

Emotional Connection

Build an Intimate Bond With Your Customers

The Best Customers
Have Lifetime Value

Marketing
Visibility Beyond
Email Tracking

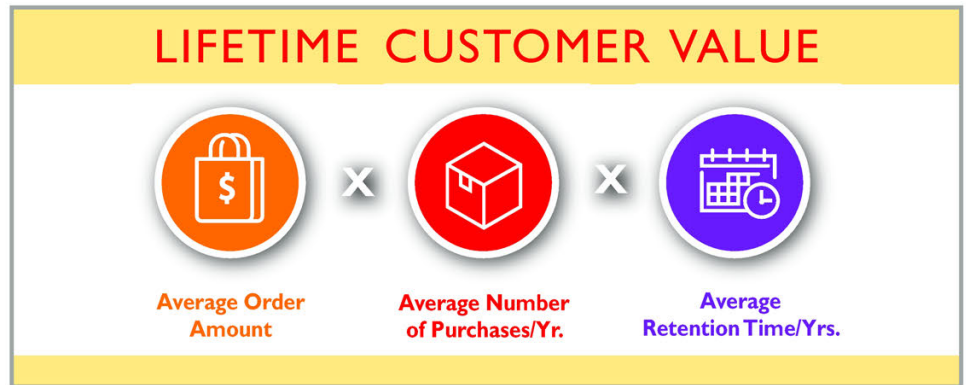


- Most Customers Use Multiple Channels to Research Purchases
- Likability and Trust Impact Brand Loyalty
- Repeat Customers Spend More in Third Year of Business

Lifetime Value

Do you know who your best customers really are?

You have a tight marketing budget and want to focus that budget on your best customers. How do you decide which customers are worth the greatest investment? You might think that the answer is obvious—the ones who spend the most money with you. But which metric do you use to determine that?



Studies consistently show that the most profitable customers are those who continue to engage with you over time. This is because, once you acquire those customers, not only does it cost less to keep them than to acquire new ones, but if you treat them right, they'll spend more money with you than one-time

customers will—according to RJMetrics, 300% more!

That's why, when determining your "best" customers, you need to consider how much a customer is likely to spend over the lifetime of that relationship. This is called "lifetime customer value" (LCV).

Lifetime customer value is a powerful metric. To show why, let's look at the example of subscription services, such as streaming music.

It might cost a streaming service \$5 to acquire a new customer, for example, and that customer might spend only \$9.95 per month. However, if that customer maintains that subscription for one year, that \$5 investment turns into \$119 in revenue. If that customer keeps the subscription for two years, that \$5 investment turns into \$239 in revenue.



The same principle applies to retail sales and B2B services. It might cost you \$150 to acquire a customer who buys a single \$150 software (SaaS) license, but if you retain that customer for five years, that \$150 acquisition cost nets you \$750.

How do you calculate LCV?

One of the simplest calculations is as follows:

**average customer order ×
average # of purchases per year ×
average retention time (years)**

This calculation doesn't take into consideration other factors, such as how much it costs to retain those customers, but it does provide a starting point. To find this value for each customer, you can come up with your own spreadsheet or you can download a free calculator from companies like HubSpot.

Whatever method you use, give LCV analysis a try. This information is powerful and helps you focus your efforts on the customers in a new way—finding those with the highest profitability over time. What's not to love about that?



An Informed Audience

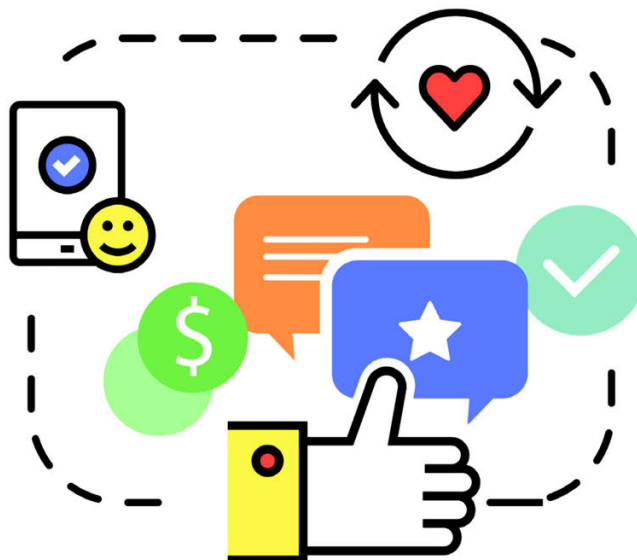
70% of consumers use three or more channels for researching purchases.



Source: CMO Council

Turn Likes to Loyalty

86% of consumers say brand loyalty is driven by likability and trust.



Source: Rare

Creating Connections

*Build an emotional bond with your customers
and make an impact on the bottom line*



Any type of relationship starts with emotional intimacy. Business relationships are no exception. This is why many companies are investing in customer intimacy strategies.

Is customer intimacy just a fancier way of referring to customer engagement? Nope. Customer engagement is designed to create interaction with customers both online and offline using tools such as surveys, social media activity, clickable links, interactive print, and so on. Customer intimacy is different. By definition, it is based on relationship, not just response or activity. Relationships, by their very nature, create a bond of loyalty and advocacy that, in a business environment, have a direct impact on the bottom line. Relationships are sticky. Thus, customer intimacy is deeper and less fickle than other measures, and it's worth your time to figure it out.

How can you use the tools in your marketing toolbox—print, digital, mobile, and social—to deepen customer intimacy?



Enhance personalization

Whether it's print or email, enhance your understanding of your customers with data that is relevant, current, and continually kept up to date. When communications are truly relevant, that builds trust. Trust builds intimacy.

Customer surveys

When you ask someone's opinion, you show that you care. It starts a two-way conversation that makes customers feel valued. Use direct mail, email, web and social media polls, and even text messaging to solicit feedback.



Monitor Net Promoter Score (NPS)



A Net Promoter

Score is a single survey question that asks, on a scale of 1 to 10, how likely customers are to recommend your product, company, or service. Monitoring your NPS by customer segment, over time, tells you where you are doing well and where you need some work. When customers see that you value their opinions *and respond to them*, that creates intimacy.



Updates and "report cards"

What are your company goals this year? Communicate them to your customers and provide updates. Transparency helps customers feel more connected with you. In a B2B environment, offer annual reviews of your customers' performance metrics, too. This is one way you can give back and deepen the relationship.

Send gifts and cards

Take note of key dates in your customer relationship, including birthdays and customer anniversaries. Sending a card or gift sends a powerful message: *We care*. Do this by mail, not digitally. Printed pieces create far greater emotional impact.



There are many other ways to create customer intimacy, so get creative. Whatever tools you use, the message should be the same: *We know what you value. We care about what you value. By engaging with you about these things, we care about you. That's a message that resonates—and sticks.*



Maintain Marketing Visibility

How Apple's new email privacy update reinforces the value of print

Print is a wonderful marketing tool, and email is, too. Email is fast, highly responsive, and easily tracked and tested. At least, until Apple iOS 15.

Released in September 2021, Apple's new iOS 15 contains a feature called Mail Privacy Protection (MPP), which prevents email marketers from tracking the behavior of email recipients. For users who opt in to this feature, email marketers can no longer track opens and related data, including the device, time, and location of these opens. This makes it more challenging for email marketers to assess recipients' engagement with a campaign, as well as to personalize emails and test different headlines, messages, and offers.

More than half of all email opens (52%) occur on Apple devices. While the MPP feature is optional, more than 97% of Apple iOS 15 users have reportedly enabled it. This means that businesses must use other methods to gain insight into the preferences and behavior of those on their lists.

What can you do?

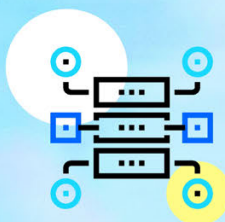
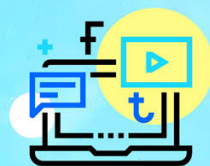


DON'T PANIC

Email marketing is still a great way to engage with customers and prospects. Even with less visibility into engagement on certain devices, email remains an important part of the multi-channel mix.

REMEMBER THAT VISIBILITY HASN'T TOTALLY DISAPPEARED

You can integrate other tracking tools, such as clickable links and images, personalized URLs, and messaging-specific landing pages.



INVEST IN OTHER CUSTOMER DATA

If you want to learn more about your customers, consider purchasing data from third parties. This is a great way to deepen your knowledge of those customers and maintain accuracy in your email list.

BOOST YOUR FIRST-PARTY DATA STRATEGIES

Don't forget that you can gather your own data through surveys and other measures, too.



RELY MORE HEAVILY ON DIRECT MAIL

Add tracking and measurement tools on your mailers, such as personalized URLs, campaign- and messaging-specific landing pages, and QR codes, barcodes, and discount codes to track conversion. Direct mail remains a powerful, highly effective way to measure engagement with your messaging and offers, and it is not impacted by privacy tools and regulations.

Apple's Mail Privacy

Protection may create tracking challenges for email marketers, but it doesn't dampen the power of email or multichannel marketing. It just encourages businesses to be more creative and lean more heavily into other channels, especially direct mail. Maybe that's a good thing.

Welcome to the latest issue of *Goodway Profit*. This newsletter is designed to provide you with information that will keep your 1:1 print campaigns cutting-edge and profitable.

Learn how marketing
can help you find
and retain your
most profitable
customers.



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In Favor of Repeat Business

There's a **67%** likelihood that repeat customers will spend more with you on their third year than on their first.



Source: Bain & Company