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4 steps toward sharper fulfillment

Most advertisers concentrate on generating new sales or the inquiries that may lead to fresh orders. They may be missing out on a much more cost-efficient way to produce profits, fulfillment expert Ricky Arriola of Inktel Direct wrote in a recent article in DM News.

Well-planned and -executed back-end customer services, he notes, are proven ways to build customer loyalty, boost total response rates, and enhance return on investment.

On the other hand, he writes, slipshod fulfillment programs can cause a company, no matter how excellent its products or attractive its offers, to lose its most profitable customers.

Gartner research, Arriola reports, indicates that the cost of keeping existing customers happy is only 20% of the cost of beating the bushes to uncover new ones. Yet many businesses willingly spend big money on new business, but neglect to hone their fulfillment systems.

■ **Delivery speed critical**

Arriola urges marketers to focus on finding order turnaround times that satisfy both the company's goals and its customers' expectations. Otherwise, expect slow erosion of your customer base – not to mention costly return shipments and demands for refunds.

You may find that overnight delivery of premium-price products works best, while less-expensive, slower fulfillment is okay for the delivery of low-cost items. In general, long “hang times”

“You can accomplish much if you don't care who gets the credit.”

—Ronald Reagan

provide time for customers to reflect – and, perhaps, change their minds about their purchases.

In any event, it is a good idea to order products from your competitors, so you can perceive what kind of delivery times, and what customer services, they offer.

■ **Invest in appropriate fulfillment technology**

For low-cost, everyday products, a simple fulfillment system that just records orders and cash or credit-card receipts may suffice. However, Arriola notes, “Items of higher value typically require more aggressive cycle-count programs.”

■ **Consider offering on-line tracking**

Many customers enjoy tracking the progress of their orders during the fulfillment process. Computer manufacturers, for instance, have found that huge numbers of customers enthusiastically “watch” their machines step by step while they are built and shipped.

■ **Maximize ordering flexibility**

Some people prefer to order by mail. Others want to fax their wishes. Still others would rather order on-line, or by dialing a toll-free number. You should offer your customers the widest possible range of ordering routes.

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1222 North Fair Oaks Avenue
Pasadena, California 91103
1-800-794-0858
www.castlepress.com

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