

Which are the best marketing tools for acquiring new customers?

Malcolm Wicks
SimplePlans

Why we did the survey

Acquiring new customers gets even more difficult in a tough economic environment so it's crucial to use the most effect marketing tools. To give you some indicators to help with this challenge we got 62 companies to tell us which marketing tools worked for them and which didn't.

Via an electronic survey we asked them to rate the effectiveness of different marketing tools and to answer some questions about how well they work with their customers.

From the 14 marketing tools identified 8 were rated positively and 6 were rated negatively.

This summary of the results identifies some key areas for you to look into. Of course, all companies are different and if you need some more specific recommendations for your business we'd be happy to tell you more.

What **NOT** to use

According to our respondents the three least successful tools for acquiring new business were:

- **Call centres**
- **Price cuts**
- **Cold calling**

Between 58% and 78% of respondents rated them "Poor" or "Very poor". The worst "Very poor" rating was given to **Limited time promotions** which came in fourth position.

It seems that customers either want your product/service now or they don't. Contacting people out of the blue and short term offers are far less effective than some people believe. The results indicate that its time to find out what customers and prospects care about if it isn't price cuts and limited time promotions.

The top three marketing tools that work

#1 Face to face networking

84% of companies stated that face to face networking worked for them.

#2 Partners and agencies

80% of people rated Partners and agencies as "Good" or "Very good".

#3 Articles and white papers

76% stated that articles and white papers helped them acquire new customers.

In several of our previous studies we've seen how customers make decisions when faced with what appears to them as similar products. They assess the options based upon three factors: Relationships, Trust and Expertise. The same approach is used to select products where they have little or no experience. All of the top three approaches for acquiring more customers support those three factors.

Overall the ratings are higher than we expected which could be a reflection of difficult economic times where risks are to be avoided even more. Our recommendation would be to investigate increasing activities in each of the top three approaches.

Results for other marketing tools

Traditional Marketing tools

Events and seminars scored well with 25% of respondents rating them "Very good". The overall pattern shows that some people have cracked the model and they really do deliver new customers. However a significant proportion of people do not rate them at all. Further investigation shows that your own events seem to give a much better return on investment than taking part in other peoples.

While just over half of respondents rated **Printed ads and brochures** as "Good" only 3 people rated them "Very good". The overall shape of the ratings indicate that they are not as effective as many other marketing tools.

Electronic marketing tools

Less than a third of respondents have ever tried **Promotional micro-sites**. Less than any of the other tools listed in the survey. Interestingly 57% of people who did try them rated them positively. This would indicate that it's worth looking into.

Over the last few years the most widely promoted marketing tool to companies of all sizes are **Web sites** and search engine optimisation. The survey tells us that two thirds of respondents regard their web site as a positive tool for acquiring new customers. That leaves a third who either can't or don't capitalise on their web site. In my view all web sites should play a part in helping to acquire new customers

The response on **Google Adwords** was pretty evenly split across all of the scoring options. Our follow up conversations indicated that Google Adwords work best for companies selling very specific products such as software, ink cartridges or BtoC services. Broader services such as management consulting or marketing had poorer results.

The pattern of results for **Email marketing** indicates that it's fine for some companies but unlikely to produce outstanding results on its own. It works best when taking into account the three factors of Trust, Relationship and Expertise mentioned earlier. Sending large numbers of emails to people who don't "know you" is a waste of effort.

Electronic networking (LinkedIn, Facebook etc) is a relatively new marketing tool and was one of the least tried. Electronic networking needs active working in order to be successful just like face to face networking. In a years time we expect the positive rating to be significantly higher. Leading edge marketing people should be working with it now.

Summary

Marketing tools that "push" messages and offers at prospects are becoming less effective as ways to acquire new customers. Our recommendation is to focus more on ways that the prospects can "pull" information from you when they require it.

The most effective marketing will always be a blend of tools appropriate to your business and your target customers but I hope that this summary report helps you identify some areas to further investigate.

Malcolm Wicks

SimplePlans

Helping organisations profit from being Customer Focused

Contact information:

Malcolm.Wicks@simpleplansco.uk

0118 989 1107, 0781 394 6021 www.simpleplans.co.uk

