



# **The Customer Obsession Playbook**

*The Relationship Lifecycle™ Methodology*

By Matt Freedman



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## Foreword

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This book is for all marketers, owners, executives, sales reps and anyone obsessed with customers: We've forgotten how to treat people or rather, customers, as people. It's romantic to think that retailers can treat online customers like those who walk into stores, but they don't. How come? Why don't they treat online customers like their loyal, walk-in customers? It's not because the technology isn't there because it is. It's simply because retailers have forgotten how to treat customers as people in the digital age. After years of research, Matt Freedman, author and company founder, has uncovered a very compelling truth about eCommerce and digital business:

Data has never spent one dollar purchasing from brands or retailers. Site traffic has never delivered a single item. It's people that are spending trillions of dollars online. Not data.

The Customer Obsession Playbook sheds light onto thousands of customer databases, digital experiences and brand engagements to develop a formula that helps marketers focus on their most important business asset--customers. Relying on 20+ years of research, use cases, purchasing triggers and customer emotions, The Customer Obsession Playbook includes a time-tested methodology that helps marketers create a customer-obsessed brand strategy. From understanding your brand's purchasing triggers to better managing your customer database, The Customer Obsession Playbook helps brands of all sizes create an inside - out customer-centric business strategy.

Research shows that if brands take the time to evaluate the science and value of relationships, brands can be transformative in the way customers perceive them. The Customer Obsession Playbook helps marketers identify a brand's best customers and how to find more of them while also creating a culture designed to turn "Passers-by" (people who have no brand experience) into "Family" (the brand's best customers).

The research applies learnings gleaned from brands of all shapes and sizes to provide an insider's look at what it takes to build a customer-centric brand culture.

The *Relationship Lifecycle™* methodology is based on the human brain's ability to emote, start, maintain and recall relationships like the amygdala part of the brain--the center of emotional processing, serving as the archive for the rank and file system that builds relationships. Translated for business, we've created a similar system that enables marketers to develop, recall and act upon relationships with their prospects and customers or what we call the *Relationship Lifecycle™* methodology.

Through this process, it became very clear: a democratized technology, software or digital system that replicates the human limbic system didn't exist. A system that teaches data how to think like a marketer. Currently, there is no solution in the market that fundamentally assists marketers in their crusade to becoming customer obsessed. The *Relationship Lifecycle™* methodology changes that - TODAY.

In this book, you'll find proven ideas that help you to create a plan for becoming *customer obsessed*. These ideas include:

- Defining and introducing the *Relationship Lifecycle™* (RLC™) --the patent-pending software platform that ranks, files, recalls and acts upon customer and prospect relationships in a humanized way.
- Categorizing customers and prospects using an

- algorithmic rank and file system that considers (and weighs) dollars spent, purchasing frequency, social influence, proximity, frequency of interaction, and other psychographic metrics.
- Focusing specific tactics for loyalizing your customer base.
  - Setting goals in each *Relationship Lifecycle™* category so that you're constantly strengthening your relationships with prospects and customers in each *RLC™* Class.

The primary goals of this book are to evangelize:

- Customer database health and understanding its value in real dollars.
- Holistic graduation and loyalization of all prospect and customer segments.
- A method for categorizing online customer relationships like we do for our “offline” relationships.
- Advocation of Customer Data Platforms (CDPs) as a scientific marketing breakthrough, critical for brands who aim to to grow and prosper. CDPs aren't simply “nice-to-have” marketing technology platforms but should be required solutions deployed by all retailers.

My hope is that we are able to regain the emotional connection of a bygone sales and marketing era and apply those principles to what *Gartner* and *Forrester* now call today, “The Age of the Customer.”

Happy Reading!

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## Chapter One

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### Data Through a Nerd's Eyes

The thought of a “humanized database” is both space age and prehistoric in its thinking. In fact, it may not even make sense yet. People have dreamed for years about building the ultimate brand that creates the ultimate customer experience. For me, it is the most exciting and rewarding experience in business and, for people who think like I do, we go to great depths to “feel it.”

When brands launched their online journeys in the 1990s, they traded intimate, face-to-face customer experiences for quicker access to vastly more customers. As a result, brands began to personally interact with their customers far less often. Fast-forward to 2018. As far as customer relationships are concerned, it looks like a “deal with the digital devil.”

Consumers now want and expect so much more. So much so that major research analyst firms like *Gartner* and *Forrester* refer to this new digital age as “The Age of the Customer” in hopes that brands can return to being good, caring, marketers.

Personally, brands that I interact with aren't there yet and it scares me to think that they never will be in my lifetime. Sadly, everything marketers need to create unique, online customer brand experiences is right under their noses, but they've been looking in all the wrong places. Out of sheer fear, brands have spent the past decade trying to sell and market their products and services using fashionable buzzwords and passing trends in hopes that they avoid

becoming today's sales and marketing fossils.

In reality, brands haven't taken the time to fundamentally consider the most important factor related to the customer buying and brand experience -- the CUSTOMER! The adage that "everyone is a customer" and that "all customers are the same" is fundamentally flawed yet there are limited tools or approaches in the market that transcend this view. At Pearl, we know that each person is unique and that no two people can be the same customer, but most brands don't treat them that way.

If we sat two people down with identical laptops using the same Wi-Fi network and asked them to "go online and buy a grill", it's guaranteed that both people would take dramatically different paths to complete that task.

But that's ok!

The difference between our online (brand to fan, work environments) world and our offline (human, peer-to-peer relationships) world is the way we gather, interpret and activate data. When working in the online environment, we can deploy "behind-the-scenes" access to contexts, behaviors and human interactions while gaining insights into what makes these people unique--*online*.

However, the problem with many online retailers is that they still refer to me or to customers as "data" or "traffic." Now I've been called a lot of things in my life, but this may be the most offensive. What did I do to offend these brands so badly? That they simply can't refer to me as "Matt?"

That said, marketers have done a far better job recently acknowledging customer behavior(s). There are new technologies launching every day saying all the right things and using all right the right buzz words. Yet, they still fail to realize that online customers are "humans" and not "traffic" or "data." Not to be the bearer of bad news but TRAFFIC has

never spent one-dollar shopping online. Humans do. Traffic doesn't.

In this frenetic digital age, it's become increasingly difficult to do anything that doesn't get measured in "lift" --lift in conversion rates, lift in average order value (AOV), lift in click-through rates, etc. Reactive, panicked marketers have become allergic to innovation. The past 15 years have been more about knee- jerk reactions to what competitors are doing and the directions they are headed vs. real-world marketing innovations and strategies--even with sustained, online sales growth rates averaging more than 20% per year since 2014. --*Statista, March 2018*

Marketers have focused so much energy on corporate websites, products and their own companies, that they have forgotten how to treat people or rather those people keeping businesses alive in the first place--customers. Marketers have become what we have feared most--"slick willie" sales reps pitching products and services with little to no regard for the people whom they hope will purchase them.

Marketers have forgotten that the only thing separating them from the new generation of customers is a thin, 1/16" piece of glass. A piece of glass that has created a canyon so wide that it fundamentally changes the way generations interact with each other. It's a process that can't help but foster bad relationship habits--both in our customer lives and in our personal lives.

My hope is that we can go back to building and curating strong customer relationships with the people who pay the bills--customers. My vision is to embrace new technologies that empower brands to get back to the days when people patronized local General Stores--stores where employees knew you and your family, your likes and dislikes and delivered lifetime warranties with smiles and handshakes. The golden age of customer relationships sounds romantic in today's environment, but I'm committed to making it my

life's work-- not only helping companies of all sizes deliver this ageless, personal customer experience but also helping those brands who aspire to the same beliefs. The belief that we're missing the mark as marketers. The belief that humans, not data or traffic, shop on apps and websites. The belief that just because online data comes in the form of numbers, charts, and graphs, it doesn't mean that customers are any of these things. Customers are humans. Humans shop online. Why do brands refer to humans as "data points?"

What follows is a proven formula for understanding and treating your customers as humans and not data points.

## Chapter Two

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### The Mall Rat

Customer relationships, for analysis purposes, fall into two basic categories - online and offline. The goal of The Customer Obsession Playbook and the *Relationship Lifecycle™ (RLC™)* is to understand, analyze and segment our digital customer relationships using the same framework as our offline customer relationships. In order to understand the beginnings of the *RLC™* or the *Relationship Lifecycle™*, we first must identify how it came to be. The human shopping experience was created from 2,500+ years of predominantly offline relationships - presumably built on trust, proximity, shared beliefs and mutual understandings. Waking up one morning and developing an eCommerce or digital customer experience that mimics developing human customer experiences seems unachievable. But it's not. The Internet is very much in its infancy.

So, while we are well on our way to developing similar online customer experiences, we need more direction, guidance and “personal” interaction to make that a reality.

I consider myself a “hyper-consumer.” I’m obsessed with the retail customer experience. Not to the degree of running up debt and maxing out credit cards but rather a much different kind of obsession. For me, it’s the experience of being inside the mind of a brand. Visiting retail stores is like walking inside the brain of a brand. Logically, a retail store is a company’s visual interpretation of their brain and mind.

Going into stores and observing product placement,

music, smells, lighting, and employees is a rush for me. It causes you to wonder how all the pieces came together in boardroom discussions. How was this space designed and created to represent the brand's value system? For me, it's where art and science of retail business comes together. A showcase of the retail mind.

I regularly visit malls, websites and shopping outlets to better understand how brand decisions are being made and how the brand will be merchandised to customers. It feels like sitting in the "war room" as a board member, painting a picture of the perfect customer and what that customer expects and demands from both the brand and the in-store shopping experience:

"Is it me they're looking for?"

"Are the people in this store really whom the brands wanted to be here shopping?"

"What gets people excited to visit a brand's store?"

When browsing some of the luxury brand stores, many are so pretentious and unattainable that it's hard to imagine them allowing someone like me to even look at, much less touch, their merchandise. Yet, they invited me in and are trying to persuade me to join their club by establishing a set of offline merchandising algorithms that the brand believes will trigger me to shop with them. It's fascinating.

As a kid with no money, I would often ask for a ride to the mall just to be a part of the "action." It was intoxicating. For me, it was a real-time, easily-accessible human psychology experiment that I could participate in.

Trying to deconstruct and codify the emotions that come into play at the cash register where brands "win" when their products are purchased still puts me in a trance to this day.

Here's how my 14-year-old mind worked at the time:

“How do brands know that people will respond to various purchasing triggers? Triggers like attractive girls stationed within three feet of store entrances paired with woody musk colognes; or the sound of thumping house music to draw me in; or 9-foot wall posters of how a cologne will make me look and feel?”

It's a game of poker where the house usually wins. In my case, the house was Abercrombie and Fitch. And they won. Often. This is how I became obsessed with customer behavior.

My father taught me at a young age that “everything is negotiable.” As a successful entrepreneur, Dad would negotiate with vendors, suppliers and all sorts of brands and he always seemed to win. Or maybe that's just how I choose to remember it. But as a result, I started negotiating too, even as a young kid. Important negotiations like trading baseball cards, swapping football jerseys or even completing someone else's homework. It caused me to become obsessed with negotiation, product positioning and the human psychology that comprises different types of consumer purchasing behaviors.

Admittedly, I've taken negotiating too far at times but it's so much fun that it's always worth the effort no matter the size of the deal (for example, imagine the cashier at a 7-Eleven when I tried to persuade them that my pretzel would create a better customer experience if it was paired, free, with a Slurpee).

By the time I was 27, I had owned nine different cars. This had nothing to do with having deep pockets and everything to do with my thirst for the art of negotiation. I'm sure that I won a few of those deals while also losing my fair share but it sure was fun playing the game.

Life experiences like these at such a young age meant nothing more than helping me better understand customer buying behaviors, purchasing triggers and how offline customer relationships can also translate into online customer relationships regardless of the sales environment. It's my mission to formulate strategies for building strong online customer relationships that mimic the personal touch of offline customer relationships. As an online marketer, I'm underwhelmed, if not emphatically enraged, that we have been unable to replicate the basic human elements found in offline customer relationships in our online customer relationships.

So, we've set out to change the online customer relationship world as we know it with Pearl!

## Chapter Three

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### The *Relationship Lifecycle*<sup>™</sup>

In our daily lives at both work and play, we create new relationships and subconsciously place those relationships into different categories. When we re-activate these relationships, we quickly recall and emote feelings based on our initial interactions. These relationships aren't static but are fluid based on previous experiences and/or the emotions we begin to feel.

While online and offline universes are considerably different, the relationships built in each universe is deeply rooted into the basics of human interaction.

Let's explore this for a minute.

We have all experienced thousands, even millions, of human interactions if we include people that we pass without stopping to engage them. As a result, it takes time to emotionally develop new relationships.

Fundamentally, humans have an innate need to be connected to others. We've become very good at determining who we want to "subscribe to", who we want to include in our networks and why we want to form a relationship with them. Throughout this journey, we decide whom to move in, whom to move out, and whom we will continue down the path with based on our interactions. We can move people closer to or farther away from us and it doesn't mean it's a linear process. For reasons unknown, we often choose to go around in circles based on how others in our paths choose to

interact with us.

We can manipulate relationships in our own lives, but we, too, can be manipulated. It's like throwing coins into a washing machine where each coin represents our relationship with others. They are forever moving and changing positions.

Each day, you're actively devoting part of your brain and your emotional life to someone else in your life. You are subscribing part of your life to theirs and vice versa. We make these decisions thousands of times per week based on all the data available to us. We then predict how our lives can be positively or negatively impacted by these people and ultimately decide whether we want to subscribe to their lives or not. Do we treat them differently or just the same? We must make that decision.

With so much thought, emotion and time being invested into our relationships, human interaction often becomes the most encompassing part of our daily lives. Without even realizing it, we forge relationships based on data available to us and we then communicate and connect with those that we select. We even seek to make more connections through social media. Our need to connect has gotten so vast, that user groups of several social media platforms now exceed the population of many countries.

The categorization of human or offline relationships trends the same way as our online customer *RLC™* or *Relationship Lifecycle™*. Each person you meet and build a relationship with falls into one of these five categories:

- Family
- Friends
- Fans
- Acquaintances
- Passers-By

In our personal lives, we define who belongs in each category based on our own set of values, beliefs, commonalities and proximities. My family will look vastly different than your family as these dynamics are all variable.

The difficulty for marketers is that these categories and dynamics haven't been replicated for customer or human relationships online. Data is power so our ability to make decisions is data-driven. Knowing that, we can transform the way we develop our human relationships built online. Simply put, offline customer relationships can equal online customer relationships if the methodology is established and then followed.

## Chapter Four

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### Optimizing The Customer Journey

What does the word, *relationship*, mean to you? What relationship first comes to mind? One with a spouse? A child? A mother/father? A friend? A colleague?

Think about all the characteristics that comprise offline relationships. Characteristics like special bonds, memories, attributes, events and interactions all shared with a one person or a group of people. Our human brains could never recall or categorize these interactions with the instant recollection of an entire event. Rather, each of these interactions are scored over time, calculated, and memorialized in the form of stronger, more tangible relationships.

We can apply the principles of personal relationships to customer relationships.

We refer to this process as the *Relationship Lifecycle™*. The *RLC™* enables you to create and manage online customer relationships the same way you create and manage offline relationships. Online (digital customer) = offline (human).

To illustrate how these principles are anchored in both environments, let's look at definitions for "family," "friends," "fans," "acquaintances" and "passers-by":

#### *Human (Offline) Relationships*

- **Family:** Your closest relationships; people who unconditionally subscribe to your life.

- **Friends:** People who subscribe to your life’s moments, activities and events; you share a disproportionate amount of your time with them; they are people you select to become part of your “inner circle”.
- **Fans:** People who are generally comfortable around you and enjoy your company but don’t spend a disproportionate amount of time being with or thinking about you.
- **Acquaintances:** People you know through social settings or past experiences but have not forged any sort of emotional attachment to; they/you don’t subscribe to each other’s lives.
- **Passers-By:** The ‘extras’ in your everyday life.

As a marketer, think about all the people (customers, contacts and prospects) who comprise your *Relationship Lifecycle™*. This will help you think about how your database contacts ought to be categorized and treated much like you categorize and treat your personal relationships.

### *Customer/Contact (Online) Relationships*

- **Family:** Your brand’s most loyal customers based on recency, frequency, spend, influence, intent, predicted future value, engagement and communications.
- **Friends:** Repeat customers who are regularly engaged with your brand and provide referrals .
- **Fans:** Prospects in the market looking for a relationship with a company or brand like yours.
- **Acquaintances:** Contacts who may know your brand but haven’t spent time understanding how your brand can impact their lives.
- **Passers-By:** People who may have a different set of values and don’t typically interact with brands like yours due to differences and/or preferences.

To better understand how the *RLC™* works, try doing this:

1. Enter the name of someone that fits each Online *RLC™* category

2. Enter the name of someone who fits each Offline *RLC™* category

Difficult, right? It's much easier to answer question #2 than it is #1 and that's the point. It highlights the value of what the *RLC™* method of customer segmentation brings to your brand and business.

Answering these questions requires a fundamental change in the way you view your contacts and your customers.

For nearly all brands, I imagine not one brand could identify more than ten of their best customers by first and last name. There are far too many customers who come and go making it impossible to define the top customers, profile them, and then interact 1:1 with them. At scale, it's even more difficult. That's the challenge data scientists face in the age of big data.

In order to better understand your customers, start asking yourself the same types of questions you ask yourself when evaluating human relationships:

*What makes my friends so valuable to me?  
Why are some people only acquaintances when they could potentially be good friends?  
Are these people fully invested in me?*

Answering these questions enables us to understand why our family and friends are so important to us so we can apply this process to categorizing relationships with customers and prospects.

To do this, we need to identify the triggers that help us move a customer or prospect from one *RLC™* level to the next *RLC™* level just like we do when building our personal relationships.

Most offline relationships are “fed” by experiences that we’ve

shared with people--proms, birthdays, social gatherings, little league games, school, and work.

With 10 billion people on earth, both logic and reality dictate that we won't be forming relationships with 99.999% of these people. However, as data miners and customer acquisition experts, we feel a pulsating anxiety about the need to create some sort of relationship with everyone on the Internet--or at least with all those who visit our website or consume our content. We simply can't achieve this, nor would we really want to even if we could.

Brands need to focus on why family members (i.e. best customers) are so important and apply treatments to keep them in the "family." We also need to define their attributes, so we can acquire more of them. This is true for all our contacts and customers in our database. The goal is to move them through the *Relationship Lifecycle™* wherever they fall--Passers-by to Acquaintances, Fans to Friends. To do this, we need to identify action triggers that will help move contacts and customers from one level of the *RLC™* to the next level. This is no different than what we do for our offline relationships.

## Chapter Five

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### Creating A Loyal Customer Base: The “Eyes” Have It

How do you advance a customer or prospect from one level of the *Relationship Lifecycle™* to the next level? There are three main factors:

1. Interest
2. Intent
3. Interaction

These are the connective tissues for each stage in the *Relationship Lifecycle™*.

Let’s use dating as an example:

You just met someone through a friend and you think they may be a match. This person is immediately classified as an “acquaintance” in the *Relationship Lifecycle™*. Your goal, if you choose, would be to move them into your “fans” category. Do you think your mutual friend will tell you that this person feels the same way about you?

**Interest:** You think this person is attractive and might be a match. They fit a series of desired attributes which means you’d like to learn more about them--where they live, their likes, what attracted them to you, etc.

**Intent:** Once interest is established, you ask your mutual friend, “Wow, I thought he/she was great. I would love (intent) to find out more about this person, what else can you tell me?”

**Interaction:** Now that you have more data, you will engage the mutual friend and ask questions. You will then contact your new connection to see how you might move them through your *Relationship Lifecycle™*. If the answers are positive, you will move this person into your “fan” category.

**Fan:** Someone in the market for a relationship with someone like you.

Now, let’s visualize our current online customer database to determine where people reside in our digital universe:

- **Family:** Repeat, High Average Order Value Customers. They share with others when they purchase, they evangelize for your brand and they tell their friends how great your brand is.
  - Characteristics: High Order Value, High Purchase Frequency, Frequent Social Sharing, Longer Time Spent on Website, High Predicted Future Value, High Network Value.
  - *RLC™* Factors: Interest + Intent + Interaction
- **Friends:** People who subscribe to your e-newsletter, occasionally purchase products and uses coupon codes.
  - Characteristics: Interest + Intent + Conversion, but not necessarily multiple conversions at High Average Order Value (AOV) or Evangelism.
  - *RLC™* Factors: Interest + Intent + Interaction
- **Fans:** Your social media followers and website visitors. People who blog, post and critique your products/ services. May/may not be actual customers but do influence online purchases. A topical expert, industry connoisseur or social influencer. Interest + Intent but not necessarily conversion.
  - Characteristics: Sharing, Email Capture, Website Visitor but not necessarily Multiple Conversions at High AOV or Evangelism.
  - *RLC™* Factors: Interest + Intent + Interaction

- **Acquaintances:** Internet surfers and people who have visited your website strictly for promotional reasons or out of curiosity. These people may have read or followed one of your fans or influencers and visited your website through impulse, URL link or need. There is interest but not necessarily intent.
  - Characteristics: Look-alike Audience, Similar Interests, and Characteristics.
  - *RLC™* Factors: Interest
- **Passers-By:** People may see some targeted messaging or branding in their daily online live but nothing has influenced them enough to visit your website. Not necessarily interested in your brand.
  - Characteristics: Limited intent or interest, probably doesn't match value system and isn't in the market for what you offer.
  - *RLC™* Factors: Low Interest

Below are some tactics and strategies for moving prospects and customers through the *Relationship Lifecycle™*. The goal is to move them from one category to the next category. Brands do that, and everyone wins.

### [Passer-By to Acquaintance](#)

Approach: “Sell The Sizzle, not the Steak”

If you're that person on social media sites that trolls headlines until something clicks, this is classic “Passer-by” behavior. To convert these people, focus on executing several different A/B tests in your acquisition messaging.

Maybe the reason they haven't visited your website is because you're advertising in the wrong location with less-than-optimal messaging. Or, the content simply doesn't match their interests. When purchasing digital display ads, use a more behavior-driven approach by creating several versions using acquisition messaging to see what resonates.

Passers-by can be impulsive and often they need to be pulled in. Another effective method is to serve as an unbiased, industry thought leader. This way, people may seek out your knowledge and ultimately, convert to brand acquaintances.

This is the *Relationship Lifecycle™* in action. Once you've captured their attention and converted them to an Acquaintance, you need to capitalize on it by keeping your messaging consistent, so they come back for more. If you're able to do this using your CMS (Contact Management Software) or via personalization tools, you'll increase the likelihood that you can continue to move them along the *Relationship Lifecycle™* and into the next category.

Creativity is the key along with a highly-tailored, brand acquisition strategy. You'll do this for no other reason than to either continue (or halt) communications with them based on their actions.

### [Acquaintance to Fan](#)

Approach: "Easy to Engage"

"Acquaintance to Fan" requires a fresh approach. This is the time to shake digital hands through an inviting conversation.

An acquaintance may think they know your brand even if your brand has gone through changes to the website, messaging and value proposition over time. Once you know someone is interested in your brand, offer them the opportunity to become an email subscriber or Social Media fan. Use an incentive to welcome them.

Every brand uses metrics for what the lifetime value of an email is worth. If you don't know yours, find out now. Segment a list of your acquaintances in your database and push an email capture/social sharing box that's highly visible and appealing to them when they visit your website.

Capitalizing on this segment will build the top of your marketing funnel with the right relationships already predisposed to your brand. Email relationships have caused much grief recently as many email marketers don't like blasting people with promotional emails. As a result, many marketers have limited their email campaigns to behavior-driven email only. While emails often deliver timely promotions to engage acquaintances, they can also be more annoying than helpful.

The foundation of acquiring an email address as part of a “digital handshake” is still of great value. As a result, companies are turning to chatbots, Messaging apps and Rich Media Messaging. This works great for new visitors generated from strong affiliated websites, SEO and Paid Search campaigns, Social Media links or for those who haven't visited a brand's website recently. These efforts build trust through validation.

### [Fan to Friend](#)

Approach: “Relationships are more important than transactions”

At this point in a relationship, there is intent.

This group typically comprises 40-70% of all brand transactions. It's largely influential and, if served properly using gleaned data, can be persuaded to buy more. Showcasing celebrities or friends who have purchased similar items and/or making this group feel exclusive through their purchasing habits launches the curation process. There are many effective strategies for welcoming new “friends” into this category of the *Relationship Lifecycle™*.

These customers may or may not purchase online but this is an opportunity to execute the marketing “X Factor”--the emotional stimulation using previously captured data that

will drive their next purchase.

Many psychological purchasing triggers come into play:

For example:

A customer is checking out at a brick and mortar store and sees the cashier looking and sounding eerily similar--similar style, dress, interests, etc. Before you know it, several people are now engaged in a conversation at the cash register. The clerk pulls up the customer profile and sees their previous purchases would look great with today's purchases. It provides insight like insider trading. The clerk now becomes the trusted advisor or "friend" that helps the customer based on what they already own and the preferences they've shared with the brand online.

A great approach here is the use of messaging and apps. The brand rep now has a direct line to the customer without compromising the sale or the interaction.

This is the "Marketing X factor" -- your brand just deployed technologically-enabled purchasing triggers in both online (data) and offline (human interaction) environments right at the time of purchase. Simple, quick, easy, effective and high touch.

### [Friend To Family](#)

Approach: "Just My Type"

This is what we consider "Position A." However, it is also where marketers often fall down and when brands become most vulnerable.

If we expect these folks to evangelize for our brand through purchasing our products and services, we better have earned their trust. For this customer segment, we can build trust through small efforts that we execute exceptionally well. So, well, that these family members (customers) brag to others about their great brand experiences.

Feedback like:

“Shipping was so fast!”

“I was able to order with one click!”

“They know what size jeans I wear!”

This group can also be the most challenging to cultivate but through data and proven relationship marketing strategies, it becomes much easier. You want more of these customer types because they purchase more frequently and spend more money. They also tell their friends to try your brand and they want to feel like they are the ones that “found” your brand.

Think of Justin Bieber’s fans. Are they so rousing and annoying because they swear by the lyrics, instrumentation and vocal ability of his music? Not likely. His fans are fans because they believe that they were the ones that discovered him. Like Bieber fans, our *RLC™* family customers transcend product releases, industry trends, coupons and promotions. They like what they like (your brand) and want more of it.

Most *Relationship Lifecycle™* family members have made the emotional and monetary investment in your brand and are much like company shareholders. Without this core group of loyal customers, your brand falters or even becomes extinct.

These customers need to be treated passionately. Give them something that you don’t give to other customer groups. Invite them to visit your offices to meet your leadership team. Tell them that they drive your brand’s success. If applicable, treat them to their favorite restaurant or a free round of golf.

They will tell you more about your brand than your spouse, your peers, your boss or the media. Like the family members who make up our personal relationships, brands need to disproportionately invest time, money and resources into existing *RLC™* family members while also learning more

about what draws them to your brand and how you can expand your family of customers.

Do this and it becomes your customer acquisition strategy.

My advice for maintaining and growing this *Relationship Lifecycle™* group is to keep in close touch with them. Make them feel special. Find out what makes them attracted and loyal to your brand and scale your marketing initiatives appropriately.

## Chapter Six

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### The Dating Game: Customer Lifecycle Marketing

Part of a marketer's job is to fill the sales funnel as quickly as possible with new Passers-by (prospects). However, if you're less than fully subscribed to the Relationship Lifecycle™ methodology, you're probably doing it blind.

Again, let's use the dating analogy:

When it comes to human relationships, dating consists of understanding your "type of person" and trying to find people that meet that type. Imagine if we dated the same way marketers drive traffic to websites? There would be no focus, limited context and even less strategy. Yet, we've all done pretty well to this point using the marketing tools available to us. But we can do it better.

When it comes to human relationships, our "type" may look like this:

- Lives in the city
- Tall
- Age 28-35
- Dark Hair
- Athletic build
- Comes from a good family
- Enjoys helping people
- Has a kind heart
- Fun personality
- Smart
- Engaging
- Likes: Music, sports, dogs, traveling, scuba diving, cooking and running.

But when it comes to marketing relationships, our “type” may look like this:

- “New York Metro Area First-time iPad purchasers”

How crazy is this? If this was our dating life vs. trying to build a customer relationship, we’d be home on the couch eating ice cream and watching Seinfeld reruns.

We would qualify and segment an entire region of the country (or worse) and expect that we could build a meaningful relationship with every person in this segment. Not exactly a blueprint for success.

Data is available to us everywhere online. Within the next 30 years, the brands that get this right will be the brands that last. The rest will find themselves on the equivalent of VH1 TV’s “Where are They Now?”

## Chapter Seven

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### Your Chief Relationship Officer--Hire One!

I hate the term CRM (Customer Relationship Management). Not because it reminds me of stodgy, old contact management software systems that drive our “customer relationships” but because most CRMs focus on sending automated emails, distributing direct mail and executing digital ad buys.

Hire a Chief Relationship Officer. Today. The CRO is a modern-day psychologist and data scientist who comes from your existing Family customer segment in the *Relationship Lifecycle™*. They are relentlessly devoted to your brand.

Hire one person whose sole responsibility it is to study your best customers, devise strategies for finding more of them and to curate those already in your database using the *RLC™* model to move them through the process. Look for someone with a relentless pursuit of customer behavior and the fortitude to think (and act) differently. Give them the ability to view, holistically, what your customers are doing when visiting your site and how they interact with your brand. Challenge them to give your customer database a grade and to stand by it when speaking with your board, your investors, and your employees. Have them focus on your best customers and find ways to give customers digital high fives all day long. Celebrate these “family members” and their contributions to your brand’s bottom line.

A CRO should also pursue, analyze and utilize a Customer Data Platform (CDP). This modern analytics / customer

relationship management hub is very powerful and will make traditional CRMs obsolete. . Data and customer-driven CDPs represent the next wave of customer insights, marketing technology and database health and value.

My feeling is that up to 5% of net profits should be spent on your best customers because if they are happy, your business will continue to grow. These customers are your family. As much as they have invested in you (literally), you must invest in them. Acquiring these customers is great but retaining and nurturing them is paramount for your brand's long-term success.

## Closing

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Everything we need to become humanized brands, relationship gurus and building customer-centric brands is at our fingertips. There are many exciting things happening in the world of data and marketers can shape the future of human/digital brand interactions.

This is especially true at Pearl Thinks, LLC, located in Boston, MA. It's where the *Relationship Lifecycle™* and the entire customer relationship methodology is being productized to calculate database value as part of Pearl, a CDP Platform created from the ground up by a team of revered customer data and software experts.

Let's be the generation that delivers the general store customer experience where we can call our customers by name--not because we have a mail merge with FIRST and LAST name form fields but because we genuinely understand the needs, values and insights that these customers provide to us every day.

This is the dream. Stay tuned, there's much more to come!

Matt Freedman

### **Special Thanks:**

This is dedicated to my wife Lindsey and my daughters Harper Rae, and Hannah Claire. They continue to inspire and amaze me every day.



## About the Author

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Matt Freedman

As Founder of the digital marketing agency, Liftory and as Co- Founder of Pearl, Matt has a demonstrated history of success in marketing and e-commerce. He is skilled in digital strategy, sales growth and customer intelligence. One of these days, he'll get back to writing and playing music. For now, he enjoys listening to it with his wife, daughters and his chocolate lab.

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