty of this 'spray and pray' approach.

37% OF CUSTOMERS ARE RECEIVING MORE THAN ***20 MARKETING EMAILS*** EACH WEEK



46% SAID THEY *HARDLY READ ANY OR NONE AT ALL*

DELETE

SUBJECT **Subject line and individual personalised offers were the main reasons selected for opening an email**

61% said that marketing emails rarely influenced a future purchase

SEND

Customer behaviour, as always, continues to evolve – they are on the move, active across multiple platforms. Yet, email is still seen as the holy grail.



Recommendation from a Customologist

Consider alternative channels to engage customers. A balance of email, social media, SMS and phone communications, for example, will have a greater impact than a strategy utilising only one channel.

How many emails is TOO MANY?

It's so important that we measure what's working and what isn't, so we can make continuous improvements. This is a very broad statement, we know. From a marketing communications perspective, we need to be really focusing on engagement, not how many of our customers are receiving the comms. Let's stop getting distracted by the wrong KPIs. If we continuously target our customers with the wrong content, they'll get sick of it and unsubscribe, then we've lost the chance to influence future behaviour and create a customer for life.

60% BELIEVE

THEY ARE BEING **EMAILED**
TOO FREQUENTLY

67% OF CUSTOMERS

BELIEVE THEY ARE RECEIVING
MORE MARKETING EMAILS
THAN THEY WERE 2 YEARS AGO

Businesses have suffered since the start of the pandemic in 2020. With a staggering 90% of customers more conscious about spending in the current economy, many brands feel a need to push their marketing more than previously. Our research shows, however, that customers simply don't have the patience or tolerance for it.



Advice from a Customologist

Reserve broadcast emails for big announcements like new product launches and key promotions. Use the "send to all" function sparingly, and you'll find you'll get better cut through.

Market smarter: email and beyond

There are many additional channels to target the customer which we are not taking full advantage of. Sophisticated brands are leveraging different channels to communicate with their customers at different times. Email, SMS, Direct Mail, Phone, Push Notifications, Social Media, Google Ads... the list goes on.

Let's look at a few examples of how some of these different channels can be used to influence behaviour.

Recommendation from a Customologist

There is no one 'right' channel. An effective customer retention strategy utilises all (or most) of the channels at our disposal; tailoring the messaging to the channel and the channel to the customer. Emails still play an important role, but they will never engage 100% of your customers.



MARKET SMARTER

Phone

- Recalls - "it's been a while since we've seen you"
- Customer feedback

Direct Mail

- Longer form content
- Statements
- Membership renewal
- Tactile, creative execution

E-mail

- Thank you
- Transactional messages e.g. order confirmation
- Educational / informational content
- Cross-sell and up-sell messages
- Surveys

Social Media

- New product announcements
- Sales and promos
- Retargeting
- Q&A
- Product demonstrations / how-to



SMS

- Booking confirmations
- Sale announcements
- TIP: Be selective with your SMS messaging - SMS is more intrusive than email, use it carefully

Push Notifications

- Time sensitive offers
- Important messages
- New product launches
- Promos

More than half of the customers we spoke to believe they are being emailed too often, so unless our message is relevant and tailored to the customer, chances are it's getting deleted. Too often, we just accept this and consider that customer as off-bounds when, in fact, we have so many other opportunities to continue the conversation.

Marketers who want to communicate with their customers effectively will be integrating their campaign reporting back into their customer data solution. If you have a view of the communications you are sending to your customers and can track that back to their subsequent behaviour, you will have a competitive advantage and a much better approach for influencing the behaviour of your customers.

What is driving your customers away?

82%
OF CUSTOMERS
BELIEVE BRANDS SHOULD REWARD THEM FOR THEIR LOYALTY

MORE THAN HALF (55%) DON'T FEEL THAT THEY ARE REWARDED

77% *Believe*
NEW CUSTOMERS GET BETTER DEALS THAN CURRENT CUSTOMERS*
*Customology Unspoken Customer 2020

Trust and loyalty are closely linked and mutually reinforcing. You can't be loyal to a brand you don't trust. Not surprisingly given the trust crisis, our research also showed brands were highly vulnerable to losing customers to their competitors, leading brands to focus their attention on acquisition. In the rush to acquire new customers, brands often offer better deals than those available to their current customers and hope they won't notice. Well, they do notice.

More than three quarters of current customers believe new customers get better deals. This leaves them feeling undervalued and much more likely to defect to a competitor, leading to increased churn and so the cycle starts again.

HALF
OF THE CUSTOMERS WE SURVEYED
SAID THEY COULD BE TEMPTED by a competitor with the top triggers being:

- DECLINING QUALITY (55%)
- LOWER PRICE ELSEWHERE (50%)
- A POOR EXPERIENCE (42%)
- OVERCOMMUNICATION (14%)

How do you get them back

62%

OF CUSTOMERS WOULD RETURN TO A BRAND IF THERE WAS A COMPELLING OFFER

24%

WOULD RESPOND TO A PERSONALISED *message* (MORE THAN JUST NAME)



23%

WOULD RETURN TO A BRAND BASED ON A RECOMMENDATION FROM FAMILY OR FRIENDS

While digital media has overtaken traditional channels in terms of media spend and usage, many brands are still approaching their digital strategy with a traditional mindset. Using it as a mass broadcast platform to send whatever message we can to everyone in our database, results in irrelevant content and largely ineffective campaigns. For example: ads on Facebook that are targeting new customers, but post-purchase the same message is being shown to the same customer. We should recognise that they have made a purchase and move them through the path to re-purchase. Frequency and relevance ***is key****.*

All you have to do is join your local Facebook community group to learn that customers are not as silent as you think they are. They have a voice and are not afraid to use it. 90% of our customers are telling friends and family members about good and bad experiences. We don't know everything that's being said, or the potential impact on the reputations we have worked so hard to build. The most powerful form of brand recognition is a trusted personal endorsement. So, how easy are we making it for our customers to share their experiences and recommend us? We need to be present in as many channels that they are using where possible and join the conversation.

68% OF CUSTOMERS

are Loyal

TO BRANDS

WITHOUT LOYALTY PROGRAMS

Our research contradicts the vocal opinions that brands must have a loyalty program to drive customer loyalty. Whilst some loyalty programs truly deliver value to their customers, they are few and far between.



Thoughts from a Customologist

Brands risk losing valuable customers if they don't recognise and reward them based on their unique position in the lifecycle. Assess existing loyalty or reward programs to determine if they are still relevant. Send tailored rewards to customers based on their specific purchase behaviour and preferences.

Don't launch or keep a loyalty program if it doesn't deliver value to the customer - they will see right through it. All you'll be left with is an expensive, ineffective, operational nightmare. Consider what is right for your brand AND your customers. A well-implemented communication program can be more effective than a traditional loyalty program.



Idea from a Customologist

By effectively segmenting and analysing customer transactional data, you will learn where growth opportunities lie. For example: assess your brand's revenue over a specific period of time (we recommend 2-3 years), to identify the following customer groups:

Superstars: *Customers who spend the highest amount and shop most frequently*

Active Repeats: *Customers who have made multiple purchases (aka potential superstars)*

Lapsed Repeats: *Customers who previously made multiple purchases, but don't come back as often as they used to*

Recent One-offs: *Customers who have recently made their first purchase*

Lapsed One-offs: *Customers who previously made a single purchase, but never returned*

Lost Superstars: *Customers who used to spend high and shop frequently, but have not returned*

Aside from keeping your Superstars happy and engaged with your brand, how do you turn the Active Repeats into Superstars, and increase the amount of money they spend with you?

How can you re-engage the customers you have lost or are in the process of losing? What will be most frustrating is when you realise the potential revenue you lost or risk losing. Bear in mind this doesn't include referrals either!

The moneymoon and path to re-purchase

The Moneymoon

MONEYMOON

We only get one chance to successfully onboard our customers. We need to use it wisely. The moneymoon period is the first 30-60 days post purchase. This is the time when our customers will be feeling positive about our brand (provided they had a good experience). What we do in this period is vital and could make all the difference between a one-time purchase or a customer for life. We need to be talking to our customers, not at them. The moneymoon is the best time to engage with our customers to increase our chances of retaining them.

We spend so much time and effort acquiring our customers - let's not waste this opportunity or allow buyers remorse to kick in.



"When it comes to marketing strategy, many brands often forget the importance of nurturing and maintaining the customers they already have. Not only is it a fundamental way to increase purchase frequency, repeat purchases and in turn, your customer's lifetime value – they are much easier and 'cheaper' to convert than new customers. With retention, you are essentially increasing the ROI of every paid acquisition you achieve."

Group CRM Manager,
Laser Clinics Group



"Consistency of message and content across marketing, sales, onboarding and customer success teams is critical. Each function should optimise their comms channels, with marketing support, to ensure a value-based approach, centred on the customer."

Marketing Leader, Corporate Traveller

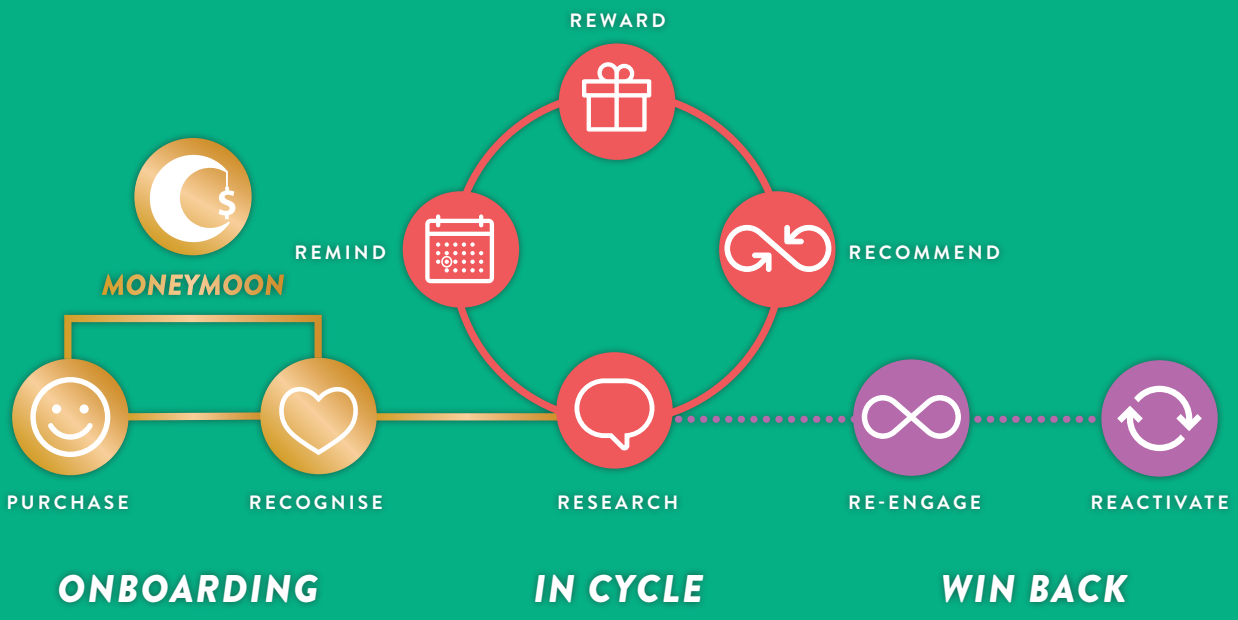
"Our customers typically purchase a new tyre every couple of years. Rather than ignore our customers during this time, we implemented our Bridgestone benefits program to give us a valuable reason to contact our customers - whilst ensuring Bridgestone remained front of mind."

National Marketing Manager, Bridgestone Australia

Path to Re-purchase Principles

We dedicate so much of our time driving the first purchase - but then what?

We often hear little to no reference to the path to re-purchase. This is such a fantastic opportunity for us to differentiate ourselves from the competition. This is what will bring our customers back in store time and time again - not a generic marketing campaign that's designed to suit everyone.



RECOGNISE

DO

Thank you

Say thank you without asking for anything in return

Show appreciation

DON'T

Send a satisfaction survey

Tell the customer about a sale

Ignore the customer



RESEARCH

DO

Check in on the customer - ask how they are finding their product/ service post-purchase

Curate messaging based on the customer's interests

Ask for brief feedback

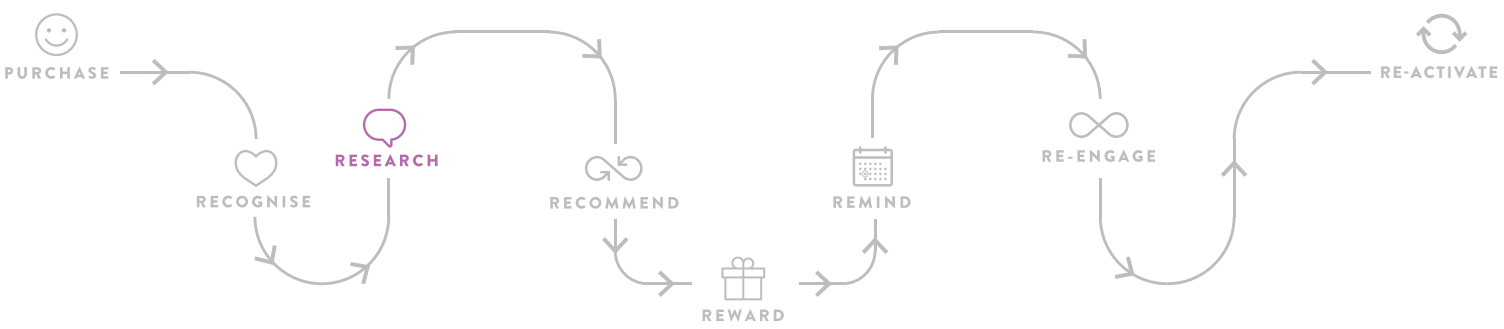
DON'T

Make assumptions on what the customer is interested in

Ignore the customer

Spam the customer

Send a ridiculously long questionnaire



RECOMMEND

DO



Be relevant, personalise the conversation around the customer



Recommend a product/service that complements the original purchase

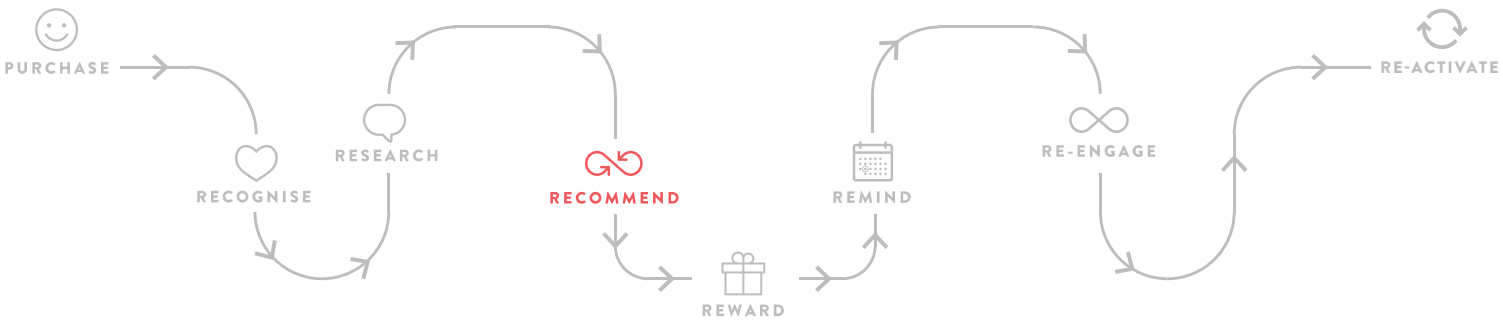
DON'T



Make assumptions on what the customer might be interested in



Make irrelevant recommendations



REWARD

DO

Reward the behaviour you want to influence

Share a personalised/ tailored incentive

Reward referrals

Recognise and appreciate the customer's loyalty. Show them how valued they are

DON'T

Make assumptions on how the customer wants to be rewarded

ONE SIZE FITS ALL

Offer a 'one size fits all' reward

Offer new customers better rewards than loyal customers

Offer incentives for their regular purchase. Aim to influence new behaviours



Customology

REMIND

DO

Remind the customer of the benefit of your value proposition

Offer an incentive to return

Use alternative channels to connect with the customer via retargeting

Share new product/services relevant to original purchase

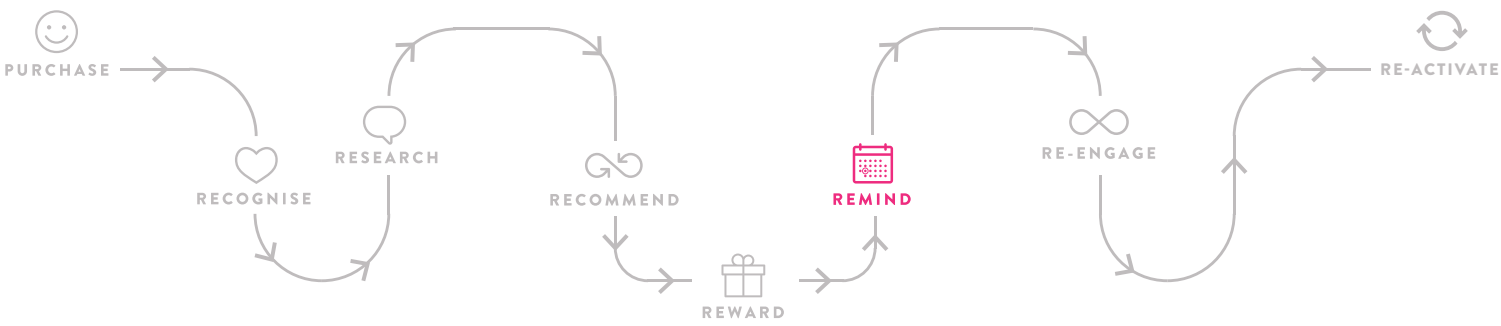
DON'T

Spam the customer

Communicate with the customer through a single channel

Share irrelevant communications

Assume the customer will come back to you



RE-ENGAGE

DO

Offer targeted incentives for lapsed customers *(Churned customers need more enticing incentives, but can be targeted)*

Ask the customer for their input and feedback

Leverage different communication channels

DON'T

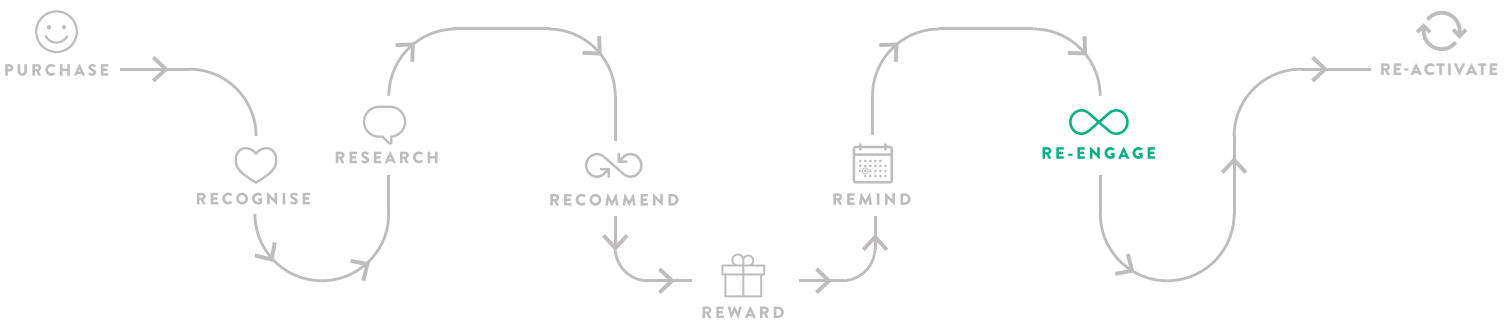
Spam the customer

ONE SIZE FITS ALL

Offer generic/ one size fits all incentives

Make the customer feel like a number

Make assumptions on what will bring the customer back - use the data you have



Customology



Recommendations from a Customologist

It is essential to evaluate every customer touchpoint and ask yourself, "Is it good for the customer or the brand?" Brands must adopt an 'outside-in' perspective and think from the customer's viewpoint. Consider how you respond to brands that target you, the ones you frequently shop with, and what triggers a response from you. Seek input from friends, family, and colleagues to get into the 'customer mindset.'

- *Make the most of the moneymoon period by engaging with customers and learning how to keep the conversation going to encourage repurchasing and influence future behaviours.*
- *Allocate 10% of your marketing budget to customer retention, ensuring that this is a separate budget that doesn't include technology fees.*
- *Evaluate your customer and loyalty programs to ensure they remain relevant to today's market and provide value to your customers.*
- *Determine whether your marketing campaigns are effectively influencing your customers' behavior and driving them to take the next step. If not, it's time for a change. Integrate additional channels into your marketing campaigns to market smarter.*
- *Go on a 'listening tour' to engage with your customers and gather as much information as possible. Find out how they feel, address their concerns, and answer their questions.*

"At the core of trust is respect. Respect is such a powerful concept, I'd say it is the single most important thing in the world. Regardless of your position, without gaining respect you will never achieve your goals."

Director, Franchise Relationships Institute















Conclusion

Collaborating with Bonnie and the talented team at Customology has been an empowering experience as we strive to unravel the customer's decision-making process. *The Unspoken Customer* research has given us unprecedented insight to effectively guide and influence customers through lifecycle programs for the brands we partner with.

The core challenge for all brands is to retain and expand their customer base, which requires a delicate balance of customer retention and acquisition. At Customology, we believe that while technology is undoubtedly important, it should not be the sole determinant in defining your customer lifecycle program. Over-reliance on research, surveys, and automation can hinder the customer experience, especially when chanelled through a single source to cut costs.

We know that customers are not complicated creatures; they simply seek a hassle-free and positive experience. Our customer-centric approach enables us to stay true to our goal of lifelong customers. We will continue to explore innovative ways to retain and grow your customer base, and we look forward to sharing our insights and collaborating with you to enhance your brand's customer lifecycle program.

We appreciate your trust in our research, and please do not hesitate to contact us if you require further information or want to explore new avenues.

Continuing to think like a customer,

Mark James
Customologist and Founder

Next steps...

1 **Find out which of your customers are creating value, and how to find more of them.**

Customology's Customer Growth Analysis can kick-start this.

2 **Review your path to re-purchase. Are you influencing the right behaviours?**

Customology can help you influence the right actions by engaging the right customers throughout their lifecycle.

3 **Review your marketing. Are you shouting the same message to every customer?**

Customology can help you put the customer at the heart of your marketing by utilising audience segmentation for increased campaign effectiveness and commercial results.

Survey conducted independently by Dynata, 2023
Analysis conducted by Customology
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