

Re-engaging Your Inactive Customers

Inactive customers might just be the most misunderstood and neglected segment of your customer database. According to email industry experts, 50% or more of a typical B2C (business-to-consumer) file can be inactive. Given the significant cost to acquire these customers and email addresses coupled with the substantial missed revenue opportunities due to inactivity, it is critical for companies to develop appropriate win-back strategies for these valuable lost customers. Certainly, Google's market cap of \$150 billion is living proof of how much we have all spent to acquire online customers.

According to studies by The Brooks Group, you have a 16% chance of selling to someone you never did business with before, a 50% chance of selling an existing client more products or services, and a 25% chance of reclaiming a lost account. Fortunately, the cost to reconnect with these former buyers is a fraction of what it costs to acquire a new customer. And that means the ROI on this investment often far exceeds that of almost any other marketing program at your fingertips.

Crafting Your Win-Back Program

Much has been written on the best ways to craft your win-back programs. Some of the leading strategies include:

- Offer a heavy discount or aggressive giveaway to lure people back into the fold
- Send out a survey or profile invitation to better understand their needs and preferences
- Deploy a "click here or we'll never email you again" message so you'll really know who is inactive

But before you run off and start implementing one or more of the strategies above, you will want to ensure that your investment in the creation, development, and execution of your campaign is not all for naught. Deploying the best win-back campaign in the world will not generate any ROI for you if your win-back message is not sent to active email address accounts.

Where's Waldo?

More often than not, your inactive list is simply the result of sending your marketing campaigns to your customers' inactive email addresses. With annual email address churn rates of 20% to 30% or more per year, it's easy to see how quickly the number of inactive email addresses adds up.

So the critical step of any successful win-back program requires you to find the current preferred email addresses of your customers. This can be accomplished organically by ensuring that every possible touch point (e.g. call center, web site, retail kiosk, POS, direct mail effort) encourages your customers to share their updated email addresses with you. Postcarding your customers with an online promotion that requires email address registration is another tactic companies have tried, although rising printing and postal costs as well as low conversion rates can make this an expensive proposition. Alternatively, you can try an ECOA (Email Change of Address) service to gain their new email addresses.

Smart Marketers Know It's Not *Always* About Sex

Before you toss out your inactive customers, remember that in today's times of economic uncertainty with unemployment rates hovering near 10%, prospects are more cautious than ever and take longer to commit. That means your costs of acquiring new customers is higher, thereby making customer retention programs that much more attractive. While customer acquisition campaigns seem so much sexier, smart marketers have always known that win-back strategies to re-engage your inactive customers typically generate an ROI no other marketing program can match. So combine your best win-back creative with a list of updated customer email addresses and watch your sales soar!