



Finding New Customers and Increasing Sales



Target the right audience
and market



Learning Objectives

- At the end of this module, you will be able to:
 - Define your target market.
 - Market to your existing customers.
 - Create a market for your product.

The logo of the Federal Deposit Insurance Corporation (FDIC) is visible in the top left corner. It features a circular emblem with the text "FEDERAL DEPOSIT INSURANCE CORPORATION" around the perimeter and the year "1933" in the center. The emblem also includes a scale of justice and a shield.

About FDIC Small Business Resource Effort

- The Federal Deposit Insurance Corporation (FDIC) recognizes the important contributions made by small, veteran, and minority and women-owned businesses to our economy. For that reason, we strive to provide small businesses with opportunities to contract with the FDIC. In furtherance of this goal, the FDIC has initiated the FDIC Small Business Resource Effort to assist the small vendors that provide products, services, and solutions to the FDIC.
- The objective of the Small Business Resource Effort is to provide information and the tools small vendors need to become better positioned to compete for contracts and subcontracts at the FDIC. To achieve this objective, the Small Business Resource Effort references outside resources critical for qualified vendors, leverages technology to provide education according to perceived needs, and offers connectivity through resourcing, accessibility, counseling, coaching, and guidance where applicable.
- This product was developed by the FDIC Office of Minority and Women Inclusion (OMWI). OMWI has responsibility for oversight of the Small Business Resource Effort.



Executive Summary

- Analyzing your target audience and market can occur by answering questions about them and tapping other resources.
- You can generate sales leads by choosing among seven techniques.
- Selling to your existing clients is always easier because they already know your work and trust you.



Understanding Your Target Audience

- Answer these questions to define your target audience:
 - Who will buy your product or service?
 - What value proposition are you offering?
 - What is your competition offering its customers?
 - How are you different than your competition?
 - What is the best way to reach your audience?
 - How will you get repeat business?
 - Who are potential customers that have the problem your product solves?
 - How frequently will your product be purchased, e.g., one-time purchase, quarterly purchases, etc.?



Finding Out More about Your Current Customers

- Market to past and existing customers. It is much more cost effective than finding new customers, but you must have the right information about them.
- To gather this information:
 - Send surveys to existing customers using online survey tools, such as SurveyMonkey , CheckMarket, Qualtrics, or Zoomerang.
 - Use existing sources of information from the U.S. Census Bureau, other government agencies, trade associations, or third-party research firms.
 - Take advantage of meetings at the customers’ office. Do they have photos of children on their desk, are diplomas or training certifications on the wall? Do they belong to civic or professional organizations? Knowing details about your customers can give you a competitive advantage by establishing rapport.
 - Take time to build a relationship and take good notes.
 - Find out your customers’ buying habits – how, what, and where do they purchase products and services?
 - Research three potential areas of customer data:
 - Demographics – statistical data including income levels, age, etc.
 - Psychographics – the attitudes and tastes of a certain demographic.
 - Ethnographics – examination of particular cultures.



Defining the Market for Your Product

- Define your target market to ensure you spend your valuable resources on prospects who are more likely to buy your product or service.
 - Create a product profile:
 - Look at the characteristics of your current customers and find similarities. These similarities will help define who is buying your product.
 - What type of company has a need for the product you are selling?
 - Who are the decision makers? Should you pitch your products to the IT director or CFO?
 - Determine who is in direct competition with your current customers. Can they use your product? Why or why not?
 - Determine if your customers' vendors use your product. Why or why not?
 - Consider smaller market segments:
 - Consumer vs. industrial.
 - Private vs. public companies.
 - Short sales cycle vs. long sales cycle.
 - Create niche target markets, and customize your marketing materials to each niche.
 - Determine which media sources best reach your audience, e.g., direct mail, advertising, sponsorships, cold calling, etc.



Generating Sales Leads *(Slide 1 of 2)*

- 1. Analyzing metrics.** Analyze and track how you obtained your current customers and continue these efforts, such as advertising, interest in articles written by your company, marketing materials, web sites, and relationships.
- 2. Cold calling.** Find the right contact name. Knowing a name gets you further than asking for the “IT director.” Call a certain number of prospects each day or week.
- 3. Networking.** Attend business and social events, e.g., trade shows, civic organizations, chambers of commerce, industry associations, and open houses. Connect with friends and colleagues on LinkedIn, Facebook, and Plaxo.
- 4. Creating product champions.** Work with customers to create case studies, testimonials, or product endorsements and post them on your web site. Ask customers to share your success story with others. Encourage positive reviews on web sites such as Angie’s List.



Generating Sales Leads *(Slide 2 of 2)*

- 5. Teaming with affiliates.** Co-market with affiliates or vendors that offer complementary services, e.g., newsletters, brochures, web sites.
- 6. Using your Web site.** Update your web pages regularly to allow search engines to find your data more easily. Use key phrases instead of single words so your web site appears first in searches. Consider paying for search engine promotion or search engine optimization (SEO).
- 7. Advertising.** Determine if it's worth advertising directly against your competition. Advertise for free or pay-per-click using sites such as Pinterest, LinkedIn, Facebook, or Twitter.



Selling More to Existing Customers

- Sell to existing customers.
- They are the easiest to sell to because they already trust you.
- To increase sales to existing customers:
 - **Bundle products.** Offer customers multiple services for a special/reduced price. Customers are happy to consolidate services with one vendor as long as they are satisfied with your service.
 - **Look for up-sell or cross-sell opportunities.** If the customer already purchased a service from you, offer the warranty or the first software upgrade at a discounted price.
 - **Offer a discount.** Discount the products you know your customer is interested in or tell them when the product will be on sale.
 - **Reward customer loyalty.** Offer loyal customers a gift with purchase or free product with 10 purchases.
 - **Offer free samples.** Let your customer try it before they buy it. Create a desire within the customer to purchase the product.



Creating a Customer Loyalty Program

(Slide 1 of 2)

- Goals of a successful customer loyalty program:
 - Customer retention.
 - Maintain current customer spending levels.
 - Reward customer loyalty.
 - Information gathering.
 - Sales increase.



Creating a Customer Loyalty Program *(Slide 2 of 2)*

- Most effective types of customer loyalty programs:
 - Buy-ahead discount:
 - Benefit is immediately apparent to the customer and money is immediately in the bank.
 - Free reward after reaching purchase level:
 - One free product after purchasing ten or similar promotion.
 - Offer customer card for hole punch or stamp; the customer will constantly carry your advertisement and be more likely to return to your business.
 - Upgrades/Special treatment:
 - Give small upgrades to best customers.
 - Surprise rewards:
 - Unexpected coupons, discounts, upgrades, or other small services make customers feel special.



Key Takeaways from This Module

- Know who your target audience and target market are and focus your efforts on these targets.
- Analyze and track what current customers are buying.
- Look for teaming or co-branding opportunities with affiliates or vendors.
- Consider creating a customer loyalty program.



Sources and Citations

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