

Attracting New Customers

Increasing a company's revenues can only come from one of two places – either they generate more income through existing customers, or they begin to generate additional income from new customers. The focus on new markets has a great many variables to consider, such as cost of entry, competitive barriers, and the cost of new customer acquisition. For these reasons attracting new customers is less often attempted than is growing an existing customer base.

Yet all great companies, at some point in their growth cycles, arrive at the point when they must reach out to new customers in order to sustain growth rates. Some elect to do so through brand extensions or product versions directed toward smaller sub categories of the market. Others seek to bring their core product into a new sector, either expanding their core message or adjusting it so that it is relevant and compelling to the new sector.

For all the challenges associated with attracting new customers, the benefits are equally demanding of our attention and strategic consideration. The nature of today's business environment is such that customer loyalty cannot be treated as an absolute, so even though almost every effort should be made to maintain the customers we have, it is rapidly turning into a business imperative that we make seeking out new customers an embedded aspect of our business planning and execution. For these reasons, Tudog has elected to focus this article on attracting new customers.

There are many ways to attract new customers. Certainly adherence to the primary consumer drivers – price, quality and convenience – will draw some new customers your way. In addition to these competitive postures (which can be assumed by your competitors as well and therefore take some of the advantage away from you), Tudog has 5 tips we would like to share.

1. Use Evangelicals - while not referring to the Christian sort, evangelicals are people who “preach” the virtues of your products because they have been “converted” into loyal “believers” by your products performance. Word of Mouth marketing is an inexpensive way to “spread the gospel” about your product, who you are, and what you stand for. Find some true believers in the new market you want to penetrate and then let them loose to preach the good word.
2. Identify Influencers – the influencers in any market are those people that set the trends because they have the social status and the exposure necessary to influence the behavior of others. Get them to use your product and others will want to use it too.
3. Tie Into the Community/Market – even if you have not classified your new market along demographic or geographic lines there are plenty of ways to tie your company into the new market. New sector penetration is all about being seen at the local level, which means that there are community groups, schools, and community centers you can interact with to gain exposure and position the company and products as being accessible and reciprocal.
4. Partner Your Promotions – the surest way to gain customer respect and validity to be associated with some already viewed as worthy and genuine. The best way to achieve this in a new market is to partner in your promotions (materials, events, points of sale)

with an existing company already in the market space that has an interest in showing their customers that they are offering new products, new value, and new relationships. By doing this you will not only save money on the long-term campaign you would otherwise have had to engage in so that your name becomes recognizable, but you will also significantly accelerate the time to market recognition and customer awareness.

5. Tie into Lifecycle Events – weddings are not the sole domain of mediocre bands, florists and caterers who sell rubber chicken. Same with Sweet 16s, Bar/Bat Mitzvahs, Communion, and other life events. If you can find a way to tie your product into a life event you will find a steady flow of new customers as they reach the point in the cycle when the event occurs. The trick here is to not limit your relevancy to the lifecycle event, but rather use the event as a time when the customer is introduced to your product – a product he/she will continue using thereafter.

The pursuit of new customers is an important function within the marketing apparatus of any company. While not particularly simple, it can be very rewarding in terms of the volume of sales generated. New customers are also an important way to hedge against the risk of losing existing customers in this new era of customer choices and intense competition. When focusing on new customers it is not necessary to forego existing customers. The trick is to make every customer feel like they're the most important.