

ATTRACTIVE THINKING

“No-one ever achieved significant growth in their business without attracting additional customers”

The need to attract new customers underpins everything I believe is important for businesses and organisations who want to grow. ATTRACTIVE THINKING is something that all business leaders should consider every day. ATTRACTIVE THINKING is the key to unlock your maximum growth potential.

ATTRACTING new customers matters

This is because you cannot get significant growth by just selling more of what you have to your existing customers. Really? So how can we be sure it is true that you cannot get significant growth just from increasing the loyalty of existing customers? Well, there is a large body of evidence based scientific research that demonstrates this is true. This research was kicked off by Professor Andrew Ehrenberg in the 1960's and has been continually updated and expanded by the Ehrenberg Bass institute under the leadership of Professor Byron Sharp (@byronsharp). You can read a summary of the research, its implications and the resultant scientific “laws of marketing” in Byron Sharp’s book [“How Brands Grow”](#). The work of Ehrenberg Bass is now sponsored by over 100 global brands who study their work to glean insights about how to grow their business.

The research makes the repeated observation that big brands in any given market always have many more customers than small brands. Whilst big brands do enjoy slightly higher levels of loyalty than smaller brands, this loyalty difference is never enough to explain the difference in brand size. The greater difference in brand size is almost entirely explained by the number of customers that buy the brand.

Another observation is that the loyalty difference enjoyed by bigger brands is not the result of greater emotional relationships or passionate connections between brands and consumers. The truth is less exotic and more casual or banal. People care about brands when they need them and not when they don't. So loyalty differences are more easily explained by the fact that big brands have wider availability, big brands are usually easier to buy, consumers have greater familiarity with them and so have a reason to like them, consumers find it easier to recall big brands at the moment they have a need for a product or service.

What seems to happen is not that loyalty drives growth, but rather growth drives loyalty. You get growth by attracting more customers and as a bigger brand you attract more loyalty. If you lose customers you not only have a smaller brand but loyalty of the remaining customers goes down as well. Byron Sharp calls this the double jeopardy law. It is why bigger brands are hard to defeat.

Making increased loyalty your marketing objective limits your growth

This conclusion was reinforced by 2 major studies conducted by Peter Field and Les Benet in conjunction with the Institute of Practitioners in Advertising. After examining the results of 900 marketing campaigns they found it was overwhelming the case that campaigns which focused on increasing market penetration achieved better results and outperformed campaigns that had loyalty as the primary objective.

Attractive vs Extractive Thinking

There are plenty of marketing experts and practitioners who advocate marketing strategies that promote loyalty and engagement as the key to growth. Clearly brand loyalty is desirable. After all big brands do have slightly higher loyalty than small brands.

But beware, a sole focus on loyalty and engagement comes from what I call EXTRACTIVE thinking that treats customers as targets from whom you can extract more money. When you focus on loyalty and retaining customers it can create behaviours in the business that are less attractive to customers. Loyalty campaigns can become what I call extractive. All too often they are about retention, extracting more money, trapping customers and upselling. A loyalty focus can turn into something that is meeting a business objective to keep the customer rather than a customer objective to help the customer solve a problem.

When you focus on attracting new customers this leads to an attractive mindset that is about making what you offer work better for the customer, helping the customer solve their problem, making it easier to buy, making it more available. These things will build loyalty. But they will also attract new customers. A focus on new customers results in ATTRACTIVE thinking that is appealing to current and lapsed customers as well as new prospects. ATTRACTIVE THINKING does build loyalty, but loyalty is a side effect, the primary objective is to attract more customers. When you do that you will attract existing customers to buy more and buy more often.

Another oft quoted remark is that it is cheaper and easier to sell to existing customers than to acquire new ones. However, whilst it may seem easier to sell to existing customers, it is just not feasible to get enough customers to drive your growth. As a result it is not cheaper or easier to get the goal, it just feels like it is in the short term.

So when you work to make your products and services more attractive to new customers, then you will be attracting existing customers to buy more often and lapsed customers to come back. When you work to attract customers you build loyalty as well as penetration. When you work mainly to build loyalty, you will miss growth opportunities from not reaching out to new customers.

But how do you create this ATTRACTIVE business plan

This is the problem, it is not easy. The double jeopardy law tells you that established big brands have an advantage. Byron Sharp identifies that you have to achieve both physical and mental availability with customers before they will buy. Or in simple language, people buy stuff they have heard of when they understand what it is, provided it solves a problem that they have and is available to buy or consume at the moment of need.

Achieving all of these things is tough, appears expensive and requires investment. So it is off-putting for business leaders. Extractive approaches to get growth from existing customers seem cheaper, quicker and can deliver short term results. The problem you must face is extraction does not work to get the significant and sustainable growth that you want and need.

GAME CHANGERS are always ATTRACTIVE thinkers

I have worked with global brand companies like Mars and PepsiCo, with high end B2B players in Property, Technology and Financial services and a number of entrepreneurs. In and amongst lots of great people, I have worked with and learned from, I have consistently noticed that there are two types of successful people. Those that want to keep the business going and those that want to make a big difference and create significant growth. The big change agents are often referred to as Game Changers, they are restless and what to make a difference. But if the business only had these Game Changers, things would fall over and stop working properly. So the business needs both.

My inclination and focus has always been on the Game Changer. I am always focus on how to create products and services people love to buy. I have always believed that ATTRACTIVE THINKING is the way to create growth. I have always been uncomfortable with EXTRACTIVE approaches to customers that are designed to trap them under the guise of achieving loyalty.

So I have studied what worked and what has not worked. I have had a number of successes and failures myself. I have learned from colleagues, clients, mentors and teachers. To create products and services customers love, we need to get the answer to five questions. The questions are easy to understand, getting good answers takes more work.

PINPOINT: Who are your customers and what problem or need do they have that you can solve?

No-one ever bought anything that did not solve a problem or address a need. Thinking about yourself, you do not get your credit card or wallet out unless you want to solve a problem. e.g. In a supermarket, you are thinking about different meal occasions, people's preferences at home, future events, friends coming round. When you buy a service for your business it is to save money, get more growth, find something out, provide a skill you do not have in house. PINPOINTING what the problem is, all the people that have that problem and how often they have that problem is the first step in spotting a growth opportunity for your brand or business.

POSITION: How can you solve the problem in a way that is distinctive and noticeable?

But usually you are not the only person or business that can solve that problem, so you have to have some way of being distinctive, better or more noticeable or more available than the alternatives. Finding out how to stand out starts with identifying what really matters to customers. Then working out how you could address what matters.

For example, when I worked with Mars to create Celebrations, we identified Mars could make a product that would have more popular brands and better chocolates in the box than Quality Street or Roses. We designed a product in which most people liked all the sweets, there were no duffers in the box, so there would be none left over after they had been shared around.

I also worked with property lawyers who were not just good but quicker, we found that speed mattered to customers and they could do it.

ARAMARK, the office caterers in Germany discovered they were better at helping facilities managers stay one step ahead of the demands of the staff and the managers in the firm. ARAMARK's approach leaves the facilities managers feeling in control and staying one step ahead.

I worked with a technology firm that is driven by a public purpose to ensure products are safe and compliant for customers. It reinvests all its profits in delivering this. They also have the best engineers. They have engineers who will talk with clients and the whole firm cares about helping their clients achieve successful on time product launches. Clients like that. We summed this up in the phrase "Chosen by people who care"

PERFECT: What is the most attractive product, service and message that delivers this?

No we know what matters to customers and how to position the brand to customers and prospects to attract their attention, we translate these insights into specific products services and messages that will win over customers. This is the most creative phase. It is about creating the product or service, designing it so it is attractive to customers and having a message that is appealing and draws people in. In this step you will build the product or service to solve the problem. You will get designers to create the form of the product or service, the packaging, the logo, the presentation and look and feel. You will do this in a way that helps customers to know and understand what it is as well as being attractive to touch see and feel.

In addition it is important to write a story about how this came about so that all the staff in the firm understand it. Discovering what this story is about usually involves talking with people in operations, R&D, finance, sales and marketing. There is always a hidden asset, a story about

the firm, something the firm does that is clever. Also get great designers involved to take your story and design a story book. Even better make a video to tell the story and explain what makes the firm great. It will make the whole business proud. All your staff can also be ambassadors for the firm and the brand, but they have to understand it to do that.

PROMOTE: How do people find out about it and where do they buy it?

Now you know what really matters to your customers and have harnessed this insight to design something that solves an important problem for customers. You know how to deliver your product or service in a way that stands out so customers and your team understand it and are excited about it. All you have to do is to let people know about it and ensure they can buy it when they need it. Simple!

This is what some people call marketing and advertising, which sounds clever and mysterious. For people who understand ATTRACTIVE THINKING this is much simpler. It is just letting customers know what you we have got and making sure they notice it. It is not about capturing customers, it is not about persuasion, it is not devious. This is simply letting them know it is there for them to choose.

There is a lot of evidence and study about what works and what does not work here. But you can group all the tasks and requirements for this stage into two headings

1. **Building your reputation:** this is creating awareness, being liked, being front of mind, ensuring customers understand what you offer, making customers feel the brand will help them or “is for me”.
2. **Stimulating customer purchase:** this is being noticeable at the moment of need, making a special offer, providing a reason to buy now, having a sales conversation e.g. displays and offers in a supermarket, direct mail, email marketing, price reductions.

The best and most thorough studies conclude you should spend 60% of your money building your reputation and 40% of your money on stimulating purchase.

In order to work out the best way for you to do this, the start point is to list all the channels of communication and distribution that customers might come across and use to find your product, to learn about, get advice and where they could buy it. By channel, I mean any means that a customer might use to discover, learn about or purchase your product or brand. We usually find there are around 40-50 different channels, some are better than others at each of the tasks. So first you have to set your marketing objectives (e.g. increase market penetration). Once you have identified the objectives you can identify the channels that work to reach out to your customers and prospects. Armed with this optimal channel list, then you can start to build a marketing plan that will deliver the 60/40 split between building your reputation and stimulating customer purchase.

PITCH: How do you PITCH this to customers, partners and your organisation?

Now you have a product people will love and a marketing plan to let people know about it. As well as implementing your plan you need to be able to explain the plan and the product or service to different audiences.

If you can PITCH your product and your plan, you will win more support within the business and outside the business from customers, suppliers and partners. You will be able to attract your colleagues to help you with the plan, you can attract partners and suppliers to come up with ideas to help you and you will be able to attract more customers to buy the product.

There are ways to do this that work and ways that do not work. The people that I have found are the best at this are entrepreneurs. This is because they know they have to do it all the time to win support. They are hungry for help and know how to ask for it. In larger organisations this PITCH skill can get lost under the assumption that everyone is supporting the plan.

My own research shows me that for marketers, their biggest frustration is when people do not support their plans for growth. Winning support across the business is critical for their plan to work. Our research showed that teams who stuck with three behaviours tended to do much better at winning support and implementing their plans.

1. Speak in plain language, avoid jargon ensure everyone can understand the plan
2. Spend time explaining and pitching their ideas
3. Provide evidence for why it will work, preferably with numbers

Next steps

If you follow these five steps you can come up with a plan for growth that everyone is convinced will work. At Differentiate we have developed our Game Changers programme, that works step by step through each of these questions.

Each step comprises research to obtain insight, analytics to get clarity and workshops to develop ideas and win the support of the business team for the plan.

At the end of the process you will have a plan that everyone is convinced will work to drive growth. The plan uses ATTRACTIVE THINKING. We will deliver insights on what matters to customers, a positioning that will attract customers to your brand and business, a brand story in print and video, ideas on how to design and transform your products to be more attractive, a channel marketing plan that reaches out to the customers you need to attract and pitch that means you can win support and attract more growth.

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