



White Paper

Introducing Coremetrics Lifecycle

Perfecting the Science of the Customer Journey

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Introduction

Coremetrics Lifecycle™ is the industry’s first application geared to enable online marketers to track and understand how customers progress through long-term purchasing and conversion lifecycles. A lifecycle is characterized by milestones ranging from first-time visitors to valued customers who engage with your brand through repeat purchases, newsletter subscriptions, product reviews, following you on Facebook or Twitter, and more.

Leveraging Lifetime Individual Visitors Experience (LIVE) Profiles™ data, Coremetrics Lifecycle gives your online marketers a deep, broad perspective into the customer lifecycle over many months and enables you to evaluate which campaigns and tactics are most effective in prompting customers to progress from milestone to milestone.

Coremetrics Lifecycle supports a range of non-purchasing lifecycles, such as lifecycles by value, frequency, downloads, lead generation, and more, making it applicable across a range of industries. Seamless integration with Coremetrics marketing solutions enables you to put insights into action.

This supplement to the white paper Increasing Relevancy, Loyalty, and Conversion Online outlines highlights and functionality of the new Coremetrics Lifecycle application, a feature module to the Coremetrics Explore™ ad hoc reporting solution. It addresses how marketers can use Coremetrics Lifecycle to:

- Look beyond single-session metrics to understand the customer lifecycle
- Pinpoint key interactions and events that prompt customer progression through lifecycle milestones
- Tailor marketing initiatives differently to early-, mid- and late-stage customers
- Analyze marketing effectiveness for granular customer segments at various stages
- Continuously evaluate and optimize techniques to accelerate lifecycle progression
- Retarget segmented customer groups with personalized campaigns

Why Coremetrics Lifecycle?

Traditionally, many online marketers have based web analytics largely on single-session clickstream data, tying purchasing or conversion to the customer’s last marketing touchpoint. For instance, web analytics would illustrate that a customer clicked on a promotion in an email newsletter to land at a home page and moved through pages for electronics, TVs, furniture, and couches before exiting. If the customer bought a TV, the email newsletter would receive credit for the sale.

The issue is that most purchases occur only after multiple days and multiple site visits or other online interactions. Over-reliance on basic web analytics can prevent marketers from fully understanding the customer’s journey, the buying lifecycle, and key points of influence over a period of many months.

Figure 1 illustrates two examples of customer lifecycle progressions—one a purchasing lifecycle, the other an engagement-based lifecycle.

The need for online marketers to analyze customers—not just visits—is driven by the increasing complexity of web interactions, widespread demand among sophisticated consumers for greater personalization and convenience, and fierce competition for consumer attention. Marketers need to better understand how consumers use and are influenced by various campaigns and channels over extended periods of time, including:

- Paid and natural search
- Email communications
- Display advertising
- On-site recommendations
- Social media (Facebook, Twitter, on-site communities and reviews)
- Mobile devices (iPhone, Android, etc.)

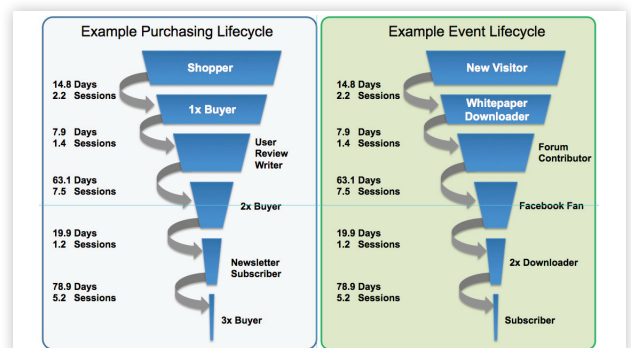


Figure 1. Typical lifecycle progressions.



Figure 2. Coremetrics Lifecycle reflects key milestones for a large set of unique visitors.

Understanding the Customer Lifecycle

As a next step in the evolution of web analytics and online marketing, Coremetrics Lifecycle gives marketers an innovative lens to analyze long-term customer activity data, featuring built-in snapshots and the ability to customize lifecycle views, as well as drill-through to underlying data. Let's look at a typical use case.

In Figure 2, the Lifecycle interface reflects a monthly snapshot of activity from a lifecycle milestones perspective. It shows a total of 1,293,042 unique visitors, and of that population, the raw numbers and percentages of individuals who became shoppers, 1x buyers, 2x buyers, and 3x-5x buyers, as well as the average number of days and sessions to progress to those milestones.

It further illustrates "migrators"—those sets of individuals who have progressed from one milestone to the next, and the time and sessions on average between progression.

Coremetrics Lifecycle enables you to view and compare such data sets over any range of timeframes, such as Q1 vs. Q2, or Q3 vs. Q4 year over year, and by a number of predefined and customizable milestones and data attributes. For instance, the view could reflect products purchased, average order value, social media activity, product review contributions, and more, by any segment of the population by milestone.

For instance, in Figure 3, Coremetrics Lifecycle shows the top products purchased by 2x buyers. Such data can provide marketers with invaluable insight to tailoring cross-sell and up-sell campaigns to 1x buyers, accelerating their progression to the 2x buyer milestone and beyond.

While this example looks at a purchasing lifecycle, Coremetrics Lifecycle supports other types of lifecycles of interest to companies in a variety of industries, such as financial services, higher education, consumer and enterprise software sales, travel and hospitality, telecommunications, and more.

Examples of other customer lifecycle milestones include:

- **Lead Generation Lifecycle:** Stage 1 prospect → stage 2 prospect → stage 3 prospect
- **Frequency Lifecycle:** 1 session visitor → 2 session visitor → 3-5 session visitor → 6-10 session visitor → 10+ session visitor
- **Event Lifecycle:** Non-event initiator → event initiator → 1x event completer → 2x event completer → 3-5x event completer → 6x event completer
- **Value Lifecycle:** \$0 value visitors → \$100 value visitors → \$500 value visitors → \$1000 value visitors → \$5000 value visitors → \$10,000 value visitors
- **Downloader Lifecycle:** 1 white paper downloader → 2 white paper downloader → 3 white paper downloader
- **Student Lifecycle:** Browser → inquirer → downloader → Facebook fan → applicant → enrollee

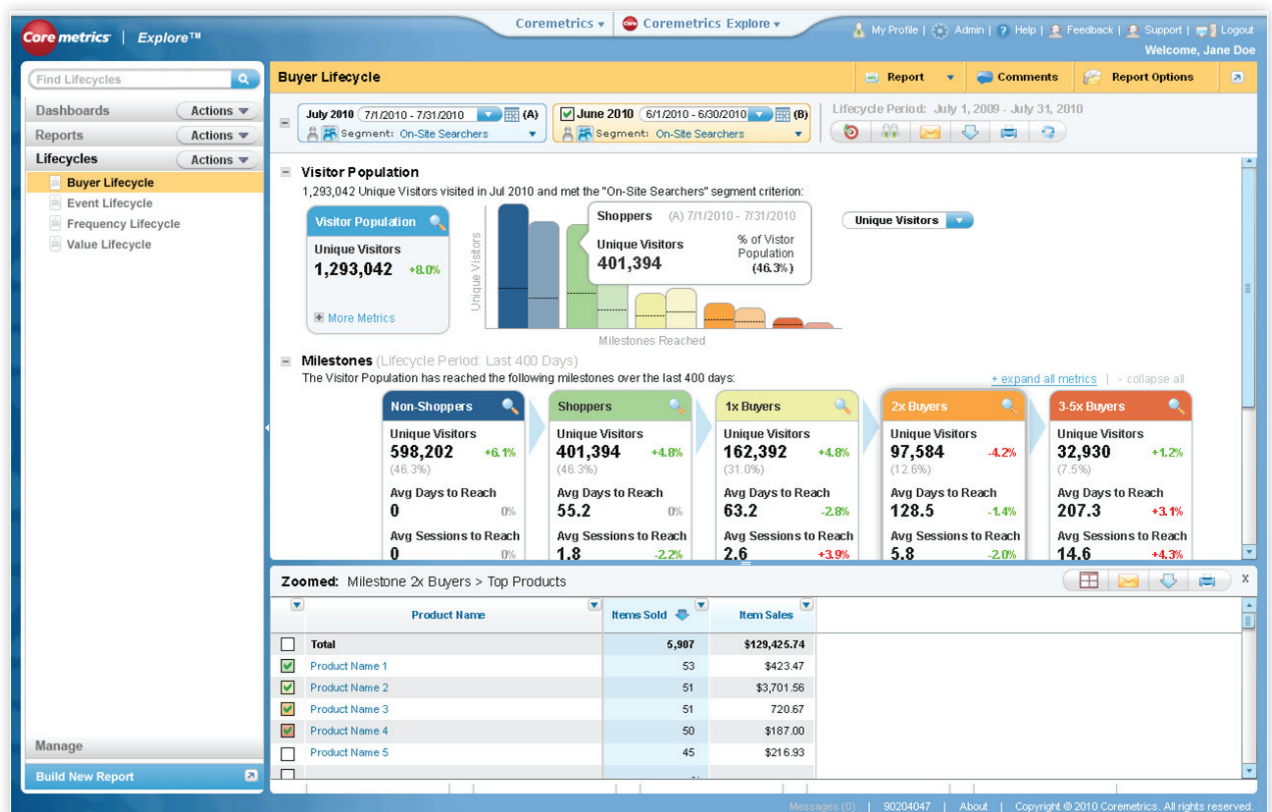


Figure 3. Coremetrics Lifecycle shows the top products purchased by the customer in 2x Buyers milestone.

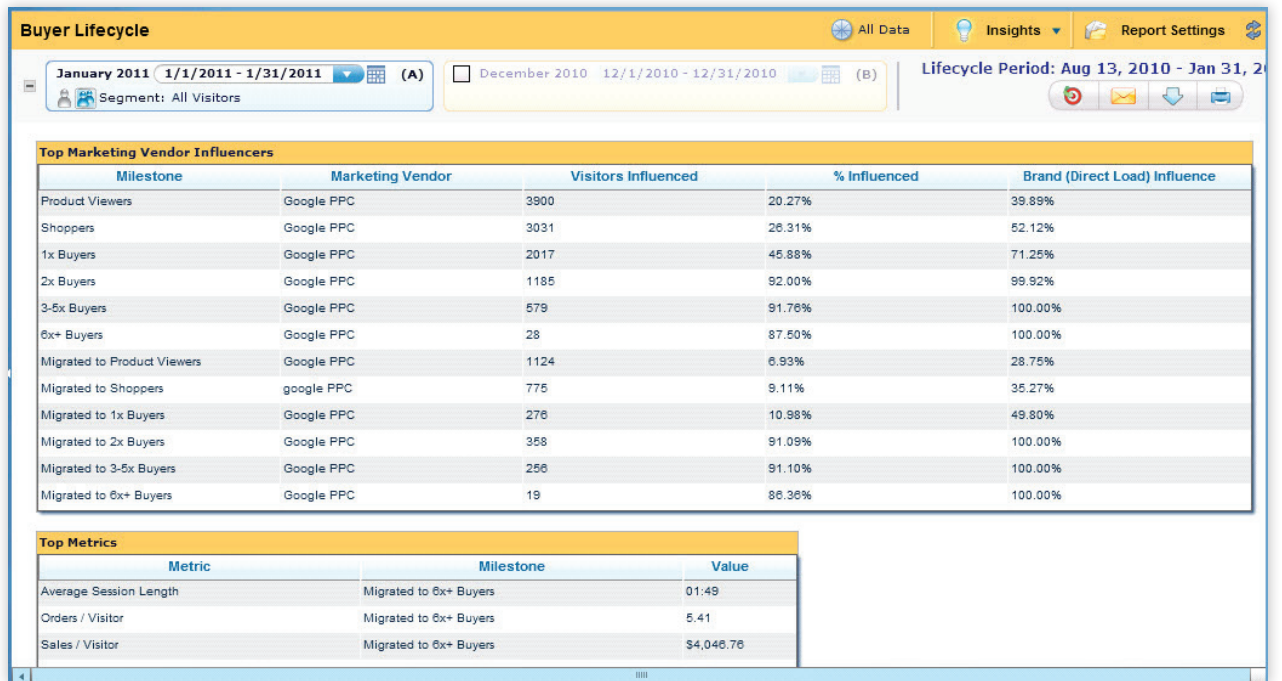


Figure 4. Coremetrics Lifecycle lets you examine which campaigns and channels are most effective in driving lifecycle progression.

Pinpointing Key Factors in Lifecycle Progression

The real value lies in understanding what prompts customers to progress through the lifecycle, from one milestone to the next. Taking it a step deeper, marketers should endeavor to understand what prompts certain segments of customers on their lifecycle journey.

With insights into which campaigns, channels, touchpoints, and customer characteristics are in play, your marketers can continuously optimize their initiatives to generate maximum value. You can measure the time and sessions required for customers to progress, and set goals to reduce the time it takes to reach milestones by using the tactics and techniques you've discovered to be most effective. You can explore which techniques and offers work best for early-stage customers, and which are most effective for late-stage customers.

In Figure 4, Coremetrics Lifecycle reveals top marketing influences on sets of individuals at different stages in the customer lifecycle. We can see, for instance, that paid search was most effective in driving migration from non-shopper to shopper, while email was most effective in prompting 2x buyers to become 3x buyers. Drill-down capabilities enable you to examine this data at a granular level.

Coremetrics Lifecycle makes it easy for you to customize reports based on metrics you select, in addition to using its set of prebuilt metrics:

- **Visitor Population:** The number of unique visitors who visited at least once in a given timeframe and met the segment criteria
- **Average Days to Reach:** Average number of days from start of a lifecycle period to reaching a milestone
- **Average Days Between:** Average number of days for customers to progress from one milestone to the next
- **Average Sessions to Reach:** Average number of sessions from start of a lifecycle period to reaching a milestone
- **Average Sessions Between:** Average number of sessions for customers to progress from one milestone to the next

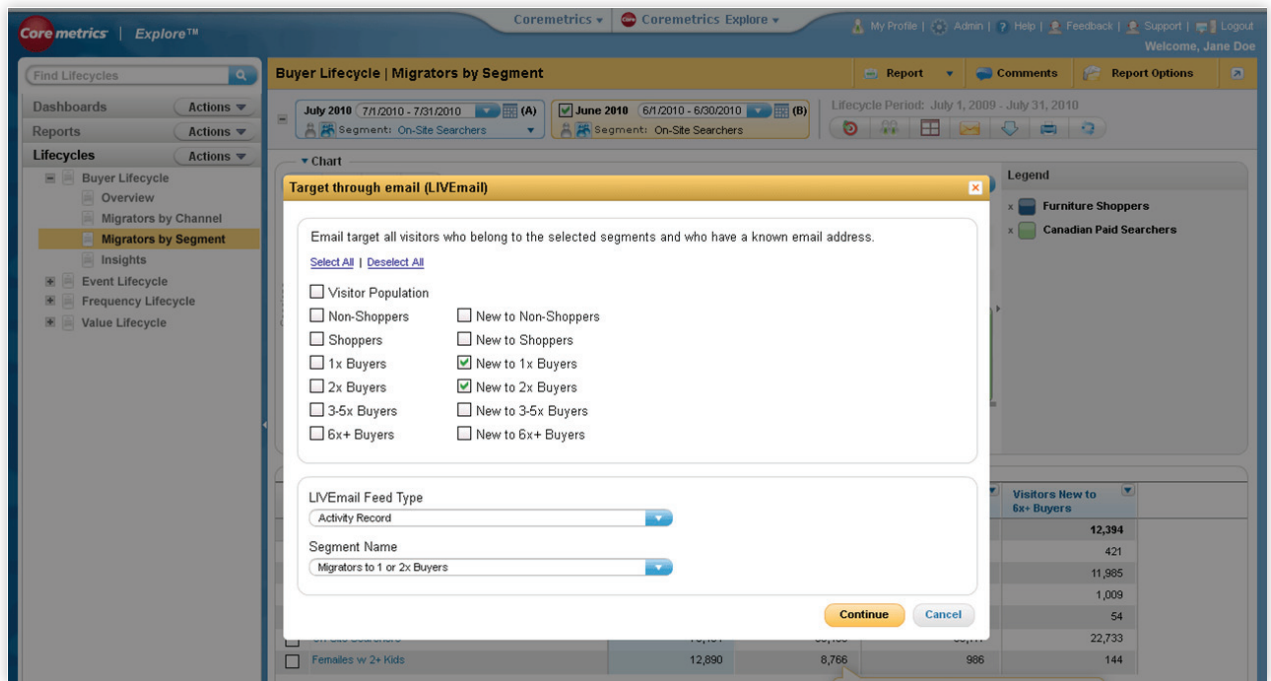


Figure 5. Coremetrics Lifecycle enables automated email targeting via Coremetrics LIVEmail.

Using Insights to Fuel Marketing Applications

Use the insights you derive from Coremetrics Lifecycle to fuel your Coremetrics marketing applications, including email, display advertising, and on-site recommendations. Because you're tracking customers as they migrate through lifecycle phases over time, Coremetrics Lifecycle is uniquely suited for retargeting of individuals who fall below the averages for time and number of sessions to progress to the next milestone.

Using your rich store of LIVE Profiles data, Coremetrics Lifecycle enables you to engage prospects and customers with relevant, personalized marketing based on where they are in the customer lifecycle, channels and campaigns most appealing to them, and products and services of the greatest interest to them. Coremetrics Lifecycle seamlessly integrates with Coremetrics LIVEmail™. Additionally, Coremetrics provides other applications that allow marketers to reach their targeted customer segments, including AdTarget™ and Intelligent Offer™.

In Figure 5, a pop-up box in Coremetrics Lifecycle enables a user to select from a set of customer segments to receive personalized marketing email via LIVEmail.

Conclusion

As consumers become more sophisticated and conversion cycles lengthen, it's imperative to know all the marketing touches on the path to conversion. Understanding the time to reach each milestone lets marketers know how quickly customers become more valuable. Knowing what marketing programs are most influential in moving customers to the next milestone aids in marketing mix optimization and contact strategies. Coremetrics Lifecycle is engineered to give marketers the insight they need to optimize the customer lifecycle and accelerate migration between milestones.

About Coremetrics®, an IBM Company

Coremetrics®, an IBM Company, a leading provider of web analytics and marketing optimization solutions helps businesses relentlessly optimize their marketing programs to make the best offer, every time, anywhere, automatically. More than 2,100 online brands globally use Coremetrics Software as a Service (SaaS) to optimize their online marketing. Coremetrics integrated marketing optimization solutions include real-time personalized recommendations, email targeting, display ad targeting across leading ad networks, and search engine bid management. The company's solutions are delivered on the only online analytics platform designed to anticipate the needs of every customer, automate marketing decisions in real time, and syndicate information across all customer channels.

Find more information at www.coremetrics.com or call +1-866-493-2673.

Coremetrics has strongly supported online privacy since its inception. To learn more, visit www.coremetrics.com/privacy.php

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