

THE MODERN MARKETER'S GUIDE TO

Reactivating Customers with Direct Mail

Lob



IN MOST COMPANIES, *current customers* make up the lion's share of your revenue, and protecting and growing it through expansion opportunities, cross-sells, and upsells is crucial. You've seen it before; a once active customer starts logging in less frequently, doesn't purchase as often, may put their subscription on pause, or even cancel their account. This dormant or churned customer is often a customer that can be reactivated at a lower cost than acquiring new customers. Inactive customers have already made a purchase and clearly have an interest in your brand and products.

This guide will share real-life winback strategies from marketers using intelligent direct mail to reactivate customers, and increase revenue.

What is customer reactivation?

Customer winback or reactivation is used to "win back" dormant or churned customers. Reactivation campaigns usually involve a multi-channel approach that includes online and offline tactics like email marketing, direct mail, digital ads, events, etc. It involves personalized messaging and offers designed to incent them to buy again.

ADVANTAGES OF CUSTOMER REACTIVATION

When a customer goes dormant or [churns](#), you need to look at it as an opportunity to identify the things that have contributed to the behavior and address it head-on to reactivate them.

IT PAYS TO WIN BACK CUSTOMERS

Customer winback campaigns are worth it.

\$83B

American companies lose \$83 billion because of poor customer retention strategies ([Source](#))

65%

of a company's business comes from existing customers ([Source](#))

60-70%

probability of selling to an existing customer vs. only 5% to 20% of selling to a new prospect ([Source](#))

25-95%

Increasing customer retention by 5% increases profits by 25-95% ([Source](#))

REASONS CUSTOMERS BECOME DORMANT OR CHURN

- Financial
- Employment status
- Need for product or service changes
- Bad customer service experience with your company
- Poor product quality that doesn't meet expectations
- Better pricing from one of your competitors



Real-life customer reactivation strategies

Most savvy marketers use data you have about customers to understand their motivations for going dormant or churning and then address those pain points with the right message at the right time. Intelligent direct mail is a channel you can count on to deliver reactivation results.

55%

of marketers use direct mail to retain and winback customers ([Source](#))

- **Send them a “hello, we missed you” postcard:** This can work with inactive customers due to moving to competitors or lack of engagement. Reengaging and telling them you value them can go a long way
- **Special offer:** You already know what they like, so send a personalized offer based on buying history and what you know about the consumer
- **Loyalty programs:** Encouraging people to make regular purchases from your store reduces the chances they will become inactive.

Let's look at real-life examples to see how marketers moved the reactivation needle and kick-started their revenue.



Marley Spoon feeds growth with 20% of paid conversions in a single quarter

Marley Spoon sends recipes and pre-portioned seasonal ingredients in one convenient box, making it easy to cook a delicious dinner at home.

After working with several printers on its direct mail efforts, Marley Spoon partnered with Lob to focus on reactivating its churned customer base using automated direct mail. The CRM reactivation team, led by Malin Dettmann-Levin, used a test and experiment approach in the first quarter of 2022. The team used two kinds of customer data — user attributes and real-time events to create reactivation campaigns focused on high-value customers to maximize ROI. This strategy enabled the team to start small (minimizing risk) and apply its learnings to iterate and optimize future campaigns.

What happened exceeded their expectations. The direct mail reactivation campaign drove 20% of paid conversions. [Dettmann-Levin says](#), “with each campaign we’ve sent, we’ve seen a higher conversion rate and a slightly lower cost per reactivation.”

THE RESULTS

20%

of reactivation conversations in Q1 from direct mail

263%

higher conversion rate with direct mail than email



DIRECT MAIL AND EMAIL WORKING TOGETHER

The Marley Spoon CRM team is also encouraged by the results of its direct mail compared to other digital channels, including email marketing.

“We get a 263% higher conversion rate with our direct mails than emails.”

To put that stat into context, we targeted a smaller, high-value audience segment with our direct mail, and the emails go out to all customers. We reach more customers using direct mail than we would with emails because all of our emails don’t get opened. We can reach customers who aren’t interested in our emails. We’ve been testing this strategy with a two-part test. We use direct mail to target our high-value customers; we then have a segment that gets a direct mail and an email, and we’ve found that the second group has the highest conversions of all the segments.”

Dettmann-Levin,
CRM Lead Reactivation

To learn more, get Marley Spoon’s [recipe for reactivation success](#).



Wayfair generates incremental revenue with its reactivation campaign

Wayfair Inc. is an American e-commerce company that sells furniture and home goods. Wayfair uses intelligent direct mail in its Wayfair Professional program. Wayfair created a reactivation campaign to generate revenue utilizing personalized postcards that featured images of previous purchases to encourage repeat business.



The campaign met the defined efficiency targets and generated incremental revenue surpassing the team's expectations.

CUSTOMER REACTIVATION CAMPAIGN MINI CHECKLIST

Use this customer reactivation checklist to help win back customers and grow revenue.

- ☐ Use data to identify inactive customers
- ☐ Segment into cohorts by cause of dormancy to create targeted campaigns
- ☐ Decide which channels to use
- ☐ Create messaging and offer- remember to personalize and customize with data and images to get the best response
- ☐ Send your multi-channel/omnichannel reactivation campaign(s) to each cohort
- ☐ Measure results
- ☐ Apply learnings to optimize

Recommended reading:

[Win-Back Direct Mail Best Practices](#)

Ready, set, reactivate

Reactivation campaigns effectively reignite dormant customers to become active again, increasing lifetime value. Intelligent direct mail campaigns can target specific cohorts of your audience with unique offers and promotions to win them back and drive revenue, just as Marley Spoon and Wayfair did in the real-life examples shared in this guide.

Lob provides a new way for marketing teams to use intelligent direct mail. Manual processes are replaced with automation that enables you to integrate and trigger custom direct mailpieces as a part of your campaigns. Lob manages the complexity of mail production by automatically routing mail across an integrated network of commercial printers.

This approach makes the end-to-end process of creating and sending mail much faster—often as quick as four days compared to months for traditional direct mail campaigns, and you can send one or millions of custom mailpieces.

This speed-to-market approach ensures timely, relevant messaging based on customer behavior. You can easily create reactivation drip campaigns to hit mailboxes at the perfect time. A true win-win for you and your customers.

Get a demo and discover how intelligent direct mail can help you reactivate customers.

About **Lob**

Lob is the only direct mail automation platform for the digital age. Lob's platform automates the direct mail execution process for enterprises at any scale – from creation, printing, postage, delivery, and sustainability with end-to-end analytics and campaign attribution. Over 11,000 businesses trust Lob to transform their direct mail into intelligent mail.

Founded in 2013 and based in San Francisco, Lob is venture-backed by Y Combinator, Polaris Partners, Floodgate, and First Round Capital.

Find out more about Lob on our website: [Lob.com](https://lob.com)