

THE VANTAGE —closing the gap in B2B

August 21 | 2020

Using Buyer Intent in Customer
Retention

INTRODUCTION

Buyer Intent Data comes in different forms and from different sources, but with similar promises. It's positioned as providing insight as to what's capturing the interest of certain organizations. It's mainly been positioned as an "offensive" tool in sales and marketing, to identify new business potential. But in uncertain times many companies are more concerned with keeping their existing customers, rather than winning new ones, as we suffer from another epidemic – that of caution. So why can't you use Buyer Intent Data and technology to help in this effort as well? The answer is that "you can" and as usual in life it's not really THAT we use something, it's HOW we use it that matters...

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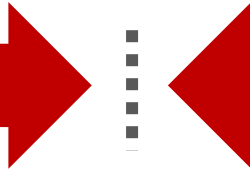
COUNTERCULTURES

Life's confusing. We get contradictory advice and see examples that support contrarian viewpoints from "experts" who cannot agree. We'd throw our arms up in despair if we weren't conditioned to never admit there's something (anything) we don't know. For example, when driving in a particularly aggressive style one day, Homer Simpson famously said through gritted teeth "the best defense is a good offense" as he overtakes and swerves through the traffic in front of him. On the other hand, the prevailing thought in the NFL is that defense wins championships. Everyone seems to use the same example when "proving this" – that of the Baltimore Ravens in Superbowl XXXV in Jan 2001. Trent Dilfer was widely regarded as a less reliable passer, so the Ravens had adopted a "play it safe" offence, which generally ran the ball. However, they scored 34 points to win Superbowl XXXV. In the last 10-years teams who have scored 28 points or more have won 8 out of the last 10 Superbowl's, other than the 2017 Atlanta Falcons (ouch). The most successful team (certainly of the last 20 years, and probably more) were led by great Quarterback play. As far as I recall Tom Brady played (plays) on offense, and we'll see him in the NFC South this year...double ouch!

PROCEED WITH CAUTION

As we have said in the past, we have to exercise caution with the metaphors, analogies and stories we use to support our decisions, give us confidence and that we use to explain our selves, to our peers and superiors. The point isn't that there is a right or wrong answer here, i.e. that offense or defense wins championships. There is compelling evidence such that you can argue either way, thus opinions vary. We should not necessarily be locked into one philosophy or another. In the same way we should not be locked into exclusively using a business development tool (like buyer intent) to serve only one purpose.

“Truly valuable buyer intent data comes from signals that are happening away from your web properties. *‘67% of the buyer's journey is now done digitally,’* and most of that *won't be on your web site.*”



WHAT IS BUYER INTENT – A REMINDER

As a reminder, Buyer Intent Data is sometimes known as Behavioral Intent Data, Purchase Intent Data or Customer Insights. Put simply, it is information collected on a company or person's digital engagement activities with different sources of online information.

Until recently, buyer intent data has been mainly restricted to first party sources - i.e. online interactions with web properties that you own and offline interactions like attending your stand at a tradeshow. These are sources that you control and have access to.

Truly valuable buyer intent data comes from signals that are happening away from your web properties., particularly if you accept that *“67% of the buyer's journey is now done digitally,”* and that *“B2B buyers are typically 57% of the way to a buying decision before actively engaging with sales.”* It is this data that we can now provide.

When a target prospect starts online searches, follows competitors, attends events in your field, or talks about topics on social media which are relevant to your products or services, they leave signals behind that can be tracked.

HOW DOES IT WORK?

We've used words like "triggers" and "signals". So, what does that mean? We're able to "see" what people are searching for and looking at on the web within the parameters we set. We're using triggers to detect signals around specific subjects. Triggers can be "search terms" used in a search line of a search engine. In the business world for example, when looking for help developing some software, you might search on "application development companies" or "agile application development" or "software development". Another example is that you are a technology services provider and your main competitors are offshore companies like Wipro and InfoSys. Anytime our technology detects someone engaging with those competitors on any of their digital channels, whether it's social blogs, their forums, their YouTube channels etc. we would pick up those signals and provide you with those details.

All these signals provide us with indications based on people's "digital body language." What they're searching on, what they're engaging with, who they're following, positions they're recruiting for, and news articles they're forwarding - to name a few. This behavior provides us some idea of their "intent".



"We're looking for someone's digital body language and what it might mean..."

THE THIN RED LINE

Whether we're offensive minded or defensive, the case for using this approach in Customer Retention goes along similar lines. Assume a customer of yours starts searching and being digitally active with respect to a product or service you are *already* providing them with. A competitor might be looking at this from the offensive standpoint, treating this as a new prospect. Your assumption would be that maybe this customer is not as delighted with you as you thought they were, or they maybe looking around for different reasons. Either way, what you're getting here is *early warning*.

The Buyer Intent data and technology being deployed here is the same. The triggers are those you would use to detect signals leading you toward new business potential but framed against the backdrop of your existing customers. Should any of them show up through the noise of the internet, you can then take pre-emptive action to head off any potential customer migration. You can act now, before it's too late.

DEFENSE IS BOOOORING... OFFENSE IS WHERE THE ACTION IS

That's what we all think, and we think the same about winning new business versus retaining existing customers. Winning new business conjures up images of being pulled up by the CEO in front of an admiring audience at the annual sales kick off. With lots of hand shaking and back-slapping and flash bulbs popping, to then be hoisted upon the shoulders of the admiring throng and paraded around the conference like a conquering hero. Meanwhile back on planet earth, retaining existing business is at least as important as winning new, and many companies are right now promoting it to being number one on their list of "must dos".

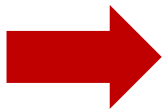


The financial impact of losing customers are profound, as are the effects on your career. [According to Hubspot](#):

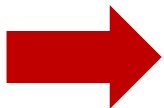
- It's 5-25X more expensive to acquire a new customer than it is to retain an existing customer.
- A 5% increase in customer retention can increase company revenue by 25-95%.
- Retained customers buy more often and spend more than newer customers. They've learned the value of a product or service and keep coming back, again and again.
- Satisfied, loyal customers are more likely to sing a company's praises and refer their friends and family — bringing in new customers, free of charge.

There's also an emotional price to pay for losses as researched by Amos Tversky and Daniel Kahneman who asserted that it is proportionately more difficult for humans to overcome losses, than it is for us to enjoy gains. Maybe therefore we'd have to win TWO new customers for everyone we lost. So, combining what Tversky and Kahneman postulated with the 5-25X multiple of expense, that multiple doubles to 10-50X, which is a big number, and it will probably have to be achieved with less resources.

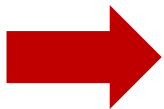
THE VERTO VANTAGE – “THREE YARDS AND A CLOUD OF DUST”



Customer retention might not conjure up the images of “glory days”, but despite it being less fashionable thinking (at least pre-Covid), slow and steady still wins. Back to our original analogy, three yards here, four yards there, might not be sexy, but if you keep advancing the ball up the field you'll score.



Buyer intent technologies and data are designed to provide insight into people's behavior. It's agnostic when it comes to our own intentions with regard to what we do with it. It makes no rules on the interpretations we apply and what we use that data for.



We all know that it is not about what people SAY, it's about what people DO. Peoples' actions tell us more about their intentions. Therefore, there's no reason that companies cannot use buyer intent technology and data to help inform decisions with respect to existing customers. All you're doing is pointing this technology at another group, your customers, as opposed to your prospects. And last time I checked this is America, and there ain't no law against that.



MINDING THE GAPS IN B2B SALES AND MARKETING INVOLVES FINDING THEM FIRST

The gaps in sales and marketing have gotten wider thanks to the "new" normal. As a result - B2B leadership needs to do more with less. Demand generation, digital marketing, and sales enablement should work together, be simpler, cost less, and produce more.

We make it happen.

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