

# **Altman Dedicated Direct**

## **STRATEGY... TACTICS... RESULTS**

Column: "After the Phone Rings ..."

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Topic: **Strategies for the 2<sup>nd</sup> Sale**

As a DRTV or DR radio marketer, there is so much effort to getting a campaign on air that it's easy to focus 100% of your energies on acquiring customers. In particular, infomercial marketers investing large sums for production and media can have "tunnel vision" on getting prospects to respond. But few products have enough profit margins or get enough response to make sufficient profit from that initial sale (even with upsells) to sustain a company that doesn't plan for additional sales to those newly acquired customers.

Strategizing about a 2<sup>nd</sup> sale from your newly acquired customer should happen before you make that first sale. There are many reasons for this. Most importantly you can manage the process to optimize results -- converting one-time buyers into two-time and multi-buyers. Planning your strategy for 2<sup>nd</sup> and subsequent sales upfront also means you won't lose precious time between your initial customer acquisition sale and that second sale. As time passes after the first sale, customers get "stale" – less likely to respond to what you have to offer. If you wait too long after the first sale – most likely anything beyond 6 months – and making the second sale will be no less likely to occur than selling to a new set of prospects.

There are two basic strategies to consider in planning your 2<sup>nd</sup> sale - continuity and catalog.

A continuity strategy means the 1<sup>st</sup> sale has a built in 2<sup>nd</sup> sale. In other words, the customer making their first purchase from you agrees at the time of their initial purchase to receive a second and subsequent shipments, unless they take action to cancel after receiving that initial shipment. Continuity marketing has many marketing and operational challenges, but the biggest challenge is strategic – Do you have a product where continuity is even a viable strategy? This most often means having a product that is somehow consumed or otherwise used up. If your front end product is a hard good, most likely it will be challenging at best and impossible at worst to identify a continuity strategy that fits well enough to be part of the initial front-end sale.

A catalog strategy has it's own challenges. With catalogs, not only do you need a marketing strategy but you also need a merchandising strategy. In other words – you need to know who you are selling to – your target market, and what items to offer. With a catalog strategy for your 2<sup>nd</sup> sale, the needs of your front-end buyers must be readily defined and similar. In other words, are most of your front-end buyers boaters? Cooks? Golfers? If you can identify front-end buyers with similar interests, then identifying your merchandising strategy will be infinitely easier as your buyer/merchant knows who they are finding desirable products for.

Each strategy will require different staffing skills, different reporting and analysis, different fulfillment efforts and so on. It's important to think through all the operational, staffing and



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reporting concerns as you formulate your strategy to ensure you have the resources needed for effective execution.

Continuity and catalog strategies can be combined effectively to bring even more dollars to the bottom line. But it's best to focus on one strategy at a time – taking on too many strategies often means none are executed effectively. Focus on the strategy which suits your product line best first, and then layer the other strategy on once you have the first one up and running effectively.

Plan for the 2<sup>nd</sup> sale before you acquire the first customer and you will be ready for profits and not just sales. And isn't that what we're all after?

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