

Email Marketing

# Customer Acquisition vs Customer Retention

Every marketer and business owner knows it is considerably more expensive to acquire a new customer than it is to retain an existing customer. This is why one has to be careful when comparing the return on investment (ROI) of external email marketing with the ROI of in-house email marketing.

Your internal list of customers and leads has already engaged with your brand. Whether that be by making a purchase or signing up to an email newsletter, they have already demonstrated an interest in and made a decision to trust your company.

So when you send an email to that list of customers, you can expect a high conversion rate. When combined with the low cost of delivery for in-house email campaigns, this results in a high ROI. Marketing to an existing list of customers is more about customer retention and customer relationship management.

An external list of consumers such as that offered by RewardsCentral is a source of potential new customers. When you send an email campaign through an external list, your campaign's job is to convert non-customers into customers. That's a considerably harder task than convincing existing customers to engage again.

For this reason, you must accept that external email marketing campaigns are going to have a lower response rate, and subsequently a lower ROI when compared to in-house email campaigns. Remember, it's always going to be more expensive to acquire new customers than it will be to retain existing customers.



 **RewardsCentral**<sup>TM</sup>  
**Email Marketing**

**In-house  
Email Marketing**

	<b>RewardsCentral</b> <sup>TM</sup> <b>Email Marketing</b>	<b>In-house Email Marketing</b>
<b>Goal</b>	Advertising and customer acquisition	Customer retention and repeat sales
<b>Audience</b>	Over 500,000 active Australian consumers	Existing customers
<b>Return on investment (ROI)</b>	<i>Lower ROI</i> Customer acquisition is more difficult	<i>Higher ROI</i> Repeat sales are easier