

~~On The Mark~~

Sales and Marketing Success Strategies



Issue 30

April 2003

You Need More New Customers Here's How To Find Them

Most businesses will lose 10% to 25% of their customer base this year. Many customers will move away, some will die or become disabled, and, unfortunately, some will suffer a serious financial setback. To ensure the long-term success of your business, it's important to bring in new customers. But what's the most effective way to find them?

1. Find Your Target

If you're like most companies, you have to make sure that your marketing efforts yield measurable results. You probably don't have the luxury of advertising just to keep your name in the public eye. You have to sell more efficiently than that. Some of the marketing weapons at your disposal hit the bull's eye and some completely miss their target. Unless you measure, you'll never know which is which.

The most important aspect of making sure your marketing initiatives hit their mark is targeting the right audience. Zeroing in on your best prospects isn't difficult when you have the right tools at your disposal. How can you put together the thousands of records and transactions in your database to form a tool that helps you find new customers?

2. Customer Database/Census Data

Direct marketing companies have the expertise and the resources to help you. Mailmark's NeighborDirect can profile your customer database by age, income and geography. We do this by generating a Market Penetration Analysis that matches each customer record in your database to its specific postal carrier route (an area containing approximately 300-600 households), then overlays age-and-income census data.

Matching your data by carrier route rather than simply by zip code provides a more tightly focused view of your customers, as there can be up to 100 carrier routes within a zip code. A Market Penetration Analysis will give you a detailed picture of who your customers are, their age ranges, income levels, and exactly where they're coming from. Knowing where most of your customers are concentrated is very important.

3. Fish Where The Fish Are

Do your neighbors live in a dwelling that's similar to yours? Do they drive cars that fall within the same general age and value categories as yours? Do they have roughly the same level of disposable income as you? Chances are their purchasing decisions are driven by some of the same factors as yours - the same combination of convenient access to your location, the same relative importance of quality, service, selection, and price.

A Market Penetration Analysis will help you better understand the characteristics of your existing customers so that you can optimize the tactics you use to go after new customers. It identifies the carrier routes or neighborhoods where you have the highest concentrations of existing customers, giving you actionable demographic data and showing you where to look for new customers who fit the same profile. You'll be able to make better, more cost-effective marketing decisions and generate a higher response rate and a better return on investment.

How will you know which carrier routes to target? Typically, your primary trade area is the geography in which approximately 50% of your customer database is concentrated. Your secondary trade area is the geography that makes up the next 30% of your database, and your non-trade area accounts for the remaining 20%. Customers and prospects who are concentrated in the primary trade area will respond at a higher rate than those in the secondary trade area, and those in the secondary trade area will respond at a higher rate than those in the non-trade area.

(This is Part I. Part II will appear in the May 2003 issue.)

DID YOU KNOW?

Mailmark's **NeighborDirect** customer acquisition program can analyze your database of customers by generating a market penetration analysis and matching it to specific postal carrier routes. Areas with high concentrations of existing customers can be targeted for new customer acquisitions.

To learn more, call Mailmark today at **(800) 334-8983** or email us at **mailmark@mailmark.com**.