

# The Awesome Power of Newsletter Marketing

## Part One: The Value of a Lifetime Customer and Your Company's Greatest Asset

By Jim Palmer

I have been in and around the business world for almost 30 years, and I can tell you that while most savvy business owners understand the importance of maintaining good relationships with their customers, the majority would be hard-pressed to give a dollar amount if you asked them what the actual value of a lifetime customer is.

I think this is important because if they were aware of that value, most businesses would not be so frugal (cheap!) on customer acquisition and retention.

One of my favorite authors, Jay Abraham, wrote an awesome book, *Getting Everything You Can Out of All You've Got*. Chapter 5, "Break Even Today, Break the Bank Tomorrow," addresses customer value in a marvelous way. The following excerpt is from Jay's book:

"The current lifetime value of one of your clients is the total profit of an average client over the lifetime of his or her patronage – including all residual sales less advertising, marketing, and incremental product or service-fulfillment expenses.

"Let's say that your typical new client brings you an average profit of \$75 on the first sale. He or she repurchases three more times a year, with an average reorder amount of \$300, and on each \$300 reorder, you make \$150 gross profit.

"Now, with the average patronage life lasting two years, every new client is worth \$975. You could theoretically afford to spend up to \$975 to bring in a new client and still break even."

Now, let me ask you, when you see \$975 as the value of a lifetime customer, doesn't it seem a little silly to be so frugal in your customer acquisition and customer retention efforts?

Considering that you could print and mail a newsletter to each customer for only \$0.99 a month (or \$11.88 a year), a monthly customer newsletter seems like an absolute bargain! If \$0.99 a month seems unbelievable, check out [www.NoHassleNewsletters.com](http://www.NoHassleNewsletters.com).

### Your Company's Greatest Asset

If you were asked to list your company's assets in order of importance, what would your list look like? If it were like many others, it would include buildings, equipment, inventory, personnel, accounts receivable, patented items, etc.

Surprisingly, few such lists would include the number one most valuable asset you have: your customer list.

We have all heard the expression "Cash flow is the lifeblood of every business." Well, guess where cash flow comes from? Customers are the most valuable asset you have – because with proper nurturing and care, they will help you reach higher and higher levels of growth and success.

The loss of customers can have a devastating effect on a company's balance sheet. Yet many companies lose large numbers of customers every day for a variety of reasons, and they don't even know it. Most successful business owners recognize that they would rather lose their equipment, inventory, or even personnel before losing their customers. You see, as long as you have great relationships with your customers, you can survive just about anything.

I have seen many companies willingly spend a huge amount of money to obtain a new customer or client. In fact, some actually break even or lose money on the initial transaction because they realize the lifetime value of a satisfied customer.

The correct way to think about your customers in regard to your balance sheet is this: you have made an investment in each and every customer, and it is your responsibility to derive the maximum return on investment from all of them.

People who know me for my tireless promotion of monthly newsletters might be asking, "Is this simply one of Jim's rants or does this subject actually have something to do with newsletters?" It is actually a bit of both. However, there is little doubt – let me rephrase that – there is *not even one grain of doubt* that a monthly customer newsletter will work miracles for your business – no matter what your business!

In my opinion, newsletters are, dollar for dollar, the most effective marketing tool available. The following are just some benefits of a customer newsletter:

1. Newsletters increase brand awareness.
2. Newsletters help build relationships with customers and potential customers.
3. Newsletters are an awesome way to introduce new products or services.
4. Newsletters can enhance your reputation as an expert in your industry.
5. Newsletters have a longer shelf life than other types of marketing.
6. Newsletters are often read by multiple readers.
7. Newsletters are a great way to differentiate your business from larger ones that typically do not do customer newsletters.

If you're already producing a monthly customer newsletter, congratulations and keep up the great work. If you're thinking about starting one for your business, wait no longer – it will prove to be the best decision you've ever made!

Stay tuned ... in future issues of this newsletter, I'm going to reveal the secrets to producing a great newsletter that gets results and I'll also share with you the critical mistakes that you must avoid.

*Jim Palmer is known internationally as the Newsletter Guru. Jim is the founder and president of No Hassle Newsletters ([www.nohasslenewsletters.com](http://www.nohasslenewsletters.com)), where he produces print newsletters for clients nationwide, using his proprietary online newsletter system. Learn more about the awesome power of newsletters by getting Jim's e-book, Newsletter Secrets Revealed – How to Use Newsletters to Make Your Profits Soar, at [www.newslettersecretsrevealed.com](http://www.newslettersecretsrevealed.com). If you struggle producing your newsletter, sign up for Jim's Success Advantage program at [www.successadvantage.net](http://www.successadvantage.net).*