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ENGAGING MARKETING MINDS

MAY/JUNE 2022



BRAND DISLOYALTY

LESSONS ON WHY CUSTOMERS LEAVE



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THE CHOICE IS YOURS

n a climate of instant access, it's getting harder to determine where and what should get our attention. With more responsibilities in our lives, we all feel an ever-increasing pressure to do more. We feel the stress of garnering new clients and full-scale customers as quickly as possible.

With the constant pull of yet another message to be returned, meeting or email, everybody feels overworked. And in a world where everyone is vying for our time, we tend to allow others to dictate what is critically important. A marketer's work is not about getting more things done. It's about getting the right things done. It is about making the wisest possible investment of our time in order to operate at the highest point of contribution for our brand.

The choice where we invest effort is ours. And the right place to use time for marketers is always where trust needs to be built. Our prospective customers know that we are biased and that we have a vested interest in influencing them to purchase. That creates skepticism around what we say about our products or our services. Marketers, however, need to embrace skepticism. If we are going to succeed in a cynical and skeptical world, we must never forget that where trust goes, money flows.

We must be intentional about building trust into our marketing system. So it makes sense that the choices we make include spending more time going deeper with clients and creating ambassadors for our brands. We all know that it costs much less to maintain clients than it does to acquire clients. More importantly, though, in order to deliver true value, we need to go overboard with our current clients.

The choices you make with your time may seem overwhelming. Going deeper with our current communities is the right choice because good marketing is rooted in those around us becoming better as a result of their interaction with us, our team and our company. The choice is yours.

Enjoy the latest issue. We hope you choose to read it cover to cover. The main feature, "Brand Disloyalty," is a great reminder of why your current customers matter most. And our second feature, "Following the Herd," reminds us that it takes courage and creativity to step out and do things differently.

All the best,

Gina M. Danner, CEO



7 reasons why your customers are leaving

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A MARKETER'S WORK IS NOT ABOUT GETTING MORE THINGS DONE. IT'S ABOUT GETTING THE RIGHT THINGS DONE.

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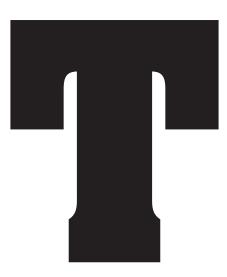
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Brand Disloyalty

Lessons on why customers leave



he Golden Rays. That was the name the Questus team and its client, Days Inn, settled on for the youth travel baseball team they created. The Golden Rays were not just any baseball team; they were a collection of underprivileged kids whose parents could not afford the exorbitant costs associated with playing the game. The coaching. The uniforms. The equipment. The travel costs.

In creating this experience for these kids, Days Inn was making a statement that forging lifelong memories on and off the field—for those who simply could not otherwise—was just too important not to do so. And Questus, a digital advertising agency that has worked with some of the world's most influential brands—including Amazon, Apple, Capital One, Disney, the NFL, Samsung, Starbucks, Universal, Wyndham and Verizon—was at the heart of the concept. Not only was there a team, but there was episodic video content launched across paid and owned channels covering the Golden Rays' season—from tryouts, to travel tournaments, to player and family testimonials.

"We showed the Days Inn audience how much the brand truly cares about families and travel sports, while creating a once-in-a-lifetime experience for the kids," says Questus founding partner Jeff Rosenblum. "At first, the team was horrible and could hardly even field a ground ball. But they fought their way all the way to the championship game with thousands and thousands of people watching them play. Days Inn empowered members of their target audience while inspiring their community."

In a time when keeping customers engaged seems really hard at face value, finding ways to keep them engaged across all platforms is even more daunting. Today, more than 500,000 brands around the world are fighting for attention, as customers on average see 5,000-plus branded messages every day. There is so much noise their brains are becoming cognitive spam filters that are subconsciously programmed to ignore as much as 99% of the information they receive.

Rosenblum says that while the customer-centric strategies like Days Inn's baseball team are tricky, they can make a difference. Traditional loyalty strategies are actually very narcissistic. They are rooted in validating how wonderful the brand is. However, utilizing new techniques to discover why customers leave will lead to great understanding and

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potential growth opportunities.

With broken trust one of the key reasons customers leave the roost, it is imperative that brands continue to find ways to build bonding relationships. Rosenblum suggests viewing the relationship between you and a friend. While you can accept almost any mistake from a friend, it is hard to accept one who breaks trust. "This means brands must always put the needs of customers before the needs of the corporation. When brands do that, they don't just acquire customers, they build an army of evangelists."

Give them what they want

While the premise sounds simple enough, providing your customers with what they want, when they want it, is not that easy. StubGroup CEO John Horn has spent his professional career focused on this, creating and delivering unique, successful products to each client, every time.

So, when a customer leaves, finding why can (and should) be an exhaustive deep dive into the reasons. Over the course of his career, Horn has seen a variety of reasons why customers took their business elsewhere. They no longer

see the brand as a solution to their needs. They lose confidence. Their economic situation changed. A competitor made a more compelling, better offer. "Figure out what your customer needs. Make it. Make the customer feel good about purchasing from you. Make business decisions that show customers you value them—good packaging, good customer service, etc. Make good on what you promise your customers."

Sometimes that process is as easy as using the resources and intel right in front of you. Horn recalls a campaign

IT IS IMPORTANT TO UNDERSTAND THE CONTEXT IN WHICH YOU ARE EACHING YOUR CUSTOMERS. YOUR COMMUNICATIONS SHOULD NOT BE INTERRUPTIONS TO THEIR LIFE, BUT INSTEAD BE FUN AND ENGAGING."

- JOHN HORN, CEO, STUBGROUP

StubGroup did for a chain of local stores in Anchorage, Alaska. Each year, the government sends a check to citizens from the Alaska Permanent Fund, which is funded by proceeds from the sale of natural resources, including oil. The StubGroup team crafted campaigns to coincide with the delivery of those annual checks, knowing that citizens would have extra cash to spend.

"We were able to capitalize on context—knowing about this influx of cash—and provide value to let people know about great deals, in a fun, interesting way," Horn says.

Curating that intel is how you track customer loyalty and disloyalty. Are your customers placing repeat orders and generating more value for you over time? How is that number evolving? At what rate are you retaining customers? What type of engagement rate (things like subscription services, apps, etc.) is useful? Are you actively and aggressively monitoring social channels to see what your customers are saying about you?

"The key is to provide interesting content that is of value to the consumer."

CUSTOMER LOYALTY CAN BE TRACKED MOST EFFECTIVELY THROUGH PURCHASE DATA. EVERY COMPANY HAS UNPRECEDENTED ACCESS TO DATA RIGHT NOW."

- JEFF ROSENBLUM, FOUNDING PARTNER, QUESTUS

Horn says. "It sounds simple, but so many companies fail at this. It is important to understand the context in which you are reaching your customers. Your communications should not be interruptions to their life, but instead be fun and engaging, something that a customer can look forward to or remember fondly."

Keeping your customers engaged to create meaningful content throughout the consumer journey is one of the most critical aspects in the whole process. Your customers give their hard-earned dollars, time, attention and recommendations. In exchange, they expect more value at every touch point than they put into the relationship.

"Brands need to break their addiction to big campaigns and superficial

messages," Rosenblum says. "They need to focus on providing value at every stage of the consumer journey. Customer loyalty can be tracked most effectively through purchase data. Every company has unprecedented access to data right now. The key is to turn that data into actionable insights. Most brands get caught with information overload, which leads to paralysis by analysis."

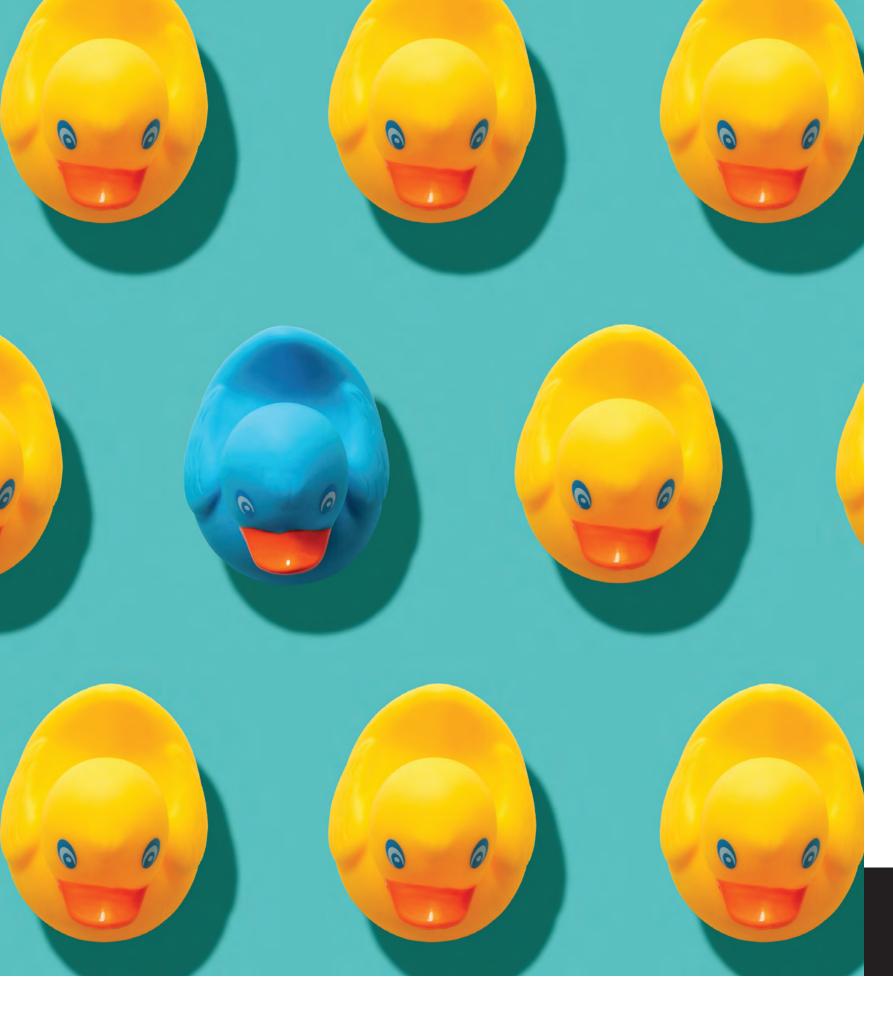
In the end, the most successful companies are those that can track a small handful of KPIs and pay unwavering attention to the deltas in those KPIs. When loyalty dips, it tells a profound story about the overall performance of the brand. A story you do not want to try and write the end to.



7 REASONS WHY YOUR CUSTOMERS ARE LEAVING

- O1 Not providing a clear brand purpose that helps customers understand what your brand truly stands for
- **O2** Behaving in a way that is contrary to your brand's core purpose
- O3 Making purchasing difficult at any point in the consumer journey
- O4 Insufficiently communicating what makes your product and/or service different and better than the competition
- **05** Providing poor customer service which makes people feel undervalued
- **O6** Your business is inconsistent
- **07** Your sales tactics are outdated

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FOLLOWING THE HERD

Any discussions surrounding the intricacies of marketing eventually fall around the theory that to truly be a leader, you must have the courage and creativity to step outside of the box. Staying in the box implies playing within the boundaries. Reshma H. Shah believes it is best if you think about the theory a little broader. The "box," from Shah's perspective, really is your brand's leadership. The person or people pulling the strings.

Shah, associate professor in the practice of marketing at the Emory University Goizueta Business School in Atlanta, says that stepping or thinking or removing a brand from the box it was placed in is all about the collective assumptions, models and boundaries of its leadership. If an organization wants to go beyond incremental growth and end up with transformational outcomes that result in disruptive growth, leadership must be willing to break down walls

"These walls hold in old assumptions about consumers, competitors and even the company itself," Shah says. "In order to do this, you have to turn the challenge or issue on its head and look at it from a different perspective. This often requires new people joining the organization who are not yet engulfed in the current level of risk-taking culture within that organization."

While the reasons a brand succumbs to the "in-the-box" thinking vary from brand to brand, too many, especially large, multinational ones, do it out of fear. The fear of being different from what is considered the norm in their industries. The fear of being exposed by others—customers, the press, employees and other stakeholders. The fear of being too radical.

The truth of the matter, in the simplest of terms, is that seeing things and acting differently are the tenets of creating something distinctive—a blueprint that you never considered. Shah says your brand can present a competitive advantage simply by implying four things about your resources and capabilities: Your advantage is valuable, rare, non-imitable and sustainable.

"You could meet the first two criteria," Shah says, "But in today's world of instant information accessibility and transfer of knowledge, imitation—especially among lookalikes and fake brands is rampant. That alone makes your

Stepping out to stand out

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sustainability unstable. If you are able to see into the future—looking forward 10-20 years and being bold enough to make wild predictions that higher ups can agree upon you're more likely to not have to compete with anyone."

Innovation + Innovating = Success

While being bold may be the most effective way to differentiate yourself from the others, it is a strategy many brands are leery of making. Still, Brad Kugler believes it is worth the effort. The CEO of DirectMail2.0 did iust that when he founded the white-label

THERE'S LOTS OF **COMPETITION** AND CHANGE. SO YOU HAVE TO DO **SOMETHING NOT** ONLY DIFFERENT. **BUT EFFECTIVE TO**

- BRAD KUGLER, FOUNDER/CEO,

STAND OUT."

DIRECTMAIL2.0



software company in 2017 that seamlessly integrates digital services with traditional direct mail. By adding services like mail tracking, call tracking and Google follow-up, DirectMail2.0 stepped out of the box to offer a strategy that showed results.

"There's lots of competition and change, so you have to do something not only different, but effective to stand out," Kugler says. "Consumers have more choices and more ways to discover those choices, so it's vital you never stop innovating, whether you're a brand, service or product,"

And sure, while it may be easier to follow the leader, Kugler says today's fickle consumers always move on to the next shiny object. So, why not be that shiny object? "If you are being innovative and daring, you will be noticed. Does it come with a cost? There is a risk, and with risk comes the possibility of failure. Be innovative. Test, test, test, which will help mitigate risk and avoid a colossal failure. Work with people who think differently from you. If everyone is in lockstep with your mindset, it might be easier as a company, but you will most likely miss something, an opportunity to think outside the box."

While it has been said a million times over, it warrants repeating that in the war for attention, everything in a consumer's life competes with everything else. And while everyone gets burned out by it, Michael Cruz believes that superior creativity is directly connected to effectiveness as an outcome. A partner and head of content at strategy. creative and content boutique Summer Friday, says brands that take the time to think hard about how to make a small difference in the day tend to earn the right to make a case for consideration.

"It's a consumer's world; we just live in it," Cruz says. "Everything is a remix. Nothing is now new and never can be again. And that's okay. All of the ways in how a brand defines its own unique identity is really just a different mix of color, form, message, tone, visual narrative, experience design and so many other facets, than other brands. But please do try to find a point of difference. Your audience will appreciate you for it."

And while the theory is bantered about often, Cruz believes that by embracing discomfort, you give yourself more options. The key is to understand what space in consumers' minds you have permission

to occupy and what things are happening in their lives that can be opportunities. "By being 100% consumer-centric in their mindset, brands often find new ways that are likely going to be difficult to achieve but nothing worth doing is ever easy. Walk a mile in your audience's shoes. You'll be surprised what you find out. Never lose sight of what makes you special and find new ways to keep conveying that. People remember stories, so tell a very good one."

If you are keen to stay relevant in your customers' eyes, you will be able to follow the trends needed to find and engage with new ones. In the end, it all comes down to the brand and what path it is willing to take. Some brands are built around innovation, continually seeking what's next, so their positions at the vanguard are expected. Others may see decline in an older segment and have to refresh their approach to keep up. And some want to be perceived as cutting edge because their competitors are beating them to the punch.

"There are many reasons why a brand follows the leader," Cruz says. "But unless your brand is true to its core values, it will be seen as disingenuous and deliver an empty promise. Wherever you choose to activate, you should be framing your value proposition in a way that's true to the space."

If you surround yourself with your customers and the way they interact in and around your market, your branding will follow the path it needs to take—with you leading.■

THERE ARE MANY **REASONS** WHY A BRAND FOLLOWS THE LEADER. "BUT UNLESS YOUR **BRAND IS TRUE TO ITS** CORE VALUES. IT WILL BE **SEEN AS DISINGENUOUS** AND DELIVER AN EMPTY PROMISE."

> - MICHAEL CRUZ, PARTNER/HEAD OF CONTENT. SUMMER FRIDAY



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GROWING PAINS

Talent

acquisition

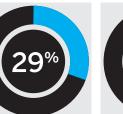
and retention

challenges

BIGGEST CHALLENGES TO COMPANY GROWTH

The year is in full swing and business leaders have a lot on their minds these days. Supply chain issues. Keeping employees happy. The seemingly never-ending pandemic. PwC surveyed 678 business leaders in January 2022 in their latest PwC Pulse Survey to gather

concerns, opportunities and how they are tackling their short- and long-term strategies. Business leaders found the following risks to their companies achieving growth goals in 2022:



Continued supply chain disruptions and vulnerabilities



New COVID-19 variants



Policy and regulatory environment in the U.S.



insights into executives' outlook for 2022. It explored their top

Business model challenges



Rising input costs

4 TIPS TO LEAD YOUR MARKETING ORGANIZATION TO SUCCESS

Do you have what it takes to propel your organization to the top? Take a look at these tips from the "2022 Digital Trends" report from Adobe and Econsultancy:

- 1. Remove internal barriers to customer experience
- 2. Have more robust data and insight capabilities
- 3. Leverage AI for improved personalization
- 4. Invest in talent and skill development





FAMILY MATTERS

OF CONSUMERS SAY THEY WOULD BE 'LIKELY' OR 'HIGHLY LIKELY' TO LEAVE AN ONLINE REVIEW IF THEY KNEW THAT THE BUSINESS WAS FAMILY-OWNED, WHILE ONLY 43% FEEL THE SAME ABOUT A LARGE CHAIN.

Source: BrightLocal Ltd, "Local Consumer Review Survey 2022"

I think we're entering a new phase of marketing, where you have to be almost immediately responsive to changing customer behavior, changing market dynamics, and so, there's never been a more important time for the marketer to be really in tune with what's happening with their customers in the market, in the moment."

> - Patrick McLean, SVP & CMO of Walgreens, on the changing role of marketers

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Your book resonates due to the simple truths of marketing. Can you speak to how we have gotten away from those truths over time?

Foundations get lost to fads. You see, initially fads are built on part of a foundation. But over time, as one fad morphs into the next fad, they slowly lose their connection to the original foundation upon which they were built.

For example, throughout marketing history a core foundation has been that each dollar should be held accountable for a result, and more specifically, did the dollar we just spent on marketing bring back more than a dollar in revenue? But over time, fads have caused us to replace this foundational marketing principle with vanity metrics such as how many likes, shares, or comments a post gets.

When it comes to marketing foundations, we must return to its two core ingredients: math and human psychology. Math—because if we don't hold each dollar accountable, we have no way of knowing if our campaigns are effective. Psychology—because last time I checked every single organization on the planet directs their marketing efforts toward human beings.

Why does the idea "effective marketing doesn't have to be expensive" seem so elusive to the modern day marketer?

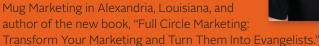
I believe effective marketing eludes most people for a couple of reasons. The first is because we, as marketers, have become lazy and enamored with vanity metrics. It's far easier to brag about the impressions and reach of our campaigns than to hold our marketing dollars accountable for metrics that matter. Increased accountability

CEO & FOUNDER, UGLY MUG MARKETING

WAYNE MULLINS

AUTHOR SPEAKS TO THE TRUTHS OF MARKETING

ayne Mullins is a passionate entrepreneur committed to creating remarkable experiences. He is currently the CEO and founder of Ugly



He has been called "the guru's guru," as he is regularly called upon for advice from industry leading CEO's, New York Times best selling authors, and Silicon Valley startups. He has personally worked with clients in 91 different industries, from 34 states, and 11 countries.

Ugly Mug Marketing, which Mullins founded 10 years ago, has won the praises of some of the leading influencers in the business world, such as Neil Patel (Founder of QuickSprout & Kissmetrics), Chris Voss (New York Times best selling author of "Never Split the Difference"), and Ari Weinzweig (Co-Founder of Zingerman's Community of Businesses). Mullin's work directly influences more than a quarter million entrepreneurs annually through his blog, books and training programs.

increases predictability. A predictable marketing system begins with accountability.

Another reason effective marketing eludes us is because we confuse actions and assets, which is a dangerous mistake for marketers. Here's how this typically plays out: We look around at what our seemingly successful competitor (or some guru) is doing and mistakenly believe that if we copy their actions we will be successful as well. This rarely works, and the reason is simple: We mistakenly believe that the actions we see our competitors taking are responsible for their success. The reality is, it isn't their actions (posts, videos, certain types of campaigns, etc.) that are responsible for their success, it is the assets they are building.

Let's say our successful competitor is really good at promoting themselves on Instagram. Beautiful photos fill their feed on a daily basis. And it doesn't seem to matter what they post, their

followers actively engage with the content. Copying what they're doing seems like a great plan (which is exactly what the majority of entrepreneurs and marketers do). But what if we're terrible at photography and as a result none of our images look good? Will copying their actions (posting on Instagram everyday) create success for us? Probably not.

The approach we should take is to look a layer deeper than their mere actions. We should start by asking ourselves, what is the actual asset they are building? Within the answer to that question is where the magic lives. You see, once we know the answer to that question, it frees us up to work within our own gifts and abilities. So, the asset that your successful daily Instagram posting competitor is building is a highly engaged audience, and their medium just happens to be Instagram. Now the question becomes, based on my strengths and unique abilities, how can I

build a highly engaged audience? But if we stay busy copying our competitors' actions, we'll never identify the assets we should be building.

You talk about the hurry we are all in to convert strangers into customers. But can you explain why it is critically important to move them from being unaware to simply aware of who you are?

Often we assume that all prospects are the same. But when we take the time to think about how people make purchasing decisions, we discover there are always certain phases they go through. The three core phases are: knowing, liking and trusting. As marketers it's important for us to break our marketing campaigns into those three core areas. In the perfect world we will have at least one campaign for each of these phases.

All marketing begins with the first phase: knowing. Our sole objective with our campaigns during this phase is to get strangers (those who don't know we exist, but we believe our product or

service would be of value to them) to know about us. Nothing more. Nothing less.

The biggest mistake marketers make during the knowing phase is that they haven't taken the time to clearly identify the strangers they should be targeting. They run their campaigns to everyone in their service area hoping the message hits the right people. This is both highly inefficient and ineffective.

How do you suggest that we be intentional about building trust into our marketing system?

We have to begin by acknowledging that trust is crucial. Until we acknowledge the reality that where trust goes money flows, we can't possibly give credence to trust's role in our marketing. No one is going to pull out their wallet and hand you money if they don't trust that your product or service is going to be of more value to them than the money they are parting with. If you're struggling to get results from your marketing, there's a good chance your campaigns haven't done a good job building trust.

What are your feelings about marketing's role after the wear and tear of the past couple of years?

From a marketing perspective, the past couple of years didn't change much, humans are still humans. That being said, the past couple of years revealed a lot. As Warren Buffett is fond of saying, "It's only when the tide goes out that you can see who's been skinny dipping." As the landscape of the world rapidly changed, it revealed which marketers had been "skinny dipping" if you will.

Finally, what is your advice to marketers in the current climate?

Stop focusing on the next sale. Instead, focus on those your product serves. Get to know them. Understand what keeps them up at night. Learn what they expect from your company, your team, and your products or services. Work to ensure you are exceeding their expectations. Create a marketing campaign that turns customers into evangelists for your company, and when this campaign is successful, everything gets easier.



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