

## Five Tips for **Customer Acquisition**

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### 1. Have an active follow up strategy in place

A 5% increase in customer retention can increase an organisation's profitability by 75%, so before you invest in an acquisition programme, ensure you have an active follow-up strategy in place for existing customers who drop off. Examples of this include a well-timed friendly phone call, brief email, or a short online survey.

There are two primary objectives for a follow-up strategy:

- Gain insight that enables you to pre-empt and prevent other customers from leaving in the future
- Leave the door open for them to come back.

Some customers don't realise how important they are to your business. They think you may not even notice they're leaving, as you have many more customers just like them. However, taking the time to acknowledge the relationship, thank them for their past contribution and find out a little more about why they're moving on, will make your customer feel valued—and might even motivate them to come back.

### 2. Source quality data

Do your research and make sure you source acquisition data from a reputable data source. Here are some key questions to ask your data provider.

- How current is the data? How often is it checked and updated?
- When/how often has the data been used? (You do not want over-worn data, as your prospective customers will likely be jaded by marketing offers and therefore less likely to respond to yours).
- What is an acceptable average return (gone no address) rate and what are data supplier's terms around this? (A reputable data company will offer a refund for any GNA/undeliverable data above an acceptable percentage i.e. 5%).

- Is the data supplied with an NZ Post Statement Accuracy of over 85%? (You want your purchased data supplied in an eligible format for NZ Post maximum volume postal discount).
- Will the data include first name, last name, and full postal address? If it doesn't, find another supplier. Phone numbers are an optional extra and are easy enough to acquire for an additional charge.
- Can they provide some case studies/referrals from 0 similar organisations to yours, that have achieved positive results?
- What are the usage terms of the data? How many times can you use it (usually it's only once), within what period?

Finally, check that this data offers the right audience to achieve your objectives. You might think you're getting a great deal on cheap (or free) data, but if it's not the right audience for your organisation or campaign, you could waste a lot of money designing, producing, and delivering a DM campaign that has no chance of delivering the results you desire.

The sourcing of marketing data is a complex area and it's easy to make expensive mistakes. If you'd like some help in this area, please get in touch and we can walk you through the process.

### **3. Profile existing customer data to reduce acquisition risk**

The single most important reason for profiling your existing customer data is to reduce the risk on your acquisition investment. Here's why.

Data profiling enables you to make decisions based on actual customer behaviour, rather than predicting who your ideal audience might be. Once the profiling has confirmed the lifestyle attributes of your highest value, most regular and loyal customers, you can then acquire new prospective customers who have similar attributes and are therefore more likely to respond positively to your approach.

Data profiling also helps with copywriting and segmentation as you're able to alter tone, messaging and offers to engage the different customer profiles that make up your audience.

**Note: Do not ask a data company to profile your entire customer base. For acquisition purposes you only want to know the attributes of your best and most active customers.**

## 4. Don't pay for data you already own

When it's time to source the acquisition data, make sure you provide the data supplier with a complete data file of all your existing customers. The data company will compare the new acquisition data with your existing customer data and remove any acquisition data records that you already have on file. It's a waste of your marketing budget to pay for data records that you already have, so please don't miss this important step in the data acquisition process.

## 5. Acquisition strategy and design

To get the best out of your acquisition investment it pays to work with a specialist direct mail designer and copy writer. If you have your own in-house designer, ensure they work closely with your mail house to make efficient production and delivery choices. Acquisition needs to be effective and efficient to ensure your marketing dollar goes as far as possible and that you'll achieve the results you desire.

**If you'd like to embark on a new customer acquisition programme this year, or if you'd like to breathe life into an existing one, we can help. Get in touch today and let's walk through the process together.**