Customer Insight

- "How" Understanding
  - Transaction History
    - Cost per Lead
    - Cost per interaction
    - Average Lifetime and Lifetime value
      - Overall value
      - Profitability
    - Average First Year New Customer Revenue
    - Average Cost per Customer by Category or size
    - defection rates
    - Cross-sell rates
    - Products Bought
    - Sales timing
  - Demographics
  - Attitudes
    - Towards advertising in general
    - Towards newspapers vs. other media
    - Towards The Express-Times vs. Competition
      - Satisfaction Surveys
      - Advertiser breakfasts
- "Why" Understanding
  - Customer Needs
    - Ad Response
    - Message focusing/creative input
    - Brand Building
  - Customer Values
    - community?
    - ego?
    - Perception of category "Leadership"
    - Relationship with rep or paper
- Benefits
  - Know what to offer specific customers
  - Know what not to offer specific customers
- Marketing Focus Areas
  - Get Customers
    - Pros: Grow base. Counter churn. Snowball effect
    - Cons: High cost of new customer acquisition
  - Keep Customers
    - Small increase in retention can have a large impact on bottom line
    - Rescuing a customer costs much more than keeping them in the first place
    - Identifying reasons for losses
      - Uncontrollable
      - controllable
  - Grow Customers
- Marketing to Customer Segments
  - By Geography
    - Presumption: Customers can be best organized and reached divided geographically
    - Pros: Aligns with sales force deployment. Works for Geo-based projects (Community guides, etc.)
    - Cons: Ignores category differences and individual business needs.
    - Method: Master Geographic Sales Database
  - By past sales history
    - Presumption: Customers and Reps are creatures of habit and can be counted on to do what they did last year
    - Pros: Easy to identify and manage. Reps have existing relationships.
    - Con: Doesn't apply learning gained from data analysis. Past history may not be a good indicator of future behavior. Focus on the past may blind you to new opportunities
    - Method: Examining existing customer history
  - By needs group
    - Presumption: Widely divergent businesses have a lot in common based on needs and values and should be classified together for marketing purposes
    - Pros: Recognizes that customers that do not hare geography or past buying patterns may have the most in common.
    - Con: Requires changing current approach
    - Method: Golden Questions
- Marketing to "High-value Customers"
  - Identify top x % who contribute 50% revenue
  - Identify and focus on every need/value of this group