



Use your Customer List for Better Sales Results

by Patrick Zuluaga, [PMZ Marketing](#)

Many businesses focus all their marketing efforts in generating new customer leads while at the same time neglecting the potential gold mine that exist with their current customers! Your promotional marketing plan should always include targeting your most desirable customers with relevant and timely offers.

To identify your most desirable customers I recommend you utilise the **Recency-Frequency-Monetary (RFM) segmentation method**.

The RFM segmentation analysis method will identify your most desirable customers from your current customers using three different lists, namely;

1. **Recency** – to determine the time frame of orders from the date of your analysis. Your generated list must sort by the most recent orders first as your priority target.
2. **Frequency** – to determine the number of orders that customers placed with your business. Your generated list must sort by the most number of individual order transactions in descending order.
3. **Monetary** – to determine the total monetary value of orders placed on your business by your customers. Your generated list must sort from the highest total value to the lowest total order value.

Next, from these three lists select the top 20% in each of these lists. These will represent your most desirable customers who are potentially most inclined to act on a relevant and compelling offer from your business.

From a direct marketing prospective these selected customers are “warm to hot” and you are guaranteed to have significantly higher response rates for a Better Marketing Result when compared to targeting a “cold” list ([define](#)) to generate new customers.

The **Recency-Frequency-Monetary (RFM) segmentation method** is highly recommended for a business looking to achieve Better Marketing Results from their customer list.

Why is this?

Your most desirable customers will provide Better Marketing Results for the following reasons:

- They will have a trusting relationship with your business based on past experience.
- They are most likely to be your best advocates for referrals to other potential customers.
- They reflect your best candidates for repeat business.
- They can be more profitable for your business.
- The selling cycle will generally be shorter for your efforts.



What Next?

You now have a list of your most desirable customers for a promotional campaign specifically targeting this group. Your next step is to develop a powerful and compelling offer for your promotional campaign. To achieve this you need to ensure you develop a relevant and timely message with a limited time offer for this targeted group.

This could be as simple as asking a number of customers in the list how you are doing and what else they might need.

A more effective approach is to run a focus group from the targeted customer list. Use the focused group to determine what they want and need. Check what is most popular and where they see an additional requirement that is currently unfulfilled.

What is important is that you seek to find out and confirm what these selected group of desirable customers are likely to consider relevant and compelling – not what you want to push and sell!

A Last Word

Never assume you can run a promotional campaign without the need to check the relevancy of your offer to your customer's needs and desires. Make sure you test your offer first review your results and refine before running the bulk of your promotional campaign.

PS> Take action today, generate your most desirable customer lists and develop a compelling offer to run in a direct response marketing campaign!

[CONTACT PMZ MARKETING TODAY FOR BETTER MARKETING RESULTS](#)

I appreciate your feedback and would like to hear from you on how you are handling these marketing challenges, send your comments to patrick@pmzmarketing.com.au.

About the Author



Patrick Zuluaga has more than 20 years experience in marketing and business development roles with Australian and international companies. He is Director of PMZ Marketing, a consultancy focused on Small and Medium Enterprises to **help you succeed in business with better marketing results.**

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