



Volume 4

Copyright 2010

Maximize Your Most Valuable Asset!

When it comes to Direct Marketing businesses, **your most valuable asset is your customers.** Several companies I have been associated with when they sold, the majority of the sale price was attributed to goodwill, which is calculated by serious lifetime value studies to determine the future potential of the customer base.

Most business people know that customers can be worth more than one time triers. It is also well known that it is much less expensive to try to sell more to your existing customers than prospecting for new customers.

Here are a 7 tips to maximize sales to your customers.

- 1) Segment your customers and contact them based on their profitability. Our second RP Direct Tips newsletter covered RFM (Recency, Frequency, Monetary) segmentation. RFM remains an excellent way to segment intelligently and maximize your marketing return on investment.
- 2) Increase the frequency of your contacts to your better RFM segments. Whether delivered by mail, email or phone, increased frequency to your customers almost always pay off. It is very difficult to over contact your customers.
- 3) Stuff outgoing packages and invoices with additional offers. Promote special product or new product offers from the category ordered as the product is shipped. The old saying “strike when the iron is hot” applies. I have personally experienced a 15% to 25% incremental bump in sales just by inserting a catalog in outgoing packages.
- 4) Recognize your new customers at the beginning. Include a “Welcome New Customer” offer in your outgoing packages and/or send first time customers a “Welcome” email with a special promotion like 10% off next order. Less expensive than catalogs but sometimes effective are postcards with an offer to order from the website and receive a discount.

- 5) When it comes to the 80% - 20% rule, I like to make sure you treat your 20% customers as special. Make sure to set up your best customers with database flags as "Preferred Customers" so your customer service reps know to treat them carefully. Also, be proactive and set up an outbound telemarketing effort to offer exclusive offers to your best customers.
- 6) Reactivate lapsed customers. It is less expensive to reactivate than to prospect for new business and I have personally been successful with some businesses by contacting as old as 48 month lapsed buyers and contributing incremental profit dollars. Rule of thumb these days of cheap memory is to keep customer transactional data for as long as possible.
- 7) Take advantage of event emails: What I mean here is try to a cross sell promotion on emails acknowledging shipping of the product or contact a customer on their birthday or some other event. The more information your database contains the more you can take advantage.

Well there you go, hope you enjoyed our 4th newsletter and hope 2010 is a very good year to you.

If you want a FREE evaluation of how RP Direct can help you, give me a call or click on the email link below.

Rudy Picchietti
RP Direct
925 Holmes Ave.
Deerfield, Il 60015
847-624-1139
[email rudyp@rpdirectmarketing.com](mailto:rudyp@rpdirectmarketing.com)
www.rpdirectmarketing.com

PS. Please feel free to pass on this newsletter to anyone you feel would benefit from RP Direct Marketing Tips.