



## Special Report

Making Customer Loyalty Work To Your Advantage.  
The New Way To Increase Sales Without Marketing Going Over Budget.

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Abstract: This Special Report demonstrates the effectiveness of loyalty marketing when integrated into your entire marketing effort.

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## Everyone's Doing It!

Traditional marketing has for years been about finding new ways to interrupt the consumer (household or corporate), put the message in front of as many eyes as possible and wait for the people to start knocking down your door. This style of marketing, "interruption marketing" has been used the most. TV and radio commercials, junk mail delivered to your door, newspaper and magazine ads, billboards, ads in bathroom stalls, above the basketball court, popping up as you browse the web and SPAM in your inbox.

With all these forms, the campaigns are considered successful if the response rate reaches 1-2%. Some of them aren't very measurable; you don't know for sure how many people had the opportunity to respond (passed by your billboard), or how many noticed your ad (looked up at your billboard.) What you might notice is an increase in traffic to your store, or responses to your call to action. But how many of those are from the billboard and not from some of your other marketing efforts?

Marketers who use these methods do not spend a lot of time following up with undecided prospects and existing customers, mainly because it is cost-prohibitive to use these methods to stay in contact. And the message is crafted to appeal to a larger audience and not tailored to answer the concerns of the "soft prospect" who is interested, but not yet ready to buy.

## Don't Let them get away!

Another method of marketing has been around a long time, "loyalty marketing" - permission based one-to-one marketing. Before mass media, companies relied on word of mouth and their customers as individuals to keep their business. The main component of this style is follow-up. Companies continue delivering value to their customers, even after the initial sale. They build loyalty and promote customer lock-in by learning as much as they can about the customer and what he or she wants. Once the company has built the relationship and been taught by the customer how to best be served, the customer is less likely to go elsewhere to build that relationship again.

In the past, this type of marketing could only be done effectively on a limited scale without getting highly expensive. Since the rewards of this approach are sometimes delayed weeks or months, many companies have hesitated to invest in long term marketing plans. They instead opt for the "instant" results of interruption marketing even though the response is much less, and often more expensive per customer.

With the technology now available, the expense of following up with soft prospects and existing customers is reduced. It actually begins to cost less per marketing message the more your database of contacts grows since [the incremental costs between following-up with 10 and 10 Million contacts are extremely low.](#)

## Best of both worlds

Loyalty marketing is not as exciting as seeing your 30-second commercial during the Super Bowl. It takes a different mind-set and approach to keep the attention of your contacts with relevant information to encourage them to buy from you - instead of just getting their attention for 30-seconds and hoping they remember and buy from you.

This does not mean that interruption marketing should be avoided. It is a necessary part of the marketing process. It acquires you new customers and prospects. However, interruption marketing should be approached with loyalty marketing in mind.

*Because once you get their attention, you want to keep it.*

## Where the money is

Let's assume you spend \$10,000 to reach 100,000 people through a newspaper ad. If 30% look at your ad, and of those, 2% respond to your call to action, that means 600 people (soft prospects) responded at a cost of \$16 each. If you then convert 30% of those to paying customers, the cost of each new customer is \$55.

Now, instead of letting that other 70% of soft prospects just walk away; you gain their permission and begin loyalty marketing. You build trust and educate them through a series of 2-way communications that are expected and relevant.

Your results will be measurable, you'll know who's looking, who's responding and when. Your response rates will be much higher when your messages are relevant to each individual. With a 10% conversion rate with the remaining soft prospects, you've gained an additional 42 customers that you would have had before. If you apply the same techniques to your existing customers gained from the ad, and have the same 10% conversion rate, you'll have another 18 repeat sales. *That's a 56% increase in sales!* Imagine what the results will be when you apply loyalty marketing technology to **all** you existing customers and soft prospects.

## Making It Happen - Why Wait?

One of the obstacles for companies in implementing this style of marketing is not the price, it's the planing that's needed to decide how to offer value to the customer. *All you need is commitment. You do not need all the answers before you start.* One of the great features of Blue Steel Software's MailSphere technology is the ability to test your ideas and measure results. You can tweak campaigns without incurring extra costs. You can conduct surveys and polls to learn what your customers find valuable.

Another concern is the desire for more sales now. Loyalty marketing seems like too much of an investment now for future sales. While it's true that loyalty marketing is a long-term approach, it also offers its own immediate benefits: *most responses (85%) occur within 48 hours*, compared to 6-8 weeks with direct mail marketing.

With the proliferation of SPAM, and the inboxes of your customers being bombarded every day, it is important that your message stand out *by being relevant, expected, wanted and truly personalized.* Establishing your presence now will insure *your message gets through the clutter of unwanted email.*

Blue Steel Software has the technology, MailSphere, that will give you the power to communicate with your contacts on a one-to-one, relevant and truly personalized manner. MailSphere is the ultimate on message deployment systems, with the flexibility and scalability to meet your business needs both now and as you grow.

MailSphere can be integrated into your existing databases and CRM system so *you can leverage the data you already have.* MailSphere can be implemented in less than 8 weeks, *often with 1 week* - so *you don't have to wait for results to happen.*

If you would like to find out more about MailSphere can compliment your current marketing practices, call now: 704.377.0006 ext 205, or email us at [info@bluesteelsoftware.com](mailto:info@bluesteelsoftware.com)

If you aren't ready to contact us, but would like to find out more, then just fill out the request for more information found at [www.bluesteelsoftware.com/request.htm](http://www.bluesteelsoftware.com/request.htm)

