

Why Retention?



Retention, so what? Well actually, it's vitally important.

We've already discussed the advantages of sending a newsletter but what are you doing to keep your customers coming back and buying from you again? After all, you've invested all that money in attracting them in the first place.

Studies show it costs ten times more to generate a new customer than to maintain an existing one. And for an industry where customers make multiple purchases over the years, the whole team should be focused on retaining those customers.

Retention is the percentage of customers that purchase again. [There are three key elements:](#)

- [Attracting the right customers](#) – attract as many of your ‘ideal’ customers as possible; customers who get maximum value from your product(s).
- [Activation](#) – you may send a newsletter to a customer each month but it doesn’t mean they’re actually going to buy from you. Encourage your customer to activate and give yourself the best chance of increasing your retention rate.
- [Follow up](#) – even if you’re acquiring the right customers and activating them it’s especially important to monitor those that go inactive. If they do so, prompt them back again. Spending time to make sure your customers don’t leave will maximise retention.

Whether a company is large or small, it’s worth spending time on email marketing to increase customer lifetime value. In fact, ideally, spend as much time on optimising customer retention as on acquisition. They are equally important.

So here are your top five benefits of customer retention:

1. [It’s cheaper than acquisition](#) – as we’ve seen, ten times cheaper.
2. [Loyal customers are more profitable](#) – but don’t take their loyalty for granted.
3. [Stand out from the crowd](#) – most brands focus on acquisition.
4. [Engaged customers provide more feedback](#) – and feedback is critical to any business.
5. [Loyal customers enjoy being marketed to.](#)

Here's a sample letter texts that we're currently sending to our base, reiterating some of the key benefits of being with O2:

