



Playbook:

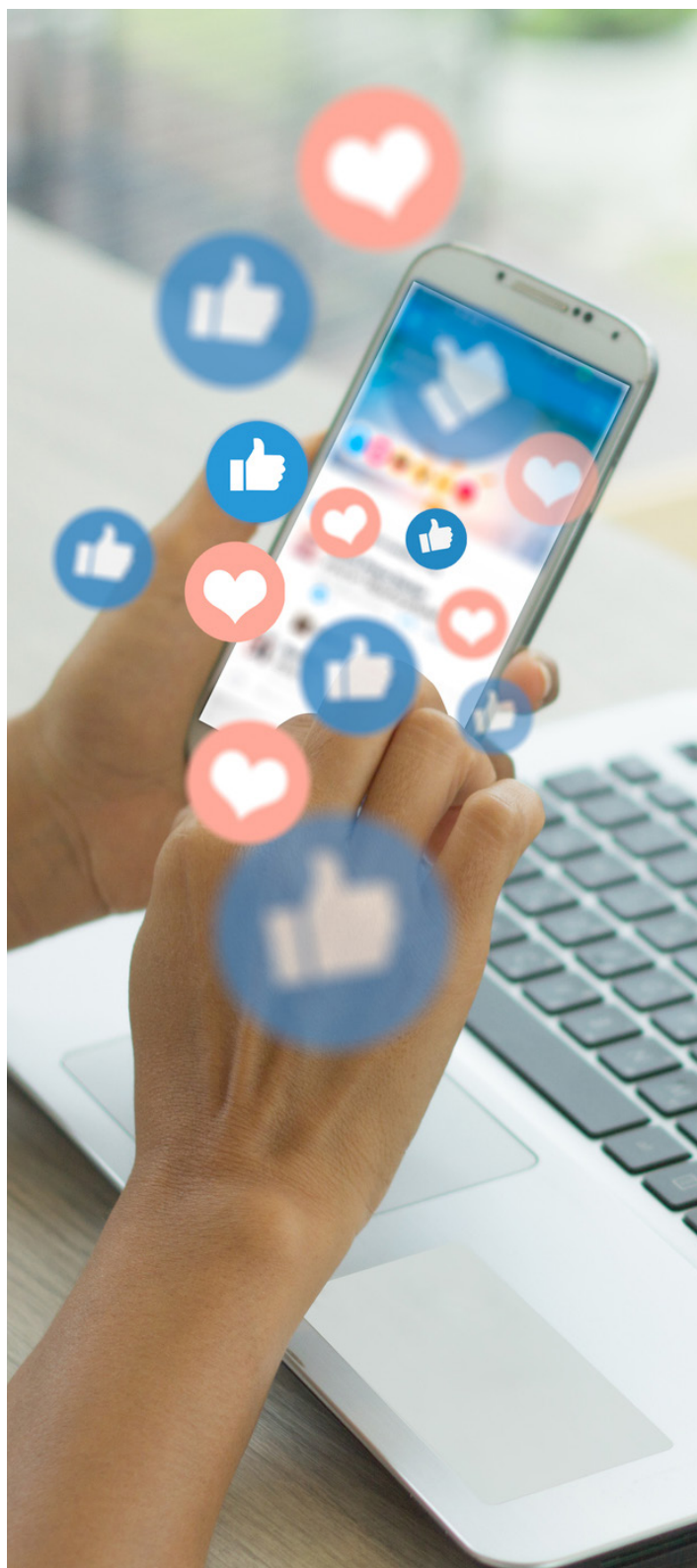
6 Ways To Generate Revenue From Your Current Customer Base

Ask 10 CEOs how they plan to generate revenue in 2021 and nine of them will tell you from new customers. But the most astute and savvy CEOs are looking closely at their current customers as one of the easiest places to generate revenue.

According to a report from Walker Information, customer experience will overtake price and product as the key brand differentiator.¹

Increasing customer retention rates by 5% increases profits anywhere from 25% to 95%.²

This playbook will document and detail six of the most successful revenue-generating programs you can run in 2021 that focus on the people who already know you, already like you and already trust your company – your current customers.



¹ Walker's [Customers 2020: A Progress Report](#)

² Bain & Company

1. Customer Email Campaigns

Mention [email marketing](#) and almost everyone thinks of email campaigns for prospects. But look again, because you should be emailing your customers, too. In fact, everything you do for prospects should be done for customers as well.

This includes segmentation, which gets a lot of attention when it comes to prospect emails. But segmenting your customer list and designing email marketing campaigns by customer segment might be even more important.



THE STRATEGY:

When it comes to customer marketing, people generally think about promotions, discounts, special offers and other incentives like coupons. But you should be thinking about the stories you want to share with your customers. For example, tell stories about how customers are benefiting by using your products or services.

Share these stories with other customers in similar industries or those with similar challenges. You'll be surprised at how most people have a fear of missing out on what other companies are getting. If they can get it from you, they'll want to talk with you.

THE TACTICS:

If you send prospect emails every week, send customer emails every week. If you send prospect emails monthly, send customer emails monthly. By creating a similar rhythm between prospects and customers, you'll set up expectations that will continue when your prospects become customers.

THE ANALYTICS:

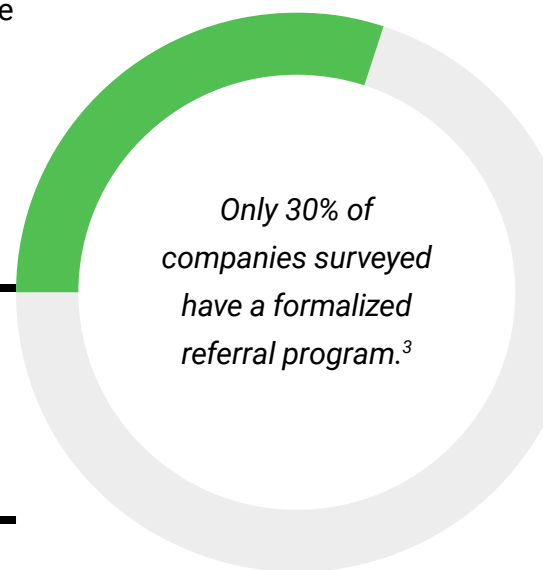
Typical open rates on prospect emails are around 20% and click-through rates are around 3%. Customer email metrics should be higher. Open rates should be closer to 30% and click-through rates should be closer to 10%. It makes sense that your customers would be more engaged than your prospects because they already know, like and trust you.

2. Referral Program For Customers

We were on a prospect call recently, and when we started talking about referral programs for customers, the CEO got extremely excited. His exact response was, “Yes, please!”

It makes sense; every CEO would love it if their current customers were actively referring new prospects to their company. Yet very few companies have active referral programs.

Companies with formalized referral programs experienced 86% more revenue growth over the past two years when compared to the rest.⁴



There are no good reasons to not have a [referral program](#) at your company.

THE STRATEGY:

The key to a solid referral program is incentivizing your customers for the referral, not for the sale. This is a common mistake many companies make. Closing the opportunities is up to your sales team, not your customers.

You need to reward customers every time they give you a referral, regardless of how qualified the opportunity is or the ultimate outcome.

The goal of the incentive is to simply reward the customer for their extra effort. For example, we give a bottle of gourmet root beer. Other companies provide a plant or a \$25 Starbucks gift card. The reward can be small; it's the thought that counts. A simple thank you is all you're going for here.

³ Wharton School of Business

⁴ Wharton School of Business

THE TACTICS:

Execution here is important. How do you know if a prospect was referred? Ask them – it's that simple. If they mention one of your customers, they get the incentive. In some cases, we've created online forms for customers to submit information more formally, but your program doesn't need to be this scripted.

Once you get the referral, make sure you have a system to distribute your incentive. Tools like Sendoso allow you and your crew to automate the distribution. Simply click a box in your marketing automation tool and the proper incentive, card, email or box is sent. This also provides you the ability to automate the analytics associated with your referral program.

THE ANALYTICS:

The key metric for a referral program is the number of referrals. You should be working to get more referrals month over month. You will have to promote the program to drive referrals up and to the right. Other important metrics are revenue from referrals and close rate on referred prospects. These are two relatively easy metrics to report on.



Offering a reward increases referral likelihood, but the size of the reward does not matter.⁵

⁵ American Marketing Association

3. Cross-Sell And Upsell Programs

We talked about email campaigns, but these cross-sell and upsell marketing programs for customers are a bit different.

These campaigns are extremely specific to the products or services your customers purchased. In most cases, there are natural extensions that customers miss, or your sales team may have recommended them but your customers passed on purchasing.

Here's a practical example from a client that's a distributor for a large agricultural equipment manufacturer. They sell equipment that could be worth tens of thousands of dollars initially, but the ongoing sales of service, maintenance and add-on products is equally profitable for the distributor.

However, in most cases, the distributor lost track of customers once the initial purchase was made, unless they showed up back at the store. So two cross-sell and upsell email campaigns were designed that launched upon purchase.

The first campaign followed a service workflow, continually recommending service based on the specific product purchased. These emails came regularly based on the manufacturer's service schedule and encouraged the customer to take advantage of these services. The second campaign promoted a product add-on based on the specific product purchased.

Additional revenue for service and product add-ons had never been significant for the distributor, but these campaigns alone created a new stream representing 20% to 35% of total revenue.



THE STRATEGY:

You're not going to want to focus on the same story every month. The strategy application here is to map out 12 stories (if you're doing this monthly) to promote the cross-sell or upsell storyline. Build these out so they make sense sequentially over the course of the month. You might have two different campaigns like in our distributor application, with one for service and one for product add-ons.

By thinking these out for the year, you can ensure that your customer experience remains positive and not overly promotional.

THE TACTICS:

Email marketing isn't complicated. In these customer emails, it's possible to promote several stories in each email. The more educational you make the emails, the higher your open and click-through rates. Also, remember that your goal is to get people back to your website, so it's highly likely that you'll need website assets (pages or resources) that you can direct customers to on your site.

THE ANALYTICS:

The open and click-through rates are important, but in this case so is revenue attributed to these email campaigns. Sticking with our example, service revenue is related to the email campaigns that promote additional service and maintenance revenue. This is a case where revenue attribution should be easy to identify and report on.

4. Online Reviews

It's a fact that prospects today are looking for online reviews related to your business, no matter what industry you're in or what services/products you sell. Businesses are more transparent than ever before.

You need to be aware of your online reviews and online reputation, and you need to work hard to make those reviews and your reputation as positive and robust as possible.

While some industries have review sites, Google and Facebook allow anyone to review any business at any time. There are reviews on your business right now, and you should know exactly what these reviews say.



THE STRATEGY:

Be proactive about this. You'll want to [encourage your customers to write online reviews](#) about your company. There are a number of ways to do this, and the more reviews you get, the better.

Consider that even the best restaurants have some negative or neutral reviews. We've all seen them. And we're all willing to overlook them when a majority of the reviews are positive. The same goes for your company reviews, regardless of what industry you're in. If you have a couple of negative or neutral reviews and you have an active review program, your positive reviews will outweigh your negative ones.

But if you're not proactive about this, you might find these negative reviews hanging around and even providing an unrealistic view of your company. Don't get into this situation. Make sure you're encouraging customers to leave positive reviews when they have a positive experience.

THE TACTICS:

The best way to drive this is to actively ask for reviews. You can do this as part of an email campaign. We include a link in our email signatures. We also use a standard email template to ask clients who are happy.

Sales and customer service people can also proactively ask customers to leave a review. In some cases, you can incentivize your customers to leave reviews and even use software to actively manage reviews. [Endorsal](#) is a tool that we use with clients.

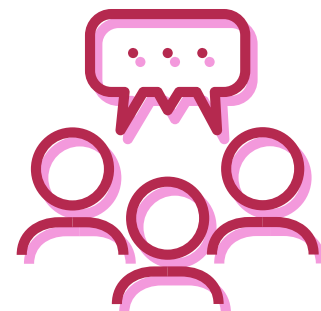
THE ANALYTICS:

Easy enough here – look at the number of positive reviews this month vs. last month and this year-to-date vs. the same period last year. What gets measured, gets done. If you don't actively measure reviews, it's likely you won't see much movement from month to month. This is an important metric to measure if you want to turn customers into revenue.



5. Customer Council

Depending on your business, you might want to consider a customer advisory council. These groups typically include your biggest and most important customers.



THE STRATEGY:

Besides making customers feel valued and positive about your company, these councils can help you work through delivery issues, improve new product and service prioritization, and gain competitive insights.

Since these are your largest and most important customers, these councils also help protect revenue, improve retention and allow you to directly drive additional revenue through personal interactions with important customers.

THE TACTICS:

The keys here are who, what, where, when and how. Who should you invite? What are you going to do with them when they get together? Where are you having these meetings? When will you have the meetings and how frequently?

Keep these groups small. Fewer than 10 of your best customers would be more than enough to get a cross-section of opinions and perspectives. These are going to be your best, largest and most strategic customers.

Make sure you have a clear plan on what you need to accomplish. If you only have a half day of content, just make the session a half day. You can always add additional activities, like golf or a dinner, if this aligns with your plans.

Finally, consider starting slow and have one session per year. As you get into this more, you can increase the frequency to twice a year or even quarterly if it's paying off with legitimate business outcomes.

THE ANALYTICS:

The business outcomes are closely aligned with the analytics. You want to look at revenue from the customers on the council. Track the increases in revenue from customers on the council as well as retention rate. Finally, referrals might also be a metric to track, because these customers should be active advocates for your business.

6. Advocacy Program

When you package these customer-focused revenue-generating programs together, you have what we call an [advocacy program](#) – the conversion of customers into advocates who are happy and active in promoting your company.



Advocates for your company are so happy they're more than willing to talk to prospects about your business. They are happy to serve as references. They regularly write reviews for your business. They are excited to be working with marketing on case studies, success stories and videos that share their experience with your company.

THE STRATEGY:

Formal advocacy programs gamify the advocacy activities. Points, swag or incentives are traded for advocacy. Write a review and gain points. Do a reference check and gain points. Refer a prospect and gain points.

However, you don't need to gamify your program, and unless you have a significant customer base, it's probably not going to make sense. Instead, make sure that you've covered all these bases in your program – reviews, references, referrals and customers who are happy to share their story all make an advocacy program work.

In some companies, it might make sense to assign a marketing team member to manage the tactics that make up your advocacy program. This ensures consistency and efficiency in all of the advocacy marketing tactics.

THE TACTICS:

The best way to execute the tactics discussed here is to orchestrate the diverse tactics into a campaign designed around advocacy. A consistent series of customer success stories drives revenue from your customer base.

THE ANALYTICS:

Again, the analytics are made up of the metrics included in the entirety of these customer revenue generation programs. The final metric that you'll want to track is the number of advocates for your company – people who will happily tell your story to other prospective clients.

If revenue generation is part of your digital transformation plans in 2021, then ignoring revenue from current customers is going to make hitting your goals much more difficult. Successful companies get roughly 20% of their annual revenue from current customers.

Use the strategy, tactics and analytics above to make 2021 your best year ever.



Let's Get Together

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30-Minute Marketing Assessment**

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Square 2 is a full-service revenue growth agency designed to produce results for clients. We help businesses understand the changing buyer journey and how revenue is directly related to marketing, sales and customer service execution.

More specifically, we help our clients with strategy, tactics, analytics and technology to build revenue generation machines that produce month-over-month revenue growth in a scalable, predictable and repeatable way, so their businesses grow.

We use our Cyclonic Buyer Journey™ model to help clients map their prospects' buyer journeys to the right marketing, sales and customer service tactics. We use our AI-powered recommendation engine software called MAXG to drive a more scientific set of recommendations for our clients.

Also, we are the **ONLY** agency to provide clients a dedicated team where one client team works on only one client at any time. This allows us to deliver six months of work in just 30 days and accelerate results for our clients from months to weeks or even days.

Square 2 provides clients a senior team with an average experience of over 10 years, and we choose (yes, choose) to only work with a handful of clients at a time. This enables us to dig in and provide our clients a more intimate and efficient experience with our team.

Our mantra – we want you to #LOVEYOURAGENCY. To learn more, visit www.square2marketing.com.