

Making Customers New Again

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According to customer loyalty guru Frederick F. Reichheld, author of *The Loyalty Effect*, the cost of acquiring a new customer is five times the cost of servicing an established one. He also states that retaining just 5% more customers—that is, keeping them from defecting to the competition—leads, on average, to an increase in profit per customer of between 25% and 100%.

It is no wonder, companies are increasingly turning their efforts to retaining customers and growing share of revenue from those existing customers, especially during this period of economic uncertainty. Research shows companies who pay attention to customer retention initiatives achieve 46% faster growth compared to their peers.

A clear prerequisite to retaining customers and increasing the revenues those customers send your way is keeping your finger on the pulse of those customers. How are their businesses holding up in tough times? What are the key challenges they are facing and what keeps them awake at night? Now is an excellent time to schedule an executive account review with your top customers with a view toward getting answers to these questions. During the meeting, of course, you will want to review the work you have been doing for that specific customer and uncover any issues they may have with your firm, but more importantly, you should be there to listen.

This should not be a sales meeting; rather, *it should be a learning meeting*. Out of these discussions, you will learn how you can help them address their key business objectives and, by so doing, drive more opportunity for your business. Here are some of the ways you can leverage your customer retention efforts to keep your offset presses rolling.

1. Is your customer facing headcount reductions? Make it easier for them to do business with your company. Headcount reductions typically result in an increased workload for those who are left. An easy-to-use customer-facing Web service (Web2Print) can ease the workload for those who are involved with ordering and managing print. Establishing an online storefront for your customer allows for ordering of standard items and *ad hoc* job submissions. This increase in order placement efficiency frees up

their staff to be more productive. A distributed ordering system also makes it easier for companies to track costs and ensures that printed materials are charged to the right cost centers, further streamlining accounting processes and employee productivity.

2. Is your customer looking to consolidate suppliers for more efficiency? This can offer an opportunity for expanding your services. A Web2Print solution can manage more than printed products. Once a branded online catalog is established for your customer, it can manage a variety of printed and non-printed items. Non-printed items can be inventoried at your facility, or you can simply provide the centralized ordering service with fulfillment by the supplier of the items. Web2Print provides a centralized ordering solution for their needs and makes it easy to serve multiple customer locations, whether they are franchises, sales offices, manufacturing plants, or even dealers or agents, across the country or around the world. This service places you ahead in the race to retain that valuable customer and increases the value of your company in their eyes.

3. Does your customer want to eliminate waste due to inventory obsolescence and ensure that printed materials are up to date? Today's highly productive, small-format digital offset presses offer a means of easily migrating your customers to a print-on-demand model, reducing costs for them. It also provides you with a steady stream of profitable work as smaller, more frequent runs of high-quality materials are ordered.

4. Has your customer initiated any programs to improve the quality and effectiveness of customer communications? Companies are considering the use of one-to-one communications the ultimate in relevancy, but for many, this step is still difficult and costly. It relies on thorough and accurate customer data, which may not always be readily available. Your customer can increase relevancy of customer communications in a more affordable manner, while improving its customer database by versioning materials, instead of making each piece totally unique. This is another area where today's efficient digital offset presses can help. Versioning generally implies shorter runs of various versions of direct mail, promotional literature, newsletters, point-

of-sale materials, and more. Often different versions require a simple black plate change. Or if your customer wants to add more sophistication to the piece, high-quality offset printed shells can be run through a toner-based digital press for personalization at approximately half the cost of a full toner-based workflow.

5. Does your customer have environmental sustainability programs in place?

More companies than ever before have sustainability mandates in place. They are moving to energy-efficient lighting and buildings, stepping up recycling efforts, and reducing their carbon footprint in many other ways. However, they may not realize they can reduce the environmental footprint of their printed materials. You can help them meet their environmental sustainability objectives in several ways:

- a. By using the short-run and versioning techniques described previously, you can help them reduce the overall amount of waste in the marketing communications supply chain while at the same time improving the quality of their customer communications.
- b. Even if you are not FSC or SFI certified, you can use FSC or SFI certified sheets sourced from managed forests.
- c. Finally, you can take advantage of today's environmentally friendly printing technologies, including waterless printing and chemistry-free platemaking to contribute to that carbon footprint reduction for your customer. At the same time, you will be raising your environmental sustainability profile, which is increasingly a significant competitive advantage in the marketplace.

Customer retention is more important than ever before. That is not to say you should not be pursuing new customers, but you should certainly not be pursuing them at the expense of the further development of your valuable existing customer base. Conducting these executive account reviews is a good first step. Beyond that, there are many other ways to expand your base within existing accounts.

- **Be sure to conduct regular customer surveys.** Online surveys are inexpensive and a good way to keep your finger on the customer's pulse. Surveys can also be mailed or included with printed jobs. Just be sure to review them and quickly address any issues that are uncovered.
- **Ask for referrals.** Maybe you are serving only one department in the account. Ask your key contact to refer you to others in the company that could benefit from your services.

- **Conduct regular educational events for your customers.** Today's busy buyers of print rarely have time to go to lunch or play a round of golf. But they are interested in staying current with technology. An open house at your site with a knowledgeable industry speaker, a lunch-and-learn at the customer site to talk about new ways of producing business communications, or a Web-based educational session your customers can attend live or view later are some options.

- **Make sure your website is current and informative.** Increasingly, current and prospective customers are researching online before they buy. This does not just apply to parts, equipment, and office supplies. They are shopping for printing services as well. A good Web presence is a must in today's fast-paced business world. And with a Web2Print solution, you can give them an opportunity to buy immediately—even on Sunday or from a hotel room somewhere.

- **Finally, don't live the story of the shoemaker and his kids.** You are an expert at helping customers present a good business image. Do the same for your business. That new press you just installed, which is optimized for the high-quality short-run work which is in such high demand, is also perfect for promoting your own business. Show your customers what you can do for their businesses than by doing the same for yours. Launch a postcard campaign with incentives for ordering. Publish an educational newsletter. Include high-quality flyers, labels, or other printed pieces with every job you send out promoting your other services.

Customer retention efforts are extremely important in any economy, and even more important now with the range of alternative media competing for a share of the marketing dollar. This article includes just a few ideas for keeping those presses rolling and coming out of the downturn well-positioned for the new future. Share this article with your staff who are a veritable gold mine when it comes to improving customer service. Dig deep, and you will mine many nuggets to augment the advice shared here.

Last, but certainly not least, keep your eye on the technology ball. Make sure that you are making or planning the investments required to ensure your team's competitiveness and that your production platform is flexible enough to meet the changing needs of the market—today and into the future. ■■■

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