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9 proven ways to retain customers

Smart marketers increasingly are recognizing the value of their existing customer bases—which produce up to five times the income and profits of new customers, for about half the time, trouble, and cost of acquiring first-time purchasers.

Repeat customers are a key indicator that you are making valid offers—and promoting them often enough, *Sports Illustrated* marketing director Alec Casey told a recent Direct Marketing Association seminar in New York City. He offered these customer-retention tips:

- **Keep in touch**
Try mailing an interesting, economical newsletter or periodic fax to established customers. It will keep you uppermost in their minds and result in repeat business.
- **Keep your message consistent**
Your customers will react positively to an offer you burn in time after time.
- **Develop an effective “link” letter**
A critical component of the process that keeps customers coming back for more, “link” letters can boost response significantly.
- **Make it easy for customers to reorder**
Toll-free phone numbers are absolutely essential. Web sites make repeat orders mouse-click convenient. Always ask for the next order, every time you and your customer interface.

“Giving the United States Postal Service \$1 billion—or \$5 billion— may get it through its current crisis, but it won't solve the problem.”

—DM News

■ Bill ... and bill ... and bill again!

Mail bills until the cost of billing exceeds the lifetime value of your customer. The standard number is seven to 12 efforts—but it can be more. E-mail billing can provide lift for costlier direct mail advertising.

■ Make special offers for customers only

Cross-selling and co-branding are increasingly effective today.

■ Gifts are a powerful way to bolster response from customers

■ Always be polite

This is particularly important in a billing series. Late in a billing cycle, your customer is unlikely to place a new order, let alone pay up for an earlier order.

So kiss the cows before you leave the meadow—and place delinquent names in a special database file, for revival later.

■ Make your bills look like bills

Don't spin your wheels by dressing up your billing effort with promotional copy.

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