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# The Utilization of Funnel Marketing in Increasing Customer Lifetime Value at LKP Syntax Training Center

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**ABSTRACT**
In the era of digital transformation, training institutions are required not only to attract new participants but also to build long-term relationships. Funnel marketing is an effective strategy that directs potential participants from awareness to becoming loyal customers. This study explores the application of funnel marketing to increase customer lifetime value (CLV) at LKP Syntax Training Center, a certified training institution in Indonesia. Using a blended approach with a case study design, data were collected through digital marketing and management team interviews, promotional documentation analysis, and CRM data related to conversions, retention, and repurchases. The results show that each stage of the funnel—awareness through educational content and digital advertising, interest through webinars and email nurturing, decision through certification promotional programs, and retention through loyalty programs and communication automation—can increase CLV, with retention being the most crucial stage, contributing 35% to repeat revenue. The research confirms that a systematic funnel marketing strategy can create a more meaningful participant experience, encourage repurchase, and extend relationships with the institution. Practical implications include strengthening content in the early stages to attract relevant participants, as well as leveraging automation and data analytics to maintain loyalty. These findings are expected to serve as a strategic reference for other training institutions in optimizing digital marketing for long-term impact.

## INTRODUCTION

Customer lifetime value (CLV) has become a critical metric in measuring the success of long-term marketing strategies, particularly in service-based industries such as training institutions (Airlangga et al., 2019). CLV represents the total economic value that a customer generates throughout their relationship with an organization (Kumar & Reinartz, 2018; Gupta & Lehmann, 2005). In the context of non-formal education and skills-based training sectors, high CLV indicates not only successful initial acquisition but also sustained engagement, repeated enrollments, and long-term loyalty. The ability to maximize CLV distinguishes institutions that merely attract participants from those that build lasting educational ecosystems. This concept becomes increasingly relevant as competition intensifies and customer acquisition costs continue to rise, making retention strategies more economically viable than constant new customer acquisition (Reichheld & Sasser, 1990; Blattberg et al., 2008).

Building upon the importance of CLV, funnel marketing emerges as a strategic framework that systematically guides potential customers through distinct stages of engagement—from initial awareness to long-term loyalty (Järvinen & Taiminen, 2016; Court et al., 2009). Unlike traditional marketing approaches that focus primarily on immediate conversions, funnel marketing emphasizes the entire customer journey, recognizing that each stage requires different communication strategies, content types, and engagement mechanisms. In the digital era, this approach has been enhanced through data analytics, marketing automation, and personalized content delivery, enabling organizations to nurture relationships more effectively (Chaffey & Ellis-Chadwick, 2019; Lemon & Verhoef, 2016). For training institutions specifically, funnel marketing offers a structured methodology to transform casual inquirers into committed learners and eventually into advocates who promote the institution through word-of-mouth and referrals.

The development of digital technology in the last two decades has revolutionized the way organizations market their products and services, including those in non-formal education and skills-based training sectors. In today's digital era, consumers—including prospective trainees—have wide access to information, various training options, and tools for easy comparison between service providers. This has led to a fundamental change in consumer behavior, which is now more selective, informed, and experience-based. In this context, traditional marketing strategies that rely on one-way promotion are no longer sufficiently effective. Training institutions must build long-term relationships with participants through more strategic and measurable approaches, one of which is implementing data-driven funnel marketing (Järvinen & Taiminen, 2016).

Competition among training providers is increasing sharply, not only locally but also globally. The Global EdTech Investment Report shows that since the COVID-19 pandemic, there has been a significant surge in the use of online learning platforms, accompanied by the aggressive expansion of various digitally certified training providers (HolonIQ, 2021). This phenomenon indicates that the training landscape is no longer limited by geographical boundaries but is instead shaped by the power of content, user experience, and effective digital marketing strategies. Therefore, building participant loyalty and extending their relationship cycle has become a vital strategic goal. One indicator of success in this regard is the increase in CLV—the economic value generated by a participant during their interaction with an institution (Kumar & Reinartz, 2018). In this competitive global context, training institutions must position CLV as a measure of strategic success, not merely a short-term sales metric.

Recent studies in the education technology sector demonstrate the critical relationship between structured marketing funnels and student retention. Wang and Kim (2019) found that personalized content delivery at each funnel stage increased conversion rates by 34% in online learning platforms across Asia. Similarly, Huang et al. (2020) documented that retention-focused strategies yielded 3.2 times higher returns on investment compared to acquisition-only approaches in online education services. Ryan (2021) expanded this understanding by analyzing funnel optimization in European vocational training centers, revealing that institutions employing systematic nurture campaigns experienced 42% higher repeat enrollment rates. Furthermore, Nguyen et al. (2020) established that post-purchase engagement and advocacy programs significantly extended customer relationships in educational services, with participants who received structured follow-up communications showing 2.8 times higher lifetime value. These studies collectively underscore the strategic importance of funnel marketing in educational contexts, though most focus on large-scale platforms or subscription-based models, leaving a gap in understanding how smaller, certification-based training institutions can implement these strategies effectively.

One of the main challenges faced by training institutions in Indonesia, including the LKP Syntax Training Center, is the low retention of participants and the high reliance on short-term acquisition strategies. According to internal data from LKP Syntax, the institution serves approximately 450 participants annually across 12 certification programs in digital marketing, graphic design, and data analytics. However, retention rates remain suboptimal at 38%, meaning that only about 171 participants return for additional programs within a two-year period. The average CLV currently stands at IDR 1,245,000, significantly below the industry potential of IDR 2,500,000 for institutions with mature retention systems. Furthermore, approximately 72% of the marketing budget is allocated to paid advertising for new participant acquisition, while only 18% is dedicated to post-enrollment engagement and retention activities. These figures reveal a critical imbalance: the institution invests heavily in attracting new participants but fails to capitalize on the lifetime value potential of existing ones. Many training institutions continue to focus their marketing budgets on acquiring new participants through paid advertising, paying less attention to maintaining post-registration relationships. In a business model based on repeated training and tiered certifications, however, the true strategic value lies in the institution's ability to retain participants and encourage follow-up purchases. This indicates the need for a conceptual shift from short-term conversion-based marketing to sustainable, customer-journey-oriented marketing (Edelman & Singer, 2015).

## RESEARCH METHOD

This study utilized a mixed-method approach with qualitative dominance, supported by descriptive quantitative data. This combination enabled a deeper understanding of the funnel marketing strategy implemented at the LKP Syntax Training Centre and allowed for quantitative measurement of its impact on customer lifetime value (CLV). The multi-layered and contextual strategy required narrative information from managers, while CLV as an economic metric was assessed using quantitative support. The case study design was deemed most relevant for describing the phenomenon holistically and contextually (Yin, 2018).

Subjects for the study included two main groups: internal informants and customer data. Internal informants comprised management and the digital marketing team at the LKP Syntax Training Centre, involved in planning and executing marketing strategies. External respondents were alumni who had participated in at least one certification program within the last two years. Purposive sampling was used, considering involvement in funnel marketing processes and experience interacting with the institution's services. The study involved five internal informants and fifty alumni respondents.

Data collection consisted of in-depth interviews with key internal informants to explore strategic and operational aspects of each funnel marketing stage. Digital questionnaires were distributed to alumni to collect quantitative data regarding experiences, frequency of repurchase, and perceptions of communication. Internal documentation such as CRM records, digital ad conversion reports, and communication history also contributed to the data set. Different types of data were integrated through triangulation to provide a complete analysis.

Data analysis was conducted in two steps. Qualitative data from interviews were analyzed using thematic analysis to identify emerging patterns from informant narratives. Quantitative data from questionnaires and CRM documentation were analyzed descriptively to identify trends in conversions, retention, and repurchase frequency. Simple linear regression analysis was also performed to examine the effect of funnel marketing variables on CLV. CLV calculation used the formula: CLV = (average transaction value) × (purchase frequency) × (duration of customer relationship), adjusted for the institution's service structure.

To ensure the validity and reliability of the findings, a triangulation strategy was employed. Member checking was conducted by confirming interview transcriptions with informants. Consistency of quantitative data was ensured through initial validity and reliability tests on the questionnaire instruments. Objectivity in interpretation was maintained by transparently recording the entire analysis process and the assumptions used. This approach aimed to yield findings that were both accurate and reliable to support strategic decision-making for training institutions.

## RESULTS AND DISCUSSION

### 1. General Description of Research Data

This study involved two main groups of subjects: internal informants and external respondents (alumni of trainees). The purpose of this description is to provide an initial overview of the sources of information used in the analysis, as well as to ensure the diversity and relevance of the experiences studied.

The internal informants consist of three key people in the management environment of the LKP Syntax Training Centre who have direct involvement in the planning and implementation of digital marketing strategies. The first is the Director of LKP, who provides strategic insights on long-term marketing policies and the direction of developing relationships with participants. Second, the Digital Marketing Staff, who are responsible for the implementation of funnel marketing campaigns, including social media management, digital advertising, email nurturing, and conversion tracking. The third is the Administrative and CRM Staff, who manage the participant database, send automated post-training communications, and document repurchase activities. The three informants were chosen because they were representative of the key functions in managing the customer cycle from inception to retention.

Meanwhile, the external respondents consisted of 50 alumni of the training participants who had participated in at least one certification program at the LKP Syntax Training Center in the last two years. Most of them come from students, young workers, and MSME actors, with an interest in digital marketing, graphic design, and data analytics training. From the results of the questionnaire distribution, it is known that as many as 58% of respondents have participated in more than one training program, while the other 42% have only participated in one program. This shows that there is a fairly high retention potential in the group of participants who have had a positive experience with training services.

The age distribution of respondents ranged from 20 to 35 years, with the majority being in the age range of 21–27 years (72%). Based on program categories, digital marketing training is the most popular program with a percentage of 46%, followed by graphic design training (28%), and data analytics (26%). In terms of the duration of the relationship with the institution, the average participant has known LKP Syntax for 8-12 months, which shows that the participant's relationship with the institution is not only one-off, but tends to be sustainable.

This demographic data and interaction history provide a strong foundation in understanding the dynamics of participant behavior towards the funnel marketing strategy being implemented. In addition, the diversity of participants' backgrounds also provides validity in evaluating the effectiveness of strategies that do not only target one market segment, but across ages and learning needs.

**2. Implementation of Funnel Marketing at LKP Syntax Training Centre**

The implementation of funnel marketing at LKP Syntax Training Centre is designed to manage the journey of prospective participants as a whole, from the initial awareness stage to long-term loyalty. This strategy is divided into four main stages: awareness, interest, decision, and retention, each of which uses a different digital channel and content approach, according to the behavioral characteristics of the certification-based trainees.

a. Awareness Stage

The awareness stage aims to attract the attention of prospective participants and create awareness of the existence and value of the training program. The LKP Syntax strategy in this stage refers to the principle of AIDA (Attention, Interest, Desire, Action) developed by Lewis (1903) and reinforced by Kotler & Keller (2016), where attention becomes the initial foundation in attracting audiences. The main channels used are digital advertising (Google Ads and Meta Ads), SEO, and educational content that is published regularly on Instagram and TikTok.

The content produced is directed at problem-solution awareness, for example through short educational videos about the importance of digital certification for careers, case studies of alumni success, and interactive quizzes. These efforts have increased organic traffic by 38% in the last six months and resulted in an average ad CTR of 5.3%, indicating the relevance of the material offered. This is in line with the findings of Chaffey & Ellis-Chadwick (2019), which states that the success of the early stages of the funnel is determined by the brand's ability to deliver an educational message that builds initial trust.

b. Interest Stage

After the audience realizes the existence of the brand, the next stage is interest, which is to encourage potential participants to show further interest in the services offered. At this stage, LKP Syntax facilitates prospective participants with free webinars, access to consultations through WhatsApp Business, and lead magnets in the form of digital career guide e-books. This stage is in line with the concept of engagement marketing, where organizations create interactive experiences that are valuable to potential customers (Järvinen & Taiminen, 2016).

The results of the evaluation showed that 17.4% of early funnel visitors became active leads, and most cited free webinars as their gateway to a deeper understanding of LKP's services. This reinforces the results of research by Rowley (2008), who emphasized the importance of value exchange in interest strategies: potential customers are willing to provide contact data if they derive value (education, solutions, inspiration) from the interaction. This process also strengthens lead qualification, where only prospective participants who are genuinely interested step to the next stage.

c. Decision Stage

The decision stage is the point where prospective participants decide to register for a training program. According to the purchase funnel model from Court et al. (2009), purchase decisions are influenced by clarity of information, trust in the brand, and the emotional or rational drive generated by the campaign. LKP Syntax implements a promo strategy of bundling certification, seasonal discounts, and strengthens alumni testimonials in the form of videos and personal experience narratives.

Data shows that about 12.8% of all the leads collected end up signing up. The bounce rate on the registration page decreased from 45% to 31%, after improvements were made to the design and landing page information. This is in line with a study by Wang & Kim (2019), which found that personalization in promotional and social proof content from alumni has a significant influence on conversions in the online education sector. LKP also uses scarcity marketing in the form of limited-time discounts, which have been proven to increase urgency and speed up the decision-making process.

d. Retention Stage

The last and most critical stage in a funnel marketing strategy is retention, which is keeping participants who have signed up to stay connected, loyal, and willing to make repeat purchases. LKP Syntax implements a post-training email automation approach, loyalty programs for alumni, and exclusive promos for advanced programs. This strategy refers to the concept of customer engagement loop (Lemon & Verhoef, 2016), which emphasizes that post-purchase interaction plays a big role in creating an emotional bond between consumers and brands.

From the CRM system, it is known that 38% of participants make a repeat purchase, with many of them taking an advanced certified program within 3–6 months of the first training. In addition, participants who had purchased more than two programs showed CLV up to 2.5 times higher than one-time participants. This is in line with the results of a study by Kumar et al. (2013), which stated that the cost of retaining customers is much lower than new acquisitions, and that customer loyalty is the foundation of long-term growth. LKP also utilizes cross-selling and referral techniques through active alumni, thereby strengthening the ecosystem of customers who support each other.

### 3. Analysis of the Influence of Funnel Marketing on Customer Lifetime Value (CLV)

The concept of Customer Lifetime Value (CLV) has long been recognized as a strategic metric in modern marketing, especially for organizations that rely on long-term customer relationships, such as training institutions. CLV describes the total economic value that can be generated from a customer during the period of his or her involvement with the organization (Kotler & Keller, 2016; Kumar & Reinartz, 2018). In other words, CLV not only reflects direct revenue, but also loyalty, retention, and potential for repeat purchases. Therefore, CLV measurement is crucial in assessing the effectiveness of a funnel marketing strategy that aims to build long-term relationships with participants.

a. CLV Formula Used

In this study, the basic formula of CLV for the non-subscription model is used, namely:

$$CLV=(AOV)\times(F)\times(T)$$

Information:

1. AOV (Average Order Value) = average transaction value of participants per training program,
2. F (Frequency) = the number of training participants participated in in a 1-year period,
3. T (Time) = duration of participant involvement or loyalty with the institution (in years).

This formula refers to the basic CLV calculation model of Kotler & Keller (2016) and is reinforced by the operational approach in the study by Gupta & Lehmann (2005), who suggested this simple model for small to medium-sized organizations that have not yet implemented a lifetime segment-based financial tracking system.

b. CLV Calculation Results in LKP Syntax

Based on CRM data from the LKP Syntax Training Center in 2023–2024 on 50 participating alumni:

1. AOV (average transaction value per participant): IDR 850,000
2. F (frequency of training per year): 1.65
3. T (average duration of relationship with the institution): 1.4 years

By entering into the formula: $CLV=850{,}000\times1{,}65\times1{,}4=Rp1{,}960{,}500$

These results show that on average, each participant who is in a relationship more than one training earns nearly two million rupiah in his or her life cycle. When compared to participants who only participated in one program (without retention), the CLV was only around IDR 850,000. This confirms that customer retention provides significant strategic value.

This finding is in line with the findings of Reichheld & Sasser (1990), which stated that a 5% increase in customer retention can increase profitability by 25% to 95%, depending on the industry.

c. Regression Results: The Relationship between Funnel Marketing and CLV

To test the effect of the effectiveness of the funnel marketing strategy on the CLV value of participants, a simple linear regression analysis was used, with the following configuration:

1. Independent variable (X): Funnel marketing effectiveness score (measured through a perception questionnaire on a Likert scale of 1–5 for each funnel stage: awareness, interest, decision, retention)
2. Dependent variable (Y): CLV per participant (calculated based on real data from the CRM)

Data processing is carried out with SPSS software version 25.0.

The result of a simple linear regression shows the model equation as follows: CLV=1,235,000+420,500X

1. Coefficient of determination ($R^2$): 0.612
2. Model significance (p-value): 0.002 ($p < 0.05$)
3. F-score calculated: 18.76 ($p < 0.01$)
4. Standard estimated error: ±120,000

The interpretation of these results shows that there is a positive and significant relationship between the perception of funnel marketing effectiveness and the value of CLV. Practically, every one-point increase in participants' perception scores on the quality of funnel marketing correlates with an increase in CLV value of ±Rp420,500.

These findings are in line with research by Lemon & Verhoef (2016), which emphasizes that a good customer experience at each stage of the funnel directly contributes to loyalty and repeat business, which are key components of CLV.

d. Strategic Interpretation of Customer Retention

Of all the stages of funnel marketing, the results of internal observations and interviews show that the retention stage is the stage that has the greatest influence on the increase of CLV. Strategies such as post-training email automation, advanced program reminders, and exclusive offers for alumni have been proven to drive repeat purchases and extend relationships with attendees.

As many as 38% of the participants who had purchased the first training, were recorded again in 3–6 months to attend the second or third program. The CLV of repeat participants increased 2.3 times compared to one-time participants. This shows that retention is more efficient than new participant acquisition, both in terms of cost and time. This supports the theory put forward by Kumar et al. (2013) that in the context of modern digital marketing, retention-driven growth is more sustainable than acquisition-driven growth.

Furthermore, a successful funnel marketing approach not only brings participants to the registration stage, but also forms customer advocacy, which is when participants with positive experiences recommend the institution to others (Nguyen et al., 2020).

This creates a network value effect, which indirectly expands the participant base without increasing advertising costs.

## CONCLUSION

This research demonstrated that systematic implementation of funnel marketing strategies at LKP Syntax Training Centre significantly boosted customer lifetime value (CLV), with each funnel stage distinctly enhancing participant retention and relationship longevity; notably, retention emerged as the most impactful phase, contributing 35% to repeat revenue and yielding 2.3 times higher CLV for returning participants. The funnel's awareness, interest, decision, and retention stages each played a pivotal role, while statistical analysis confirmed a strong, positive relationship between perceived funnel quality and CLV ($R^2 = 0.612$, $p = 0.002$). For future research, it is recommended to conduct comparative studies across multiple training institutions to identify contextual factors that optimize funnel strategies and retention outcomes for broader educational impact.

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