

Customer Relationships

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Student Updates

In 60 seconds, tell us:

- How many people you talked to since last class?
- Have you changed your Business Model Canvas?
- What do you plan to do before our next class?



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Questions?



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Customer Relationships










The Business Model Canvas

Designed for:

Designed by:

Date:

Version:

Key Partners 	Key Activities 	Value Propositions 	Customer Relationships 	Customer Segments 
	Key Resources 		Channels 	
Cost Structure 			Revenue Streams 	



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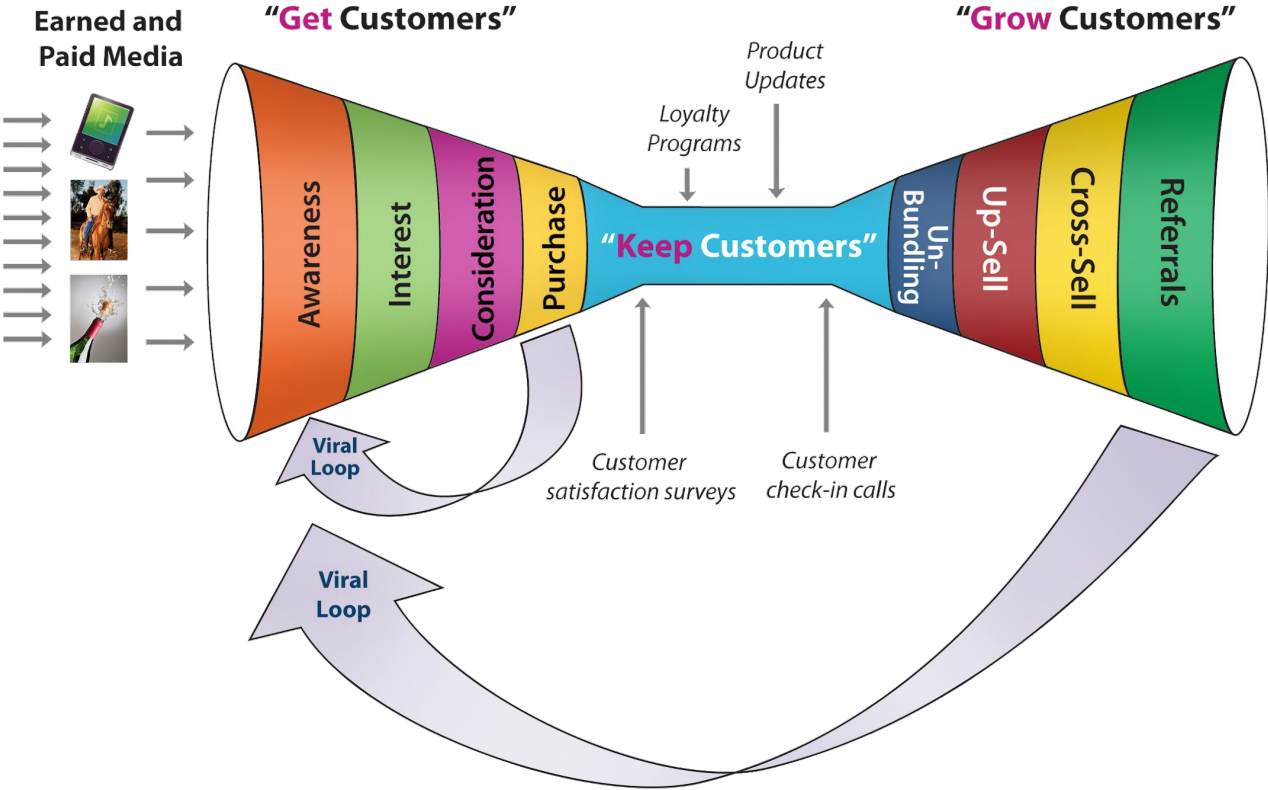
DESIGNED BY: Strategyzer AG
The makers of Business Model Generation and Strategyzer

 **Strategyzer**
strategyzer.com

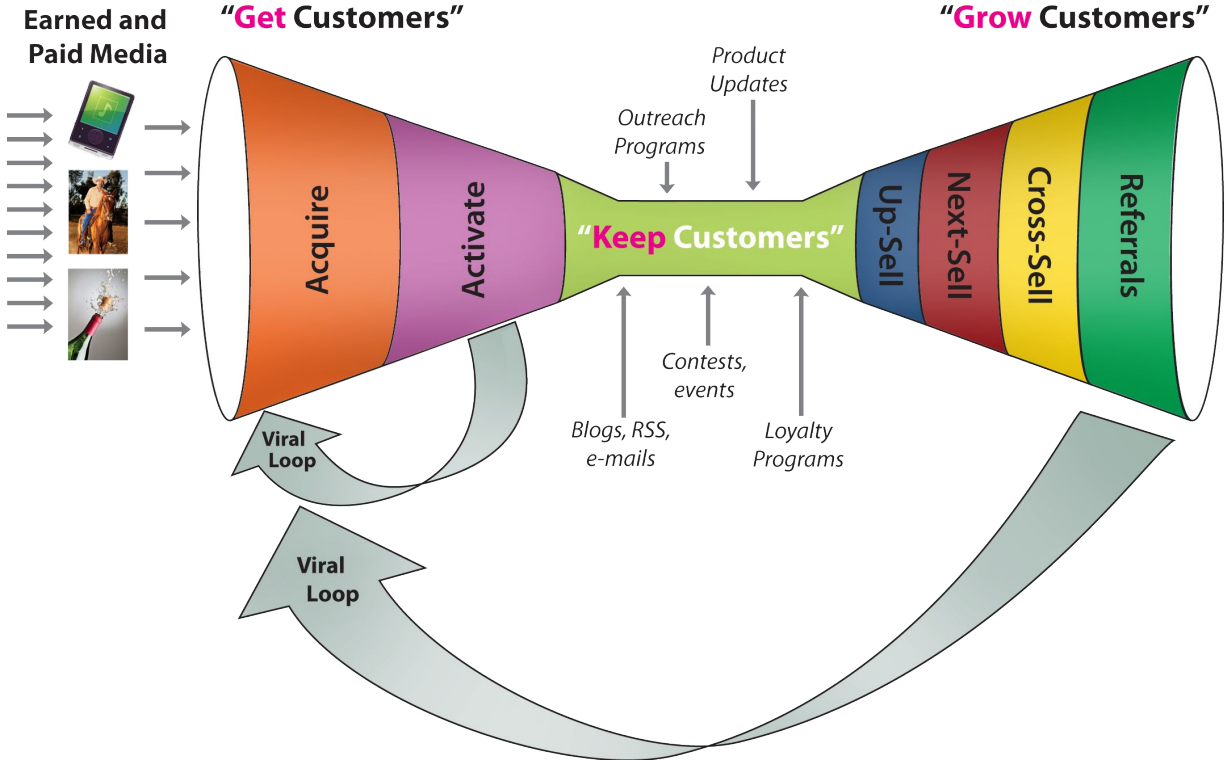
GET – KEEP – GROW

- Customer relationships can be best visualized as a funnel with three steps: get, keep, and grow.
- Physical and virtual products have slightly different funnels with slightly different checkpoints.

Physical Product Customer Relationship Funnel



Virtual Product Customer Relationship Funnel



Demand Creation

- This is how you feed potential customers into the top of the funnel.
- Demand creation can be done through both **free** and **paid** channels.
- Expensive advertising is **not** the only way to bring in potential customers!

Free Demand Creation Channels

- Blogging
- Online communities
- Social media
- Speeches
- Guest articles and publications

Paid Demand Creation Channels

- Public relations firms
- Advertising
- Trade Shows
- Consultants

Be Aware of Customer Segments!

- You only want to GET people from your specific customer segment(s)!
- Utilize ability of free/paid tools to target your messaging by:
 - Who they are
 - What they buy from you
 - What channels they use

Common Terms

- **CAC** = customer acquisition cost
- **LTV** = lifetime value
- **Churn** = percentage of customers who don't return (usually measured by month)

- $LTV > CAC$

- Lower churn, higher LTV



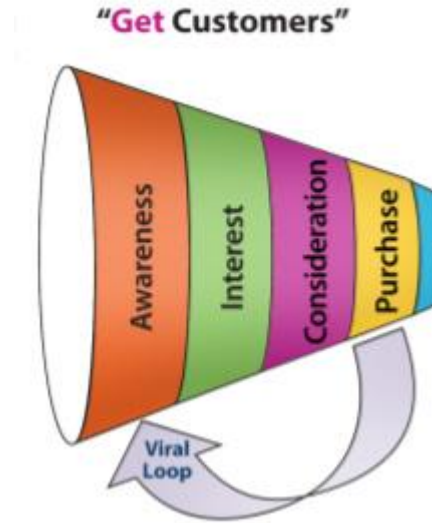
Activity

- Find a partner and discuss:
 1. Free and paid channels that you intend to use
 2. Your CAC, LTV, Churn – how do you measure this?

[5 minutes]

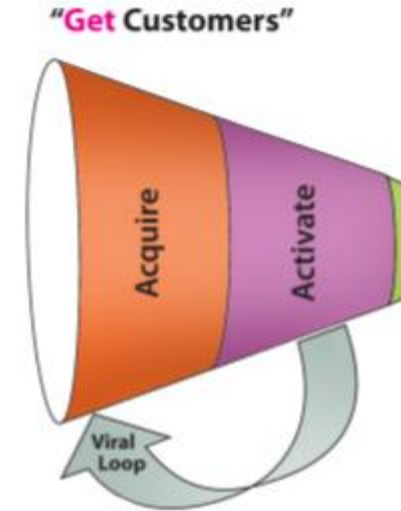
GET – Physical Products

- Awareness
- Interest
- Consideration
- Purchase



GET – Virtual Products

- Acquire
- Activate



KEEP – Physical Products

- Loyalty programs
- Product updates
- Emails and phone calls



KEEP – Virtual Products

- Loyalty programs
- Product updates
- Emails and phone calls



GROW – Physical Products

- Unbundling
- Up-Sell
- Cross-Sell
- Referral



GROW – Virtual Products

- Up-Sell
- Next-Sell
- Cross-Sell
- Referral



Viral Loops

- Taken from the term “going viral” on the Internet
- A **self-reinforcing loop** that brings in new customers with minimal or no work on your part
- The main reason to keep your customers as satisfied as possible
- “Tell your friends!”



Activity

- Find a partner and discuss:
 1. GET strategy
 2. KEEP strategy
 3. GROW strategy

[10 minutes]



Homework

- Continue customer discovery interviews
- Begin to fill out Customer Relationships box on BMC
- Be prepared to give update on customer discovery and your learnings