

Principle 24

Reactivating Your Past Customers

*How to get your
customers back*

If something cost you, say, £100,000 in marketing expense to obtain, would it make sense to just ignore it and never use it after you paid for it? Of course not, but that's what a lot of business owners do all the time. I'm talking about your list of past customers, and lapsed customers. Each name on that list represents every pound you ever spent on advertising, direct mail, and publicity, and all the hours upon hours of your time spent creating those ads, or doing the networking, or writing the sales letters, and everything else you do to capture customers and get them into your data base.

It's less expensive than acquiring new customers

Furthermore, it costs from eight to ten times as much to go out and find new customers, so your past customer list becomes even more valuable not only because you already "have" them, but also because your past customers already know you, have bought from you before, which makes them far more likely to buy from you again

Don't think of them as "past" customers. Think of them as "inactive" customers with the potential to come back and buy from you again today, and many more times in the future. But they won't do it on their own - not most of the time. No, you have to get proactive and start working that customer list with a solid plan and goals for creating more sales using those valuable names.

First, if you have not contacted the names on your customer list for a long time, or if a lot of those customers have not come back to you on their own for a long time, you need to institute a "lost customer reactivation strategy."

One of the best ways to get old customers back is with a letter. I'm not talking about a normal sales letter here, but actually a special kind of sales letter called a "reactivation letter." Such letters take a somewhat personal



tone that appeals to emotions, or uses slight humour to break the ice. For example, your reactivation letter can have a headline with something like: "Wanted: Information Regarding Missing Customer. Reward Offered." Another approach is more direct. It starts out with: "We miss you! We want you back!"

Stop trying to do business with strangers

In the text of the letter, remind the customer that you consider them just that - "a valued customer" - and that you want them back. Give them a reason why they should come back and sweeten it with a great offer in the form an incentive or reward for coming back, such as a discount or something free. Be sure to ask them to take action, and you may also want to put a time limit on your incentive offer. Make sure the letter has a good kicker in a well-crafted P.S. - the "P.S." is the item in sales letters which gets read the most, tons of studies have shown.

There's nothing wrong with getting on the telephone and calling the names on your past customer list as well. Don't make the called unscripted, however. This is a "we want you back call" but it's also a structured sales call that will make an offer and ask the past customer to take specific action. You should also be prepared to tell the customer why they should come back, how they can do it if they need to know (if they have forgotten your address or phone number, which is almost a certainty), and what and how they can expect to benefit for doing what you want them to do - come back.

Of course, many of your past customers will have reasons for not coming back - sometimes good reasons - and you must be prepared to counter these reasons, fix the problem, or provide a solution to whatever it is that is preventing the customer from buying again. For example, a newspaper is calling lapsed customers to re-subscribe. They get the following reasons for not accepting, but they have anticipated them and have ready-to-go answers:

The experienced marketer is ready for objections and reasons not to buy and have an answer ready to counter. When you do provide a very good alternative to their problem, it becomes very difficult for the customer not to agree and then say yes.

Another inducement to get a customer back is to offer them a one-time super deal that is too good to turn down. Here's an example of how you might accomplish this with a letter:

Dear Customer:

We've been thinking about you lately, we miss you, and we've decided that we really want you back a valued customer.

In the past, you purchased our standard road breakdown plan that provided you with complete roadside assistance in the event your car breaks down and leaves you stranded. For £99 a year, you were assured of receiving emergency towing

service, car rental discounts, 15% off on all your hotel stays, free traveller's cheques, free maps and route planning performed by our travel experts, discounts on plane tickets, and more.

Because we want you back, and because we want to make sure all your travel experiences are safe and worry free, you can get all the same coverage for one year at just half of what paid for it the first time - just £49 for all the great coverage you get with the regular £99 a year plan.

Why are we willing to give you such a steep discount? We simply want to win your business back. We make no bones about it. We know once you experience the safety, confidence and discount savings of being fully covered by our hazard and roadside assistance service, you'll never want to be without it again.

Remember that if you take advantage of our hotel and place ticket discounts, you can easily recapture the cost of your premium. Also, towing service today has never been more expensive. If your car needs to be towed just 10 miles, the cost can be in excess of £200. We don't want you to break down and be stranded somewhere, but if it happens, £49 premium means you don't have to worry about some super expensive towing bill, and other charges associated with car problems.

Reinstating your plan has never been easier. Simply call our freephone number at the bottom of this letter and tell our representative that you want our special £49 Return Customer deal, and you'll be covered immediately. No need to send money now; we'll bill you later. Or you can pay with a credit card over the phone, or detach and send in the card we have provided for you below.

If you choose to rejoin us within 10 days, you will also receive a complimentary World Road Atlas which included detailed maps of every major and minor road in the country, and is also packed with the names and addresses of all the best travel destinations, best hotels, including their phone numbers, along with a lot of other information. The Atlas sells retail for £19.95 but it's your free for coming back to us as a customer at half price, just £49.00.

You can also cancel your plan at any time and get a full refund of your premium, but you still get to keep the Road Atlas simply for coming back to us and trying our service again.

We hope to hear from you today. This is a risk free offer with a full money-back guarantee, so you have nothing to lose. A representative is ready to take your call right now, and thanks in advance for taking the time to consider this one-time offer, and thanks for your past business.

Good Luck and Happy Travelling,

Sincerely,

*Joe Smith
Acme Roadside Service*

Yet another effective means of reinvigorating old customers is to call them and tell you are contacting them to give them advanced notice of a special, unadvertised sale. Tell them that as a past and valued customer, you want them to be among an exclusive



list of people who are being invited to get some spectacular discounts which will not be available to the general public.

It also helps to offer some truly spectacular deals at the sale - so not only do you appeal to the past customer's personal prestige by treating him or her like an "insider" and a "preferred customer," you sweeten the deal by offering true value and real savings on something they have demonstrated an interest in buying in the past - because they bought from you in the past!

I would also encourage you to keep mailing your lapsed customers for as long as you know their address is good, and for as long as you know the customer is still with the living. Experienced direct response marketers know that people often buy only after receiving five to 10 mailings. If a customer bought from you once, keep mailing them your regular materials, and keep doing it for several years, even if they rarely or never respond. It's still worth doing so because a large enough percentage will respond sooner or later and make your effort worthwhile. Also, remember that any mailing can be made much stronger if you follow it up with a phone call.

The ways in which you can bring back lapsed customers is limited only by your marketing imagination. The bottom line is - your past customer list and your lapsed customer list is almost certainly a far richer source of future business than customers you have yet to attract and sell. You still need to continue your efforts to find new customers to constantly build your data base of names - but once you have those names, get the most out of them by never giving up on them.