

# Your database: A goldmine of repeat customers

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Many businesses think that the only way they can grow their business and increase their revenue is by recruiting new customers. CEOs are under the mistaken belief that they need to shell out on a massive, slick advertising campaign in order to accomplish that.

Companies that believe their future success depend on hooking new customers are definitely under the wrong impression. They are also doing it the wrong way around, because they are already sitting on a goldmine in the form of their existing customers and those are the ones they should be focusing on, first and foremost.



## Email still a great marketing campaign

Data collected by marketing analytics company SumAll, shows that customers who buy from a company four times, are then more likely to come back to the same company to place more than half of their future orders there for similar goods and services. And why not? After that amount of time, they have already established enough of a rapport with your company to build trust and loyalty. By this time, they have also reached a familiarity with and knowledge of your products and services.

The SumAll figures also reveal that customer loyalty can generate as much as 40% of revenue in exchange for just 25% of a company's marketing and sales budget. Why so comparatively little? E-mail. It still remains one of the fastest and least inexpensive ways to reach out to your customers. Get your database of existing clients, with their direct e-mail addresses, up to date and it will become one of your most valuable marketing tools.

While some might scoff at e-mail as a marketing tool - calling it too old-school in this age of social media and QR Code campaigns - the Econsultancy/Adestra E-mail Marketing Industry Census 2013 findings show why marketers can't afford to let go of e-mail (and not just because it is inexpensive): It is still an extremely effective marketing tool. Those statistics reveal that two-thirds of marketers (66%) state that e-mail delivers an "excellent" or "good" return on investment (ROI), with 8% of businesses achieving more than half of their sales by means of e-mail campaigns.

Those who think that their products can't be marketed via e-mail should think again. A famous French cosmetics house recently proved that, with a dash of carefully applied colour and creativity, even make-up and lipgloss can be successfully sold to repeat customers.

## Case in point

Working their e-mail database, around October 2012 Lancôme launched an online loyalty program in which it allowed customers to successfully auto-refill some make-up products they regularly buy. But this is challenging since colours and shades are seasonal. Via the auto-replenishment program, the consumer would receive the refill automatically in a month or two (the customer sets up the frequency) for the same price and for free shipping.

According to Alessio Rossi, Lancôme's VP of interactive and e-business marketing, they started out promoting the program by sending out e-mails. Rossi said they preferred e-mail over direct mail, because it's more intimate, faster and a less expensive form of communication.

"We have dozens of data points embedded in our e-mail. Every e-mail is different," Rossi explained to DMNews.com. "If you shopped with us in a campaign and you selected seven samples out of 30 that are available, the follow-up e-mails you

will receive will be tutorials specific to you and will only speak to you. When we send you samples [hoping for] conversions, we'll ask you to post a review. Our products are extremely personalised."

This is why such a large part of CG Consulting's database services includes providing up-to-date direct marketing and corporate contact lists containing direct e-mail addresses. Whether you are doing business to business marketing or reaching out to consumers, as the Lancôme example has shown, keeping it as personalised as possible is key. Know thy customer and what they like. It will pay off.

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