

# How to Find New Customers and Increase Sales

How to better understand your target audience, generate new sales leads, and focusing on getting more revenue from existing clientele.

By Elizabeth Wasserman | Dec 1, 2009

**In a perfect world**, you would have an unlimited budget to market your business in order to find new customers and increase sales. You could buy lots of online and offline advertising, run promotions to build traffic in store and online, and launch a proactive public relations campaign to increase your product or brand's visibility and awareness. But this isn't a perfect world. Realistically, most small businesses and even many mid-sized firms have more great ideas on how to peddle their wares than available resources.

So where do you start if you are looking for more customers? Learning to generate new sales leads is an essential skill for an entrepreneur. Even if you don't consider yourself a salesperson in the classic sense of the Willy Loman character from Arthur Miller's play *Death of a Salesman*, you need to understand that the possibilities for finding new customers range from cold calling names from the phone book to buying lists of potential customers to using newer Internet techniques like search engine optimization to drive new business to your website.

The following pages will delve into how to conduct market research to understand your target audience and their needs, how to determine which lead generation techniques are best to broaden your sales horizons, and how to increase sales by following several strategies to sell additional products and/or services to existing customers.

## Understand Your Target Audience

Before you can find new customers and increase sales, you need to understand who your customer is, what value proposition you offer to customers, and what your competition is currently offering in the market and where there are gaps for a new entrant. In other words, you need to do some market research -- whether that means hiring an outside firm to do the legwork or trying to do it yourself. There's an underlying disconnect between your motivation to increase sales and your customer's motivation to solve their problems.

"Attracting more customers is really about listening to their needs, not being a solution looking for a problem," says Paige Arnof-Fenn, founder and CEO of Mavens & Moguls, a strategic-marketing consulting firm whose clients include Fortune 500 companies as well as early stage and emerging businesses. "There are many existing problems out there that need to be solved that customers are willing to pay for today."

## Find out who your customers are

In order to develop a marketing plan to reach new customers, you need to better understand who

you're already selling to. "If I'm trying to expand sales, I have to find out who my existing customers are. What are their demographics? What do they look like?" says Jerry Osteryoung, director of outreach for the Jim Moran Institute for Global Entrepreneurship at Florida State University. "That means doing market research."

Market research runs the gamut from very simple qualitative research to in-depth quantitative analysis. It can be done very quickly and inexpensively by sending surveys to your existing customers using one of the many online survey tools, such as [SurveyMonkey](#) or [Zoomerang](#). You can also get to know the target audience by looking at existing sources of information -- from the U.S. Census Bureau or other government agencies, from trade associations, or from third-party research firms. But depending on the questions you are trying to answer and your research budget, your market research can involve more extensive interviews with customers and qualitative studies on how target customers feel about your business, its products and services.

Certain products and services may appeal to one audience but not to another, so understanding the strengths, weaknesses, opportunities and threats in your target market is critical. You can get to know your customers and segment the market any number of ways including by:

- **Demographics** -- statistical data on a population including income levels, age, etc.
- **Psychographics** -- the attitudes and tastes of a certain demographic.
- **Ethnographics** -- examination of particular cultures.
- **Buying habits** -- how, what and where customers purchase products and services.

### **Define the market for your product or service**

Use the information about your existing customers to develop a target audience for your business in its drive to win new customers and increase sales. "While there are core customers you are trying to reach, often there are other markets that are also important to address," Arnof-Fenn says. "Make sure you know who the gatekeepers and influencers are; they will affect the decision makers and you will most likely need to sell to them differently than to the end user." For example, parents might be the gatekeepers for products targeted to children or technology managers might hold influence over a company's decision to invest in new software.

Determine which key messages, features and benefits matter to each potential market. Tell these customers how your business can help them solve their problems. "In order to have a customer go to your online shop, you have to find a reason why these customers want to come to you," Osteryoung says. "The value proposition has to be spelled out clearly."

Next, you need to figure out where to reach these customers and whether there should be a marketing or advertising plan that goes along with that outreach.

### **How to Generate Sales Leads**

There are a variety of age-old staple techniques and newer tools you can use to find new customers and increase sales. It's best to understand the range of choices you have in order to determine which may best help your business reach new customers. Newspaper readers may not be moved by Internet-based sales techniques. Similarly, business people who are accustomed

with hiring only people they know may be better swayed by meeting you at a chamber of commerce meeting than accepting a blind invitation to connect on LinkedIn or Facebook.

"It starts with good people," says Peter Handal, chairman and CEO of [Dale Carnegie Training](#), the sales and leadership training organization. "If you're a one-man shop, it's one thing. But if sales people are really important, you need to hire and motivate good people and you want to give them an upside, such as sales on commission. The motivation is not just money it's also helping them overcome the fear of prospecting."

Here is a rundown on the techniques available:

- **Cold calling.** This is telemarketing without the call center. It's a blind contact with a potential customer who isn't expecting a pitch. Customer leads can be picked up through scouring newspaper articles or items, lists of leads that are culled by a third-party, or paying attention to people or businesses moving into your turf. "People are always hesitant about cold calling or talking to someone they don't know," says Handal. "We coach people to give themselves a pep talk to get them in the mood. We suggest that they set a goal -- this is how many new people they will talk to this week."
- **Networking.** This can be done the old-fashioned way, by getting involved in community organizations, such as the chamber of commerce, or attending business functions, such as trade shows. Social functions -- dinner invitations, book clubs, etc. -- can also lead to potential business. "All of those kinds of things are important ways to network to find new customers," Handal says. Networking has also taken a 21st Century twist on the Internet, with the rise in popularity of such websites as [LinkedIn](#), [Facebook](#), and [Plaxo](#). Many businesses find that this type of networking, making contacts through friends or former colleagues, can lead to new customers.
- **Develop champions of your products.** Use business contacts who have been happy with your products to help generate references and referrals. Once you have sold to them, customers can help you sell to others by offering positive testimonials and leveraging a refer-a-friend campaign created by your business. This technique also employs word-of-mouth marketing. Help customers help you by giving them the ammunition they need to tell your story to others. "Don't be afraid to ask, 'Is there someone else I can talk to and also help?'" Handal says.
- **Affiliate marketing.** Look at non-competitive products or services that are reaching out to the same audiences to see if there are ways you can collaborate through shared outreach efforts such as newsletters, mailings (online and offline) or co-branding opportunities. You probably can uncover a handful of like-minded products or services that are talking to your customers, Arnof-Fenn says. Suggest to these business owners ways your businesses can support each other. Your customers will see joint efforts as a value-added opportunity to reinforce their choice of brands.
- **Leverage your website.** There are all sorts of tools these days through which you can drive potential new customers to your website. Search engine optimization (SEO) -- using keywords and other techniques to make your site appear on the first page of listings on search engines -- has become an art form. There are websites, such as [Search Engine Watch](#), that will keep you updated about SEO techniques. In addition, there are a growing number of paid SEO consultants who can help you use all the tricks and techniques to

improve your search results. You can also use a variety of blogs, chat rooms, podcasts, and webinars to generate awareness for your website and company. A website is a dynamic tool not a one-time experience. The top search engines are constantly updating their algorithms, so you must monitor your website on a regular basis to make sure your keywords are leading customers to you. Make sure you are keeping your website up to date with fresh content so your customers come back often for more.

- **Advertising.** Typically businesses are encouraged to spend 3 to 5 percent of their revenue on advertising, but a small business needs to make sure that advertising is effective, Osteryoung says. One way to do this is to ask your customers where they heard about you so that you can measure what is effective. In addition, you also have to carefully pick your markets for advertising to make sure you're reaching your target audience. If you're targeting an older audience, newspaper ads might be the way to go. But if it's Gen X or Y you're after, then you may be better off advertising online or on TV, Osteryoung says. "You've got to define your demographics before you develop your advertising or marketing plan."

## **Sell More to Existing Customers**

In order to increase sales, many businesses believe the only way is to find new customers, but a number of experts say that this strategy leaves out an obvious potential source of new sales. It's much easier to get an existing customer to buy from you than to convince a new customer to take the plunge. "They're forgetting about low hanging fruit -- their existing customer base," says Osteryoung. "If I want to expand sales, the number one place to go is the existing customer base. They already trust you."

Here's how to increase sales with your existing customer base:

- **Bundle products.** You can "bundle" a few products or services together for a special price to try to get an existing customer to try some of your other offerings.
- **Try the "upsell."** Convince your sales staff to go back to existing customers and try to sell those clients related products or services. A common example is a warranty, Osteryoung says. Think of how many times you've purchased electronics and a sales person has tried to sell you on an extended service plan. Customers sometimes take the bait.
- **Offer inside information.** If a customer is eyeing a product but about to put it back on the shelf, make sure you let them know that the product is going on sale the following week. If you monitor your website's online shopping cart, you may email an existing customer who didn't complete a sale and offer them a discount to complete the purchase.
- **Think about customer rewards.** Like the airlines have done with frequent fliers, there is no reason a small business can't reward good customers with a loyalty program. Offer a discount on their birthday or for every 10 purchases give them one for free.
- **Give free samples.** Offering freebies isn't necessarily going to cost you an arm and a leg, but it can increase sales by engendering good feelings among existing customers, convincing them to pass on the sample to a friend or family member, and/or convince them to buy your latest hand cream or ice cream flavor.

"There's a lot you can do that doesn't require much more work," Osteryoung says. "You want to make sure you have saturation but obviously you never want to alienate the customer.... You never want to make the customer feel like you are hard selling them."

### **Recommended Resources**

#### [Dale Carnegie](#)

Practical principles, processes, and programs that offer people the knowledge, skills and practices they need to influence and sell to customers

#### [Word-of-Mouth Marketing Association](#)

Trade association for word-of-mouth marketing to attract more customers

#### [Find New Customers](#)

Jeff Ogden's whitepaper on How to Find New Customers and more

### **Related Links**

#### [How to Use E-mail to Find New Customers](#)

Strategies to use e-mail to build your business

#### [Use an Affiliate Program to Snag New Customers](#)

Use an affiliate program to get your existing customers to recommend your business to their circle of contacts.

#### [How to Hire an SEO Consultant](#)

A primer on how to hire an outside consultant to help you maximize your search engine optimization.

#### [Drive Traffic to Your Business Blog](#)

How to use a blog on your business website to find new customers.

#### [The Return of Customer Loyalty](#)

A veteran entrepreneur explains why it's more important than ever to keep the customers you already have

#### [Teach Your Employees to Focus on Your Best Customers](#)

Teach your employees to know who your best customers are and provide employees with techniques and tools to uncover customer preferences and make every customer interaction count.

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