



Thanks for subscribing to the Rocket Science Marketing Tips e-newsletter. I hope you find the tips and case studies are useful thought-starters that assist you with your own direct marketing challenges and opportunities.

Tip 1 – Save money by marketing to other businesses customers

Acquiring new customers through third party channels is fast becoming too expensive for many businesses. The costs of printed inserts, media space, lists and even online advertising can blow out your acquisition costs, particularly if it underperforms expectations.

Side-step media costs altogether

Think outside the square by looking within your business network to identify existing and potential business alliances that you might be able to leverage. Look to identify those businesses that complement yours and have direct relationships with their customers. Consider what your shared business goals might be. And then get in touch with the relevant business manager to explore reciprocal marketing opportunities. Ideas include:

- List swaps (if both parties customers have opted in to receive third party offers)
- Insert swaps, where both parties create an insert that goes to the others customers
- A sweepstake, where both parties might share the costs and the database generated from the activity
- A commission stream, where you might get access to their database, and pay them a commission based on sales generated from their customers

You might have to knock on a few doors to find the businesses that are the right fit for you. But once you find them, it's all about creating relevant offers to increase response rates and decrease the acquisition costs. There's also a great opportunity to test things on a small scale with a number of potential alliances before you invest more fully in the partner channel that proves to most cost-effectively deliver the most or best quality customers.

Supporting case study

The Katies women's fashion chain wanted to re-launch their brand and customer club, but they wanted to move away from discounting their own product. Perfume.com.au was a relatively new online perfume retailer that was interested in generating brand awareness and acquiring new customers. Perfume.com.au got involved with the Katies re-launch by offering a \$20,000 (160 bottles of Elizabeth Arden Red Door) perfume giveaway and all Katies customers who joined the club within the set timeframe, went into the draw to win. All new Katies Club customers also received a \$20 voucher to spend on their first purchase at perfume.com.au. The terms and conditions stated that both companies would share the database. The collateral included huge window posters, in-store collateral and direct mail & emails to existing customers. This offer successfully motivated customers to join the Katies Club, and perfume.com.au achieved an incremental increase in traffic to their site and sales.

To explore how reciprocal marketing arrangements could work for you, contact me on (02) 9572-6636.

Until next time,

Mel

Director

Rocket Science Strategic Services Pty Ltd