

Creative Customer Acquisition in a Tough Economy

By Laura Saati, Group Director

The New Year is finally underway — a time for resolutions, change, and fresh starts. In 2009, many e-mail marketers have resolved to meet the challenge of generating revenue through the right balance of customer retention and acquisition. Although we strive to maintain strong relationships with existing customers, attrition obliges us to seek new and creative ways to grow our lists. In fact, Forrester Research reports that list growth is the second most important challenge facing marketers, particularly those with lists of fewer than a million names.¹

The good news is that we don't have to reinvent the wheel — just tighten it up a little bit. To help our clients stick to their resolutions, we've identified four tried and true acquisition strategies that are worth revisiting in 2009.

1. Make the most of your Web site

According to an Email Experience Council survey, 84% of online marketers reported that the most successful list-building tactic is “organic: capitalizing on sign-up opportunities across all of my channels.”² Of these channels, your Web site should be at the top of the list. Customers visiting your site are already expressing interest in your products or services and are comfortable with the digital medium. You've got them in your sights — now your job is to make it as easy as possible for them to opt-in.

The first step is to ensure that your call-to-action for sign-ups is prominently displayed on every page of your site. Because search engines may drive consumers to a specific product page rather than the home page, a call out on the home page alone is not enough. Bedbathandbeyond.com has placed “Email Sign-Up” in their top navigation, making it very straightforward for shoppers. Gap.com places a call-out box in the footer of every page, including individual product pages. It is also important to say more than just “Sign up for our e-mail.” Instead, provide specific language like American Eagle Outfitters does with “Sign up for e-mail. Get special offers and news on the latest AE styles and events.”

¹Forrester's Email Wave Online Survey, Q4 2007

²DM News – December 1, 2008



Once the customer has reached the sign-up page, don't scare them away. Keep them there by making sure that it is user-friendly. Beware of making the sign-up process cumbersome with too many fields, as approximately 20% of users will opt out of the form for every field that is presented.³ If it looks like you are asking for too much, consider capturing just the name and e-mail address, with an option to provide more detailed information after they hit "submit." This ensures that at a minimum, the e-mail address is collected before the customer drops off. You may also want to explore getting software that catches typos like "hotmial" or "yahop" to help with address validity.

During sign-up, outline the benefits and set expectations. Let consumers know if they will be receiving monthly e-newsletters or daily offers. If possible, allow subscribers to be specific about what they want to hear about. In this way, your segments create themselves. Let subscribers choose frequency, HTML versus text, categories of interest, or other personalized options. This example from Banana Republic describes specific communications about sales and exclusive offers and allows the customer to select what category of clothing they are interested in, like men's, women's, or accessories.

BANANA REPUBLIC

BE THE FIRST TO KNOW

Give us your email, and we'll send you updates about our newest arrivals, sales and exclusive offers. Plus, sign up now and we'll send you a special **FREE SHIPPING** offer.*

What categories are you most interested in?

<input type="checkbox"/> WOMEN	<input type="checkbox"/> PETITES	<input type="checkbox"/> WOMEN'S TALL
<input type="checkbox"/> MEN	<input type="checkbox"/> MEN'S BIG & TALL	<input type="checkbox"/> SHOES & HANDBAGS

Enter your email here

Last but not least, disclose your privacy policy. Tell your customers what you do with their information and make it easy for them to update their profile, change preferences, and opt out. Walmart.com puts a link to their privacy policy right in their sign-up call-out box.

Don't Miss a Single Rollback or Special Offer!

Get the Wal-Mart Wire:

See our [privacy policy](#).

³Robert Williams "To get online leads, what beats Web forms?", DM News, October 20, 2008.



2. Leverage your employees

Our research shows that most marketers have e-mail addresses for only 15% to 20% of their existing customers. This untapped pool is a valuable resource, and your employees can play an important role in using it to grow your e-mail list. Make sure that you clearly communicate the value of an e-mail address throughout your organization, and give incentives to capture e-mail opt-ins at tradeshow, call centers and in stores. Considering e-mail's strong ROI, short-term investment in employee incentives should be well worth the long-term benefit to your bottom line.

Customer service representatives (CSRs) should be well-versed in your company's value proposition and have a script ready to highlight the benefits and special perks of opting in for e-mails (private sales, exclusive offers, etc.). They should also be trained to routinely confirm existing e-mails during the order-taking or inquiry processes, update the e-mail address if necessary, and advise the customer on e-mail program enhancements. As part of its Real-time Reservation Confirmation Program, Avis Budget Group acquired several million e-mail addresses by having CSRs request e-mail addresses and explain the benefits during the reservation process. Open and click-through rates were high for the transactional message as expected. More surprising were the strong results on promotional content, including e-newsletter opt-ins.

Phone contact could also be an opportunity to convey the "green" message of using e-mail versus snail mail (particularly if you are a catalog company). Many customers will respond to the message that your company is environmentally conscious and would like to decrease the use of paper.

3. Sweepstakes

Sweepstakes are usually a surefire way to capture e-mail addresses for both existing and new customers. But just how qualified and valuable those new leads are depends on your targeting and execution. One tactic that can be successful in generating more highly-qualified names is offering customers extra contest entries if they forward the contest information to a friend, or if they reach a threshold, such as getting five friends to enter.

As the sweepstakes leads enter your system, it is important to tag them with a source code that identifies them as contest respondents and keeps them as a separate segment. Establish a conversion goal for this segment then track their behavior to assess their quality. Do you have a potentially loyal customer, or a contest junky? A follow-up sequence can help to further qualify the entrants, as well as to provide contest updates and announce the winner. Once the contest is over, you may want to re-contact participants with an offer. Then, if in your pre-determined timeframe they don't convert, let them go.



4. Refer-a-friend

Almost 60% of brand loyalists state that they often tell friends and family about the products that they like.⁴ Referral programs are a great way to harness these powerful endorsements and turn your loyal customers into brand advocates.

In terms of logistics, be sure to ask the referrer not only for the friend's e-mail address but also for a full name. And when soliciting the friend to opt in, always personalize the message and, most importantly, reference the person who referred him. A reference to the referrer gives you instant credibility and will produce a much higher conversion rate. For existing subscribers, offer an incentive that is relevant to your demographic. For example, a student loan company may offer their borrowers a \$50 iTunes gift card for every referred friend that applies and qualifies for a loan.

As we've seen in the marketplace, these four strategies are good starting points to help you stick to your customer acquisition "resolution" for 2009. Use them to get creative and think out of the box about your own business and customers. And feel free to contact your e-Dialog account team – we would love to work with you to brainstorm some actionable approaches for the New Year.

⁴Japp Favier, "Recession Marketing: Marketers Should Shift Budgets From Client Acquisition To Client Retention", Forrester Research, December 8, 2008.