



Check Your Mailbox for Something new!

By Erin Wright

While we haven't actually met before, I know a lot about you! Part of my job at CustomerLink is

to create communications to address customer questions, explain new service offerings and examine the ways we stay in touch with you. I spend time reviewing our customer accounts to check to see what types of communications and promotions work. I also constantly review the techniques and methods we employ to communicate with you and keep you updated on new products. Most importantly to you, I want to make sure you know how your individual program results are measuring up.

Last year we switched our monthly management reports to be available electronically. A worthy effort in light of our efforts to reduce paperwork, stay green and hug some trees (come on, we are in California after all!) What that meant to you was that you review your program results online through your Weblink account instead of receiving a printed version. We've been watching our web traffic visits, and we've proven exactly what we spoke about in last month's newsletter – once you set the expectation of the mailed reminder, your customers are trained to expect it!

As a result, I'm proud to announce a new "tree friendly" solution that bridges the gap between all electronic and all print. For customers who use our standard program, we'll now send you our monthly newsletter with an included high level snapshot of your program results. For customers using our other service, you'll receive an excerpt from our blog or other newsworthy tidbits. (See below) At a glance you'll be able to see your program results, and you can still log on to your Weblink account to see the full details. As an extra bonus, this smaller format will save paper, so the local trees can breathe a sigh of relief.

Remember that I'll be watching and measuring the results. Drop me a note and let me know what you think...

"Information is a source of learning. But unless it is organized, processed, and available to the right people in a format for decision making, it is a burden, not a benefit."

—William Pollard

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Blog Highlights

We've been blogging about Tuffy Auto Service Centers facility in Clinton Township, Michigan regularly since they won our "smrtest Shop On The Planet Contest" in December. This shop won a year free smrt marketing in exchange for allowing us to follow their progress and report on their success. The following is an excerpt from the recent blog entry that talks about their early program results and success. We think you'll be quite interested to see the types of results a typical service center can receive from the start. To view the whole blog topic, visit <http://www.customerlink.com/blog>

If someone offered to trade you \$37.63 for a single \$1 bill would you take it?

You might hesitate at first, figuring there was some sort of trick or something, but once you figured out it was legit, I know you'd take that trade. Who wouldn't? And here's the thing, not only would that be a great trade, returns like that (and higher) are totally possible. The Tuffy Auto Service Center in Clinton Township, MI has it happening right now. They're getting a \$37.63 to \$1 ROI after only three months using smrt marketing.

By setting them up with smrt marketing, we did, in essence, offer to trade them \$37.63 for every dollar they spent. We actually intend for it to keep rising towards our national average of \$54 to 1, but even in the early stages, who is going to complain about results like this? I know if I could get our company's CEO to trade me thirty-seven bucks for every dollar I handed him I'd be standing in his office all day long.

Anyway, just for a refresher, or for those seeing this for the first time, here's the month-by-month rundown of this Tuffy Auto Service Center's results since their program began:

Month	Spend*	Return	ROI%	Return/Spend
February	\$299.88	\$668.78	2%	\$2.23 to \$1
March	\$299.88	\$8142.99	16%	\$27.15 to \$1
April	\$259.08	\$9749.65	22%	\$37.63 to \$1

Visit the blog for the full article. <http://www.customerlink.com/blog>



So They Keep Asking Me, “Is it Working?”

By Jim Bonfield

My role in developing business opportunities for CustomerLink has me out there in the business community talking to people. Obviously a lot of these conversations are about smrt marketing. There’s a lot of buzz about it, and has been since it came out. One thing I hear more than anything else now that it’s been going for a few months is: “It sounds really cool, but does smrt marketing work?”

In a word: Yes.

As a logical follow up to that, someone will usually ask how I know it works, and what defines “working” in specific terms. And of course my answer is subjective, as it must be for all advertisers, sellers of advertising and media in general. The definition of “working” is in large part based on what you, the business owner, define as working, not my definition of it. It also depends on which part of smrt technology we are talking about: New Customer Marketing or Loyalty and Reminder Notices. Those are the main components of smrt marketing, and they do different things, so “working” for each of them involves expectations of different types. I’ll break it down into those two parts.

1. How it Works: New Customer Acquisition

I’m starting with smrt New Customer Acquisition since that’s extremely popular. When it comes to New Customer Marketing, our job—CustomerLink’s job as a media channel—is to deliver a message and offer to the best-qualified prospect at the best possible time with a valid reason (the offer) to bother him or her in the first place. But **you** have to be able to make an offer worth that prospect’s time. Otherwise, it really is just an interruption. Here is a plain (and perhaps “tough-love”) truth

No advertising, be it TV, Radio, Newspaper, Search Engines or Mail, can produce quality results using weak or unremarkable offers. It is not the job of advertising to trick prospects into acting or to hammer them into submission with the same uninteresting offer said multiple times or merely said in some new way.

The point is, we can target the lists, design the piece to be spot-on for the customer segment and deliver that message perfectly, over and

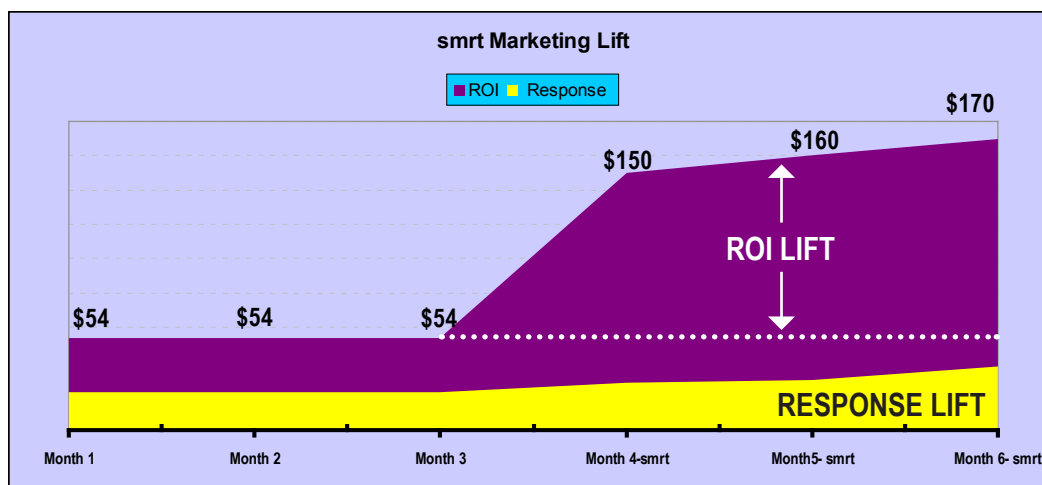
over again, but if with a tired, thirty-year-old direct marketing “safe offer,” I’m not so sure the results will be there.

The Smrt Safety Net Secret (or what I like to call our “Bottom Feeder Protection Plan”):

With smrt marketing, you know exactly to whom you are sending your offer and how valuable they are likely to be before creating that coupon or offer. Knowing this, you can give yourself permission to make an offer that has **true** value—and a real chance of success. Here’s why: Bottom Feeder Protection works.

Because we have full control over the **quality** of the prospect we send your offer to, you can be confident that only those prospects worthy of your offer will receive it, not bottom feeders looking for a

quick deal and who have zero interest in developing a relationship with your shop. It’s dangerous to drop a free offer in the Penny Saver where you have no control over WHO SEES it. We **know** the prospects we target have high probability to be like your best val-



ue customers—consumer types who spend and visit more than your average customers do, selected based on their being very similar to your existing best customers. This is a HUGE benefit because it **makes it safe for you to make a compelling offer.**

2. How it Works: Customer Loyalty and Reminder Notices

The next part of smrt marketing that I want to talk about is the Loyalty and Reminder Notices program. When people ask about whether it is working, they want to know about response. “What’s my response rate going to be?” Well, I can tell you that 22% average response rate is what we have been delivering over ten years. We do that because the right messages arrive at the right time with the right vehicle needs clearly outlined. Historically we have averaged a \$54 in repeat business for every \$1 spent in marketing. No other company has the ability to claim this ten-year average. **None of them.** So, we deliver the best response in the industry bar none. But that’s not the point, at least not the whole point.

The point is to establish an emotional connection and engagement with the customer. Response is great, don’t get me wrong—it’s really

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the end goal. But we want more. We want emotional engagement. By designing each reminder message to look, feel and “sound” right for the specific customer types, we deliver the additional value of emotional engagement. We “remind” your customers not only that its time to come in again, but that you “get them” and that you value them as individuals.

Doing that creates the emotional engagement that will help your business’ long term growth. Long term business growth strategy is about building loyalty and increasing the overall value of the customer to your store through lifetime spend and responsiveness to marketing—including sales recommendations in the store. That’s what we’re doing with smrt Customer Loyalty and Reminder Notices. Building loyalty and increasing lifetime spend, which translates to more than just response rates to reminders, but to customer engagement with your store.

However, for many, that is just too intangible: “It sounds like marketing speak.” For the skeptics, this improved relationship should still have a likely outcome of improved response rates and/or ROI for it to count as “smrt is working.” Which I understand.

So, for the skeptics, the preliminary numbers look very promising, and we’ll share them here, with the understanding that we are still watching too. We’ve always felt that smrt could not help but increase response and/or ROI, but we want to have all the facts before we promote that as a certainty. That said, in a random shop-type and size sample, starting our tracking back to December 2008 (pre-smrt) and ending through May 2010, we see the following:

Our historic average of 22% response rate (send 100 cards and 22 people come in) has grown to an average of 37% for those who have converted to smrt. (A 15% lift.)

Our historical average return on investment of \$54 to 1 (each dollar spent on marketing nets a \$54 customer spend on services) has grown to an average of \$116 to \$1 for those going to a smrt marketing program. (That’s just the average. One of the shops was closer to \$170 to \$1.)

Self-serving disclaimer: The purchase cycles are long on maintenance. The average shop only sees a customer two to three times a year. smrt is really only eight months old. These are early returns and using sample sizes not as large as what we will use six months from now—we’ve been adding shops quickly (over 1,000 smrt reports active to date). So, with that said, and for an early start, it appears we’re seeing really big gains in our already industry-best ROI. If this keeps up, we’ll have a fantastic story to tell come the end of the year, a story that proudly declares, “Yes, smrt marketing works.”

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Introductions are in order!

We’d like to introduce our newest team member, Erin Magers, **smrt** Aquisition Product Manager. Erin comes to us with twenty-five years experience in the printing, publishing and marketing industries, including working as a Director of CRM in the casino industry. She understands the methodology and technique behind some of the most nuanced parts of what we do at CustomerLink, particularly when it comes to getting responses from a new customer acquisition campaign.

Erin attended college as a communications major, and did undergraduate work at two Sacramento area community colleges before transferring to California State University of Sacramento. Her studies led her to eventually create her own magazine, which won an “Innovation in Business” award and appeared on Sacramento Business Journal’s “Tops List” before the Internet made print journalism nearly impossible to do. And now we have her bringing all that experience to bear for us and for you.

Outside of CustomerLink, Erin likes to be outside. She likes kayaking and biking, and

her personal favorite, and we quote, is “Getting lost in the woods—and the challenge of finding my way out!” That explains how she had the guts to start her own magazine! When she’s not blazing trails in the wilderness, she likes spending time with her dogs. She has two Siberian Huskies, one named Glacier (which is just the coolest name for a Husky if we may be permitted to editorialize) and another named Caleb, whom she speaks of with particular tenderness. “He was a ‘rescue dog’ I got from the pound,” she told us. “He was so sweet and sad with his big, frost blue eyes staring up at me through the bars. He was favoring one leg where something—or someone—had crushed his paw. Plus, his hair clung to him in mats. He was so shabby, but I could tell he would be gorgeous with a bath and some TLC.” It turns out that he was, and he is, and it’s fun to listen to Erin tell the tale.

So, with that brief introduction, we’d like to welcome Erin to our ranks, and we hope our readers will get to know her too, growing their car counts with one of Erin’s well designed customer acquisition campaigns.

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Product News

Summer brings numerous opportunities to get more business into your shop. Take advantage of some of the following specials and promotions to help your business capitalize on the hot weather and increased travel of summer time.

Independence Day: Fireworks, flags, and fun are all familiar visual associations with the Fourth of July. These recognizable and emotive images afford great marketing potential for your shop. Send an Independence Day special and bring some extra business in.

Summer Specials: Your customers will be traveling often over the next few months, and the biggest favor you can do for them is to remind them that there are things they should be doing to be prepared. Send out a Summer Special and help them ensure their trips do not include unexpected time stuck beside the road.

Air Conditioning and Cooling System Maintenance: Get specific! Some customers are happier if your service reminders are precise. With summer comes heat, and often with that heat comes the experience of over-heating—whether it's the driver or the cooling system. Send out an Air Conditioning or Cooling System Special (or combination of both) and give your customer the heads up on keeping their cool this summer.

Preventive Maintenance: Summer, winter, spring, or fall... some preventive maintenance doesn't have much to do with the seasons changing at all. Odometers spin regardless of temperature, time or conditions of the road. Let your customers know you are their best choice for taking care of the preventive maintenance on their vehicles.

Summer Newsletter: Here's a source of good advice for your customers about taking care of their cars during the hot summer months. Each article is written to help maintain and improve customer loyalty to your shop. It's entertaining, informative, and, ultimately, built to drive more business into your bays..

