Cloning Your Best Customers for B2B Marketing Success

Cloning Your Best Customers

Why Should I Target Only Ideal Prospects?

Step One: Clean & Clear Customer Data

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Step Three: Scouring the Books

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Synopsis & More Available Resources

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Contact Us: www.NAICS.com | info@NAICS.com | (973) 625-5656
Cloning Your Best Customers

Any Sales Manager worth their salt knows that while all customers and prospects are important, they are not all of equal value.

In the rapid-fire world of customer acquisition, at the end of the day, we all wish we had an endless stream of high-value prospects. So why not target those prospects whom are most likely to behave as your best customers do?

Just as all prospects are not created equal, each industry’s ideal client has a different set of defining characteristics.

It is no longer enough to ask yourself, “What does my best customer look like?” In the age of data, it is necessary to thoroughly analyze your client data for these answers. Many of our clients have been surprised to find that their best customers were not whom their instincts predicted.

In this white paper, we will explore questions such as:

How do I get started?

Specifically – What data do I need? How should it be laid out?

How do I determine the value of my customers?

What are the important indicators of an ideal prospect?

How do I use this data to reach my goals?

Which are the goals I want to reach, and how do I convey this to my data provider?
Why Should I Target my Marketing Efforts on Only my Ideal Prospects?

Targeting your ideal customers requires vigilant maintenance of your customer database.

We know that you executive types need some convincing before moving forward in a major business decision. That’s why we always come with the facts.

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According to recent numbers gathered by IBM, it is 5x more expensive to get new customers than it is to sell to existing customers, making it all the more essential to invest in only the best of potential prospects.

On average, 2% of customer records become obsolete per month due to death, relocation or name changes, or an average of 24% every year.

57% of companies report that the biggest benefits of using big data are higher conversion rates.

91% of senior corporate marketers, according to a Columbia Business School study, believe that successful brands use customer data to drive marketing decisions, yet 39% of them say their own company’s data is out of date or collected infrequently.

According to marketing industry professional Hollis Tibbetts, the US Economy loses over $3.1 Trillion every year due to bad data.
The first step in creating a profile of your best prospects is to **verify and standardize your current customer data.** This NAICS Association offered service normalizes and standardizes your current data (making sure John R. Cooper and Johnathan Richard Cooper only have one entry and that he works on simply on Elm Street — not elm st, elm st, elm street etc.)

In addition to the average 24% yearly deterioration of client files, is it possible that your has never inaccurately recorded a client’s name, business name, address, or phone number, or experienced data loss due to systems migrations or instituted changes in data sources? Between deterioration and human error, you could be losing upwards of 25% of your marketing efforts as a direct result of inaccurate data.
Successful businesses today try to acquire and maintain as much client data as possible throughout their customer interactions – but the data acquired during sales calls, sign-ups and customer service calls fall short of the extensive Firmographic data required for a successful B2B prospect profile.

This means taking extra steps to ensure that you regularly enhance your customer data with mission-critical data fields. To create a truly accurate prospect profile, we feel that these fields are the most important fields to gather and maintain:

- DUNS Number
- Business Name
- Tradestyle Name
- Mail Address
- Street Address
- SIC Codes & Descriptions
- Top Contact Name/Title
- Status Indicators (HQ, SL, Branch)

- Six-Digit NAICS Codes & Descriptions
- Telephone Number
- Year Started
- Sales Volume
- Employees Here
- Employees Total
- Fax Number

*The NAICS Association can append full prospecting records to your current customer database with standardized and verified results.*
Your complete customer database with prospecting records, when you purchase a data append from the NAICS Association, will return to you with empty data fields available for your use. Using this format you may work in collaboration with your NAICS representative or in-house with your marketing and accounting teams, to identify certain characteristics of your current customers.

Common Client “KPIs” (Key Performance Indicators)

*Think of these as KPIs for your customers, as they are as essential to your marketing goals as your employees’ KPIs are for your management goals.*

**Beyond the Standard Data: Which Customers...**

- …have the highest total purchase values from your company?
- …have been with you the longest?
- …have the highest rate of repeat business as well as longevity of loyalty?
- …have had the highest rate of repeat business in the recent past? (3 mo., 6 mo., this year?)
- …have traditionally responded to your marketing efforts?
- …have traditionally purchased premium products?
- …have shared positive public reviews and social media feedback?
- …have been the easiest to work with? *(Consultants should place this at the top of their list.)*

As we established, not all customers are created equal... but not all marketing efforts are created equal either. In modern business, our goals may vary. Are you looking to improve branding for your products? Targeting your loudest and happiest social media customers may be more effective than targeting your highest paid customers. Remember to keep the separate customer profiles for your varied strategic marketing purposes.
Assigning Value

Once you have cleansed, gathered and compiled the necessary data fields, it is time to assign values to each of your customers. There are many effective strategies commonly used to assign value to and segment your client base. We will explore a few of them here.

THE RFM MODEL

IBM suggests the RFM Model for customer segmentation, focusing on only Recency, Frequency, and Monetary values. The RFM model uses a basic 1-5 scoring system for each indicator. Customers who have made purchases in the last month may be scored 1 as a very high value for Recency, while customers whose last purchase was 5 years ago may be scored at a 5. Each customer would be assigned a 1-5 value for each of the 3 indicators resulting in a score that would look like 1-2-1, 5-2-4, 3-1-1, 1-1-5. *This scoring system may be adapted to accommodate other data fields.*

CLUSTER ANALYSES

If you are unfamiliar with cluster analysis and the common best practices, it is highly suggested you find a data analysis specialist – unless this seems like a fun way to spend the afternoon.

The Pros & Cons of Cluster Analyses...

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<th>PROS</th>
<th>CONS</th>
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<td>* Cluster Analyses can reveal often unexpected natural groupings within a larger data set.</td>
<td>* Smaller Data Sets are nearly impossible to cluster effectively.</td>
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<td>* Cluster Analyses may provide a more holistic and meaningful representation of local industry drivers and dynamics</td>
<td>* Data fields that highly correlate with each other can easily distort the importance of other data.</td>
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<td>* Variances within resulting groups tend to be smaller in cluster analysis, and less likely to group customers who are in fact very different.</td>
<td>* Properly skilled Data Analysis Experts are in short supply and can therefore demand high salaries.</td>
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One of the easiest ways to lose money in one’s advertising efforts is to continually market to current customers as new customers. As companies rightly profile their ideal target market based off of their current customers, it is natural that their current customers will show in listings defined by those parameters.

To avoid these unnecessary expenditures, the proper way to purchase a marketing list is to first create a current customer suppression file.

The easiest of the steps provided, the creation of a customer suppression file can be done by your data provider.

The NAICS Association offers this simple service at an affordable cost. The business data experts at the NAICS Association will very simply take your current customer database, append DUNS numbers to the files, and then suppress these numbers from the D&B database when producing any marketing lists.

This file will then be used to ensure that your future marketing list purchases do not include records of businesses you already serve.

Interested in Creating a Customer Suppression File?

Call the NAICS Association, Monday - Friday, 9am-5pm
(973) 625-5656
Or Email Info@NAICS.com
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STEP SIX

The Meat, Potatoes & Gravy Too:

While this may not be the final step in your marketing initiative, this is certainly the meat and potatoes of the targeted marketing agenda.

Now that you have determined which of your clients are ideal based on your unique Client KPIs (Key Performance Indicators), the final step before launching your targeted marketing campaign lies in reaching out to your marketing list data provider.

The business data experts at the NAICS Association are available Monday through Friday, from 9am to 5pm to work with businesses like yours in the development of highly effective and targeted marketing lists.

Whether you are developing a direct mail, e-mail, telemarketing, prospecting or a multi-touch marketing campaign for your selection, the NAICS Association can provide you with the right-sized marketing record to fit your exact needs.

Be sure to discuss your “client KPIs” with your list representative.

Applying the steps you’ve learned in this paper, you can change the list purchasing conversations in your organization from:

“I don’t know what I want.”

To:

Will You Help Us Reach Our Goals?

To Clone Your Best Customers with Guidance from the Business Data Experts at NAICS.com:

contact us here,

or call 973-625-5626 Monday through Friday, 9am–5pm Eastern Standard Time.
Cloning Your Best Customers for B2B Marketing Success

You’ve Learned How to:

- Cleanse your Customer Records of Deteriorated Files
- Enhance your Customer Files with Actionable Data
- Assign Values to Your Customers based on Internal Data
- Create a Customer Suppression File to Reduce Waste
- Change the Conversation with Your Data Provider from “I don’t know what I want.” To “Will you help us reach our goals?”

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