

THE NEW CUSTOMER PUZZLE

Attracting new customers can be a tad difficult at times, but there are ways to make it easier.

BY LOUIS WHITE

Every business in Australia has at least one goal in common, that being the desire to increase sales of its services or products. Businesses can choose to focus on increasing sales to existing customers, who are cheaper and easier to sell to, but the big advantage with new, satisfied customers is that they also have the potential to provide the greatest selling tool of all – word of mouth. However, when targeting new customers, the reality is that no matter what product or service you are selling there are going to be hurdles along the way.

ONLY NEW WILL DO

Personal matchmaking may be one of the hardest businesses of all to succeed in. Think about it, if you successfully match two people they hopefully won't come back. Not only must you deal with the fact that repeat business is a sign of failure rather than success, but there are also new, free internet dating sites popping up all the time.

That means that in the matchmaking business, you are always on the lookout for new customers. But as Samantha Jayne found out, just getting your business off the ground can be a battle.

“But what we have found very effective is advertising at Fitness First, and getting ladies dressed up as cupid to hand out flyers in the city, as well as napkin advertising.”





After her first year into the new business venture the hallmarks of disaster were plain to see. Jayne's business partner left midway through her first year and the web developers who had promised the world, and charged accordingly, left her with a website that wasn't functional.

Jayne's dream of an upmarket dating agency – Blue Label Life – was sitting on a knife's edge. Instead of walking away, Jayne invested more time in the website – both at the front and back end – and then began a marketing and branding campaign.

"The first year was always going to be difficult but I didn't envisage how difficult and expensive it would be," she says. "Even though we are a one-on-one matchmaking agency, which is different to internet dating, I knew the website would be important. I knew we had to get everything right from the start to achieve my goal of becoming the most successful private matchmaking agency in Australia."

Six years later and the former personal trainer has built her business to service more than 4,000 singles looking for love in Sydney, Melbourne

and Canberra. Her quest to find people matches means there is always a need for new customers.

"It is always challenging but I love what I do," Jayne adds. "I love the idea of being able to play a small part in giving people the life they deserve."

Blue Label Life has extended its range of services to include personal styling, fitness overhaul and compatibility testing. Expanding your product range should result in greater spend per person, thereby enhancing your bottom line.

"Private, one-on-one matchmaking ▶

“Social media has to be part of your whole brand these days. It is a resource you need to use and it is a big cultural change”

is so different to internet dating, but the majority of our clientele actually find us on the internet,” Jayne adds. “The challenge for us is to market our company away from the internet dating masses and towards a holistic, niche-based professional market.”

This isn't to say that dating agencies are the only businesses in need of a constant stream of new customers.

There are many business types that need this, though not all of them deal with people's emotional and private lives on a daily basis.

TRADITIONAL METHODS

One lesson learned from her experience with Blue Label Life is that when hunting down new customers it pays to combine both traditional marketing and

advertising with the newer channels, such as social media.

“We didn't find TV worked for us at all,” she adds. “We only had one elderly man who was looking for wife number nine call us. But what we have found very effective is advertising at Fitness First, and getting ladies dressed up as cupid to hand out flyers in the city, as well as napkin advertising.”

“I do realise, however, that social media has many advantages and with that in mind we have started up a Facebook page and LinkedIn, both of which have proved popular.”

As Blue Life Label are finding out,



Vergola has found more clients for its outdoor roofing services via Google AdWords.

CASE STUDY

WHAT WORKED FOR ME

Vergola NSW (vergolansw.com.au)

For 22 years Vergola NSW has been servicing families in Australia's most populated state. During that time the business has used traditional media exclusively to build brand awareness.

“The reality is that the profile of our average customer is 50 years old and well settled in life,” says Peter Rust, Vergola NSW general manager. “They don't use social media a lot.”

“We have found advertising in community newspapers to be the most effective way of making our company known. The majority of our customers come from three clearly identifiable parts of Sydney.”

But that is not to say that the internet has not been useful in drumming up business.

“Last year we spent considerable time on our website trying to maximise search engine optimisation and we advertised on Google AdWords and this had a great effect,” he says.

“We now attract 34% of our business through our website and that has doubled in the past 12 months.”

Rust says that the other form of marketing interest is glossy magazines that are just targeted to New South Wales, as that is where the company has a licence to operate.

With more than 20 employees and seven different contractor teams to assemble the vergolas, Rust says targeted marketing is the key.

“We don't have the resources to have a marketing department so we use an expert from Marketing Angels when we need to,” he says. “It is effective and cost-efficient.”

“It is the same with other areas of the business. We identify what we need and we find a specialist to help us out. There is no point hiring an advertising agency, for example, because they are expensive and only fix one area.”

social media is a cheap tool for winning new customers. Not only do social media sites make communication easy but they also allow you to get instant feedback. Furthermore, when you're using the more popular social media sites – including Facebook, LinkedIn and Twitter – the reach is almost unlimited. It is a great way of reaching a new audience fast.

“In the future social media will be the gauge of how products live or die,” prophesies Mike Hill, founder and CEO of digital agency Holler Sydney. “In fact, social media will be the end of bad products and poor service won't go unnoticed either.”

Holler has offices in London and Sydney, and is now putting website content on Facebook.

“We used to send an email newsletter out that took time and energy but now we just post new updates on Facebook and it gets a far greater response,” Hill continues. “We now have 1,200 fans on Facebook whereas before no one read our newsletter. We can now deliver branded content at a click of a button.”

“Social media has to be part of your whole brand these days. It is a resource you need to use and it is a big cultural change for any organisation.”

Hill says that all small to medium-sized businesses should be engaging in social media to win new customers, and appease existing ones, because it is a much cheaper alternative to the various traditional methods.

“Social media on the whole is free,” Hill adds. “YouTube, Facebook and Twitter won't cost you anything to communicate with your customers. Obviously, the resources needed to manage it aren't free, but the beauty of social media is that you get direct feedback and get on top of any potential problem straight away.”

“You will know immediately if a customer doesn't believe they are getting value for money or that a product or service didn't measure up to the amount of hype.”



“Most small businesses grow initially through word of mouth referrals yet most ignore this effective way of communicating.”

FORCED FEEDBACK

Companies can also evaluate any direct feedback that comes their way. “The key for any small business is to build awareness of its product or service and then try to retain customers once either the product or service is established. Social media will give you the opportunity to do both,” Hill says.

Being a digital agency that is constantly running campaigns to engage companies, they too need to ensure that their own message is being adhered to.

“The reality is that you can't hide anything anymore, so you need to be truthful and transparent,” he continues. “Remember customer service is the same as any other channel – if you don't answer people they will get pissed off.”

“You should use a combination of media but put social media at the centre. Every other channel you use to communicate with your existing and potentially new customer base should point to digital.”

Of course, social media is only one piece of the marketing puzzle used in obtaining new customers. Marketing covers a wide spectrum of tools used to lure and land new interested parties, but most small businesses get in trouble from the start by not understanding what the term really means.

MORE THAN MARKETING

Marketing is probably one of the most misunderstood terms in business. The majority of people just equate it to sales. But the reality is marketing is a lot more than sales.

Simply put, marketing is the process by which companies build customer relationships and create value for their customers and themselves. More than that, smart marketing can give you the edge to win new customers.

“The key with any small business is to understand their target market,” says Michelle Gamble, CEO of Marketing Angels. “I am surprised ▶

“I am surprised that many SMBs don’t do their research beforehand. You really need to know what influences the customer base you are marketing to.”



Harold Graycar, co-founder of XL Numerics.

CASE STUDY

WHAT WORKED FOR ME

XL Numerics (xlnumerics.com)

Formed eight years ago, XL Numerics focuses on helping business people understand numbers. The founders Harold Graycar and Ted Sanderman realised from their business background that a lot of business executives have trouble analysing data and presenting it in easy to understand formats.

“The idea for the business came about through our experience in business and it grew from there,” explains Graycar. “We have been training senior management types ever since.

“To be honest, for the first seven years, all our business came through referrals. But we realised last year that it was a bit risky to be constantly reliant on clients for business so we decided to start advertising our services.”

In the latter months of 2010, Graycar and his partner embarked on a direct mail campaign with telephone follow-up with surprising results.

“We found that approach didn’t work for us,” Graycar says. “It is

difficult to reach decision-makers in business that way so we stopped the campaign.”

The partners then decided to turn their attention to social media, which produced some immediate results.

“We have a fair amount of clients on LinkedIn so we used that approach and that has generated traffic,” continues Graycar. “LinkedIn only costs five dollars a click so that represents good value for money to us.”

“We have just built a Facebook page and we started a campaign that had 67,000 impressions pretty quickly. The click through rate is so cheap at \$1.70, so it makes good business sense, too,” he adds. Graycar realises the need for the company to be pro-active in attracting clients rather than just relying on existing deals to keep being renewed.

“In 2011 we will be aggressively marketing ourselves and we are currently designing an iPad application, which will we give away free,” he says.

that many SMBs don’t do their research beforehand. You need to know what influences the customer base you are marketing to.”

“A lot of small businesses just focus on getting customers through the door rather than creating and building brand awareness,” continues Gamble. “I think small businesses can grow quickly if they are fearless in the pursuit of achieving their goals. Look at Mark Bouris (of Wizard Home Loans fame) for example. He grew a small business into a big one by using his personality to sell his products and services.”

“Companies also need to be focused. You need to know what you want to achieve beforehand and then ensure you have consistency of message and activity. Too many businesses keep trying different tactics and the message gets confused. Finally, don’t stop marketing. Whether it be through social media or otherwise, keep your brand out there,” she adds.

PREPARING FOR GROWTH

One of the important things to consider is what the business will do if all of the methods being employed to bring in new customers comes good. It’s one thing to imagine the massive numbers of customers all your hard work is going to create, but what if that actually comes true.

There needs to be systems in place for growth, the campaign for new customers succeed and customers show up wanting to engage with the business.

“You need to have systems in place such as automated sales leads, customer relationship management and e-mail marketing software if you want to turn enquiries into business transactions,” Gamble says. “You need to make sure your staff can fulfil the service you are offering. There are many ways of attracting new customers ▶



“Smart marketing can give you the competitive edge to win new customers.”

TOOLBOX

Government help

business.gov.au (1800 777 275)

General business advice

Council of Small Business of Australia: cosboa.org/
Business Council of Australia: bca.com.au
Australian Chamber of Commerce: acci.asn.au

Marketing advice

Marketingangels.com.au
Connectmarketing.com.au
Flyingsolo.com.au

Social Media and digital branding

Holler Sydney: [Facebook.com/hollersydney](https://www.facebook.com/hollersydney)
Razor: razor.net.au/

through traditional public relations campaigns, direct mail, hosting events and hiring advertising agencies.”

But what you use for your business depends on what you want to achieve. Not every business is targeting the same demographics. There are a lot of nice markets out there. Small businesses should also not be afraid to outsource, specifically what they can't do and what they immediately need. Remember one size does not fit all.

DON'T IGNORE THE CURRENT CROP

While you're doing all the right things to bring in new customers, it's important that you don't forget those you already have. “A lot of businesses focus far too much on attracting new customers when it is the former that are easier to target and cheaper, too,” says Lea Symonds, managing director of Personal Strengths Australia.

Symonds believes that there is value in offering existing clientele discounts

or rewards for pointing someone they know towards your business.

“You need to find a way to upgrade your spend with them and they are the ideal client to market to because they are already using your existing batch of products or services.”

Most small businesses grow initially through word of mouth referrals, yet most ignore this effective way of communicating. Symonds admits that while Facebook is not a device right for her company, LinkedIn has proved particularly useful.

“We find LinkedIn can build your profile and give opportunities for clients to network with each other,” she says. “Keeping customers happy is imperative. You need to communicate with them regularly and by helping happy clientele speak to each other through either social media or networking events it might increase your business.”

Like most small businesses, in 2011 Blue Label Life's Jayne will be using a combination of established marketing and advertising practices as well as new social media in a bid to build her customer base.

“We are going to diversify our client base and segment the market more. I think we could use tools like Facebook, Twitter and LinkedIn in a number of different ways, to our advantage,” explains Jayne. □

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