

Five principles for successful customer acquisition

Bad reputation

A company that wants to grow must acquire new customers. However, this is usually not that easy. In Switzerland, more than half of all letterboxes bear a "no advertisements" sticker. And the phone book is full of asterisks (* = no advertisements). Anybody working in sales is careful not to use the job title salesperson and prefers the more discreet term "advisor". This has been established by Jörg Hilber¹, marketing expert and professor at Lucerne University.

Those whose profession it is to attract new customers have only themselves to blame for their bad reputation. They bombard potential customers with serial letters or telemarketing offers. The latter may only make up 15% of the call centre market, but people find them extremely irritating, according to the Swiss Contact Centre Association CallNet.ch.

"Because the offer hardly ever meets the needs of callees they react negatively. This is when the salesperson uses verbal combat techniques. He often anticipates objections, re-interprets the customer benefit, rejects, shows benefits and arguments with "facts and figures". He thus annoys 99 customers in order to win one," says Hilber.

Communicating the benefit

There are ways that work better. The first principle, according to Hilber, is "to sell benefits and solutions instead of products". Customers do not want product features but a solution to their problem. Therefore, the salesperson must convey the added value. As an example: An export services provider not only exports well. His claim is that he helps customers overcome administrative and geographic borders.

The second principle is "to work other markets with a different positioning". It is a fact that very few companies sell anything spectacularly new. Thus, most of them also focus on the same target group. Those who ask themselves "who needs this solution", on the other hand, will find surprising and innovative target markets. A young mother and financial advisor, for example, can specialize in advising young families and acquire new customers in toddler groups.

"To work with strange symbolism" is the marketing expert's third principle. He is talking about mnemonic tricks that link the provider with an original picture and thus facilitate recognition and differentiation. It is all about standing out from the crowd. Examples are a database specialist who became a data brownie, a controller who represented as an ace with numbers or a software provider for fiduciaries who offered his services as a "virtual shoe box". And, of course, the financial advisor who calls himself "financial butler" sees his customers in his butler uniform. However, in order not to make a fool of oneself, it is vital to also observe the four other principles.

The fourth principle "to obtain information on potential customers and act systematically" should have become second nature to every salesperson – even though this is obviously not always the case. A message only reaches its target if it is user-oriented and addresses the customer's problems. Thus, it must be clear in advance what customers need.

The last principle is "to increase acquisition in good times". The truth is that acquisition works best when you as an entrepreneur actually don't have time for it. Because success leads to success. And success attracts customers. It makes a bad impression, on the other hand, if a company "begs" for customers in bad times. It is therefore vital to budget sufficient staff and expenditure for customer acquisition in good times.

¹ Jörg Hilber: "Die fünf Grundsätze unaufdringlicher und erfolgreicher Neukundengewinnung". In: KMU-Magazin 6/2009