

Altman Dedicated Direct

STRATEGY... TACTICS... RESULTS

Column: **"After the Phone Rings ..."**

Month: **March 2005**

Topic: **Wooing Former Customers Back**

You made the initial offer with your DRTV or radio ad. The customer responded by calling your 800# or ordering from the web. Maybe they purchased continuity or auto-replenishment products, made one or two more purchases following their initial buy from you, but nothing more. You shipped the product(s) and now months or (gasp) a year or more has passed; your customer hasn't come back to order anything more.

How can you win these customers back?

Getting former customers back is simple in theory but challenging in execution and requires understanding the group's unique characteristics. In many ways, former customers behave more like prospects than current customers. They have lost a certain amount of trust in your brand, or their interest or need for your products has waned. Happily, there's one big difference between prospects and former customers – cost. You already own the names for former customers and you don't need to spend expensive media dollars to acquire them.

At what point is someone considered a "former customer"? In most cases if someone hasn't made a purchase from you for over a year, you can definitely consider them former customers and treat them as such. Since infomercial buyers are somewhat impulsive in making the initial purchase, they can tend to disengage with a brand somewhat quickly as well. You may want to consider anyone who hasn't purchased in 6 months at risk for slipping into being a former customer and take action before more time passes and they ebb away, potentially for good.

To rekindle your brand's appeal, you need to regain trust of former customers, appreciate their business, and make an offer they can't refuse. It makes sense to acknowledge that the offer is being made because the customer hasn't purchased in a while. Doing this speaks directly to their situation and treats them uniquely – We all want to feel special! This is why catalogs send a "we miss you" offer when you haven't purchase for a while. Make your offer exclusively available to former customers, and make it irresistible in terms of discounts, premiums or other benefits.

If you know the reason your customer dropped out, your offer can be even more targeted. For example, when wooing back former continuity buyers, you can make educated guesses as to the most common reasons why they dropped out – too much product or getting shipments too frequently. Develop an offer that acknowledges this and combats the problem by giving customers the ability to determine their own shipping schedule or product quantity for each shipment.

Promotions can be made via outbound telemarketing, direct mail (solo mailers or catalogs), or email. Outbound telemarketing has the best conversion rates and allows the most flexible interaction, but has the highest rejection factor and restrictions due to the do-not-call list; direct mail is expensive but the only method that provides universal contact



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(everyone has a mailing address), and generally has the lowest annoyance factor; email has the fastest turnaround and lowest costs. Choose your promotion based on the offer specifics you are testing and the makeup of your buyer file (e.g. what percentage of them provided email addresses). Often multi-channel approaches make the most sense – e.g. email or postal mail followed by outbound telemarketing

And don't forget to segment your customer file so you can track results and know when to stop. You won't ever be able to woo back 100% of former customers and it makes sense to determine when continuing to make offers is no longer profitable.

Have a question on any of this? Email me: Saltman@AltmanDedicatedDirect.com Next month we'll investigate outbound telemarketing campaigns.

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