

Marketing

Mailing Programs

Creative Use of Email and Direct Mail Can Solve Problems and Keep Revenue Flowing

By Craig Astler

Bill Consolo is a guy who isn't satisfied with the status quo. As president of Chief's Manufacturing and Equipment Company, a Cleveland-based provider of no-touch car wash systems and componentry, Consolo constantly looks for ways to help his customers improve their quality of service. Consolo also operates the Chief's Auto Wash adjacent to his factory—a venture he's equally keen to keep vital and fresh.

“The key to long term success is to always be expanding your customer base,” he says. “The way I figure it, if we can attract 100 new customers per month, I believe we can make 100 of them loyal customers.”

In today's media-obsessed world, many small business owners assume that TV and radio advertising is the golden ticket to name recognition, trial patronage and long-term sales success. But Consolo, and many other savvy car wash owners like him, have found that direct marketing—specifically, strategically-planned online and conventional mail programs—have ROIs that far exceed more glamorous, and less productive, alternatives.

A key part of Consolo's direct mail regimen is the use of Moving Targets (www.movingtargets.com). Based in Perkasio, Pennsylvania, Moving Targets specializes in direct marketing programs aimed at new residents. The company helps retail businesses find these newcomers and convert them to customers through a two-step process: first, Moving Targets uses proprietary research techniques to generate highly efficient mailing lists of new residents; second, it writes and mails customized letters on the retailer's behalf that welcome the person to the community. Enclosed with the letter is a gift certificate for a free sample—in Consolo's case, a free car wash.

“Moving Targets gave us the opportunity to do two things,” Consolo says. “The first was the ability to advertise only to those people moving into our market area. The second thing was to target those people directly and personally. In today's fast paced world, people don't have the time to go through an envelope containing dozens of coupons. They are far more likely to open up an envelope addressed to them. When they find out it's for a free car wash, it's a no-brainer.”

Jay Siff, president of Moving Targets, states that research backs up the notion that new movers are one of the most lucrative ways for merchants to gain new customers—and that a free service is the best way to bring in those prospects.

“The U.S. Postal Service has studied the buying habits of people who are new to a community. In the first 24 months after a move, an estimated 80% of new residents will try new products and services from local businesses,” he says. “In fact, 80% of new

residents will also redeem gift certificates from local merchants. There's no question that newcomers are more open-minded. They haven't formed loyalties yet to the businesses in their neighborhood. Whichever business gets to them first is likely to be the one they stay with."

Consolo has found that his current new resident outreach far outperforms the other marketing tools he has used. "We've tried all forms of advertising over the years. Cable TV and newspapers are difficult to measure. We tried Val-Pak, JB Dollar Stretcher and Welcome Wagon. The best return we ever got from these was 2-3%. With Moving Targets we obtain a 15% return."

Bill Proestler, another Moving Targets user and president/owner of Five Star Car Wash, says that the continuing influx of people to his community of Fairfield, California, northeast of San Francisco, has made it essential for him to reach out to new residents. "We've sent mail to new movers on a regular basis almost since we opened our doors in 1997," he says. "It's a key component of our overall marketing efforts."

Bringing in new customers, however, is just one method of using mailing programs to expand and leverage a user base. With the advent of email, car washes have a powerful new tool to change customer habits, promote specific services, increase business goodwill and more—and perhaps most importantly, to begin achieving such worthy aims within one afternoon.

Email has an immediacy and intimacy direct mail doesn't, say the experts. As a local merchant, you can use these characteristics to your advantage to keep sales up and encourage fast action.

Say, for example, your city just went through a heavy snowstorm and is just beginning to dig out. Getting the family car washed isn't a high priority at that point—unless you send out an email that includes an "After-Blizzard Special" certificate good for 25% off an exterior wash. Or perhaps you're turning away business on Fridays or Saturdays, but Mondays are slow. Send a Monday discount certificate via email to your customers, and you'll pick up traffic that day of the week—without hurting your weekend sales.

Siff, whose company also offers an email marketing service called Loyal Rewards (www.loyalrewards.com), says it's important to give people, including new movers, reasons to return after a good experience at your car wash.

"Most car washes wait passively for a customer to return. They're missing the boat. The more effectively you market to your patrons, the more often they'll come back," he states. "People instinctively agree with the message that a cleaner car is not only more enjoyable, it also lasts longer. You can encourage that kind of frequent patronage through emails containing useful certificates."

Car wash operators can also use email to encourage word-of-mouth, says Consolo. "When you find a good service, whatever it is, you tell at least 10 friends, family

members, and co-workers. When you start doing the math, it turns out that 1,200 new customers over the course of a year has the potential to get you exposure to 12,000 more customers annually.” Siff adds that an added incentive always helps. Sending an email message that announces a free wash for every two new customers the recipient brings to you, for example, demonstrates the friendly, relational aspect of your business.

So how do you build a strong list of email addresses? The answer lies in your existing customer base. Most merchants, it seems, simply don’t know how to leverage the incredible potential tied up in their current customers.

Siff recommends training your cashiers, as part of their duties, to routinely ask each of your current customers, “Would you like some free gift certificates for a future visit?” Chances are the answer will be “yes”, in which case your cashier asks the person to fill out a card listing his or her name and email address.

Now you have your list. Be sure to follow up quickly with a nicely designed certificate good for a discount, to demonstrate your good intentions to follow through with your offer.

One of the best reasons mailing programs work, notes Proestler of Five Star Car Wash, is that the owner/manager retains total control over the integrity of his or her business communications. “I don’t participate in coupon book operations where my business is packaged with twenty or thirty others. I also don’t let promoters go out and hang door tags without my supervision. It’s important to me that my customers hear directly from me, in a format I manage. It’s more professional and it’s simply good business,” he says.

Asking your current customers for their email address also ensures that your messages are welcome, since you’ve been given implicit permission to contact them. By using this valuable marketing channel strategically, you can expand your customer base, forge positive relationships and increase sales, all at a cost far less than what the “glamour boys” on TV spend.

CRAIG ASTLER is a freelance writer specializing in marketing and business topics.

###