

Value Nurturing

Nurturing Value in Customers

Beginning golfers are taught to work on their *entire* swing, including the follow-through. The follow-through on a golf swing helps to control where the ball goes once you hit it.

Value nurturing is like the follow-through for marketing and sales, ensuring that customers continue on the course you want them to travel.

Before the sale, you have to find prospects (lead generation) and convince them of the potential value they can get from your solution (lead nurturing). If you are successful, the prospect becomes a customer (conversion). In the subscription economy, the marketing responsibility extends beyond conversion to customer value nurturing.

Customer value nurturing is the practice of helping the customer realize value from your solution.

The customer needs to achieve the functional or financial results they expected from becoming a customer. Marketing can help with that. Marketing can also help customers *recognize* the fact that they are being successful. Sometimes marketing can deliver value outside the solution, either in complementary offerings and services or in the business relationship with the customer.

Value nurturing turns customers into loyal or repeat customers, and successful customers into advocates.

Customer marketing is not a new idea, but it has been underserved in many marketing organizations. In the subscription economy, customers deserve renewed marketing attention. For that reason, I'm suggesting giving it a new label—*value nurturing*—that identifies the process as being of equal importance to lead generation and lead nurturing.

Many business activities already have value nurturing aspects:

- **Customer success management:** Today this term is associated with a function that lives either in support or sales, not in marketing.
- **Customer retention:** In practice, most customer retention efforts focus on finding customers at risk of leaving and convincing them to stay. The term typically applies to problem solving rather than creating value.
- **Upselling and cross-selling:** These are important results of successful value nurturing, but never mistake *selling* for creating value.
- **Customer engagement:** Customer engagement is one way to add value for customers. The broader issue is: what are you engaging your customers around?

- **Customer marketing:** Customer marketing is a broad term that covers a wide variety of activities.

Value nurturing as defined here is a specific set of activities, originating in the marketing organization, that take place after lead generation, lead nurturing, and customer conversion. It is the next logical step in subscription marketing.

The word *value* has inherent ambiguity that is useful in this particular case. Consider common uses of the word:

1. Value (*verb*): to consider something or someone as important or useful (Shakespeare: “I was too young that time to value her, but now I know her.”)
2. Value (*noun*): a relative assessment of worth or importance (“What’s the value of this painting?”)
3. Value (*noun*): a principle or standard of behavior (Gandhi: “Your habits become your values, your values become your destiny.”)

Value nurturing can help customers determine that the ongoing subscription is a smart economic decision (value in the sense of definition #1). Marketing can also nurture the customer’s perception of the relative value (definition #2) of a subscription solution over time.

Last but not least, marketing may also help align the solution with the customer’s personal values (definition #3). Some businesses use purpose-driven marketing to communicate and realize social or environmental objectives. Many people are interested in doing businesses with organizations that share their core values.

This third type of value, the alignment of principles or ideals, carries particular weight in the subscription economy because the customer maintains an ongoing relationship with the vendor.

Whose Value Is It, Anyway?

It’s tempting to align value nurturing with monetary metrics such as customer lifetime value. How much money does the customer contribute to the business over the course of their relationship? How can you optimize that?

Revenue growth is of course your endgame. But if you approach value nurturing purely with the thought of getting more money from existing customers, you’re likely to get it wrong. We’ve all experienced a poorly executed upsell at some point in our lives, and realize that it damages the customer relationship.

Your customers can tell when you’re only interested in them for the money, not the relationship.

Value nurturing is about helping the *customer* realize value from your solution, not about helping you wring every dollar out of the customer. The better your business is at making its customers successful, the more successful your business will be over the long run.

Revenue growth is the natural result of value nurturing done well.

The Five Facets of Value Nurturing

Just as the word *value* has several meanings, there are at least five distinct approaches to value nurturing.

1. Helping customers achieve their objectives using your solution (the traditional definition of “customer success”)
2. Demonstrating value, or helping customers understand the value that they are getting from the solution
3. Adding value through activities beyond the solution
4. Creating additional value in the customer relationship
5. Aligning your business model and story with customer values

The chapters that follow share examples of companies that excel in one or more of these approaches to value nurturing. Depending on your business, you may find that certain categories or strategies are particularly compelling. There’s no single formula for success.

If you market business-to-business solutions, make sure you read the consumer-based examples with care. You can learn a great deal by looking further afield than your own competition and keeping an open mind. In today’s fast-changing marketing environment, stepping outside your comfort zone can yield results.

Not all the examples come from companies that are subscription-based. Nurturing one’s customers is not unique to the subscription-based business. Consumer brands like Coca-Cola and rock stars like Lady Gaga alike recognize the value of maintaining audience loyalty. Subscription marketers can learn from many sources.

For more information about the book, visit SubscriptionMarketingBook.com.