The Fundamentals of Customer Acquisition

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Customer acquisition can appear like magic to the uninitiated. Some startups seem to possess the secret formula that turns prospects into customers—and their own companies into unicorns.

Modern customer acquisition isn't magic, nor are its practitioner's magicians. You can find, study, and apply proven frameworks and strategies to your growth efforts and consistently turn prospects into customers, too. Acquisition success does take discipline, hard work, and high quality customer data. But even though customer acquisition isn't magic, the fundamentals we're going to walk you through in this guide will lead to a pot of gold, in the form of lots of new customers.

1. What is customer acquisition?

Customer acquisition is the process of winning customers for your business. It involves attracting the attention of your target prospects and convincing them to purchase your product or service. Acquisition activities can include cold calls, email newsletters, webinars, and paid advertising—anything that helps you get new customers. These days, the most successful customer acquisition strategies involve highly personalized, omnichannel marketing based on high-quality customer data.

Customer acquisition is essential for any company because it's usually the first step in the customer journey, and it enables all subsequent phases—there's no business without customers. Therefore, the higher purpose of customer acquisition is to find a sustainable way to continuously attract new customers.

Customer acquisition can also lead to benefits like increased awareness and brand value. Even if you don’t make an initial sale, acquisition activities often form the first impression potential customers have of your company and impact how they view and interact with your business later.

Say—as an extreme example—the first touchpoint a customer has with your business is a promotion for sales with discounts of up to 75%. It's unlikely they'll perceive you as a high-end brand and might even conclude your business is in trouble because such steep discounts feel like a fire sale. Such a first impression, once made, is hard to shake off later.

2. Customer acquisition models and frameworks

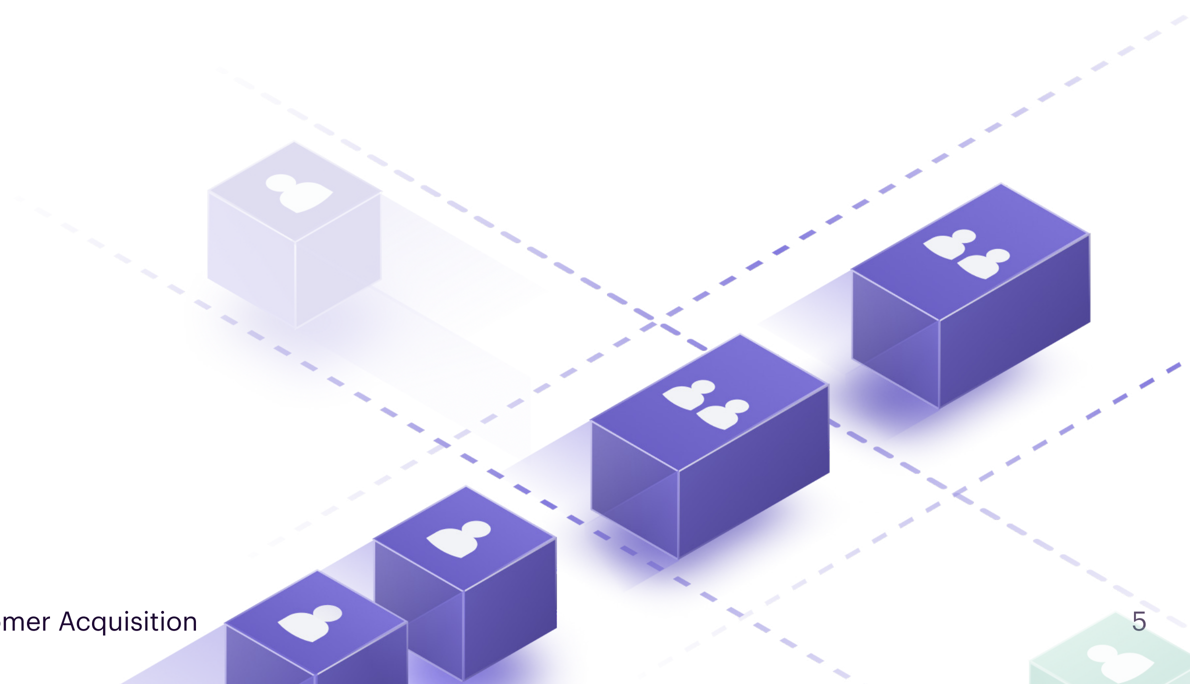
Master marketers have developed—and shared with the world—frameworks for customer acquisition that help you structure and optimize your growth efforts. Such models help you decide:

In which sequence to plan your marketing activities.

What metrics you should measure about your acquisition efforts.

How to spend your marketing budget.

Let's look at two of the most popular approaches for startups of recent years: the AARRR funnel and the Growth Loops model.



The AARRR funnel—“pirate metrics”

The AARRR funnel gets its acronym from the metrics it recommends you measure, and its pirate nickname from pronouncing that abbreviation. Entrepreneur and angel investor Dave McClure invented the model in 2007. He suggests startups should focus on five key metrics that correspond with a typical customer's journey:

Acquisition — users discover your product
Activation — users reach their “aha” moment
Retention — users keep coming back
Revenue — users pay for the product
Referral — users refer other users

At the time, this funnel view with one critical metric for every step of the user journey was revolutionary. While the funnel approach seems obvious now, most marketers then focused only on stats like "how many people are looking at my page?"—until McClure introduced his model.

But the model has weaknesses that have surfaced over the years. As often happens when specific metrics achieve “holy” status—and pirate metrics certainly have, as every founder has referenced them in a pitch deck or recited them in a meeting—people will do anything to improve those numbers, even if such actions don't create real business value. Boosting a number through unsustainable paid advertising campaigns, for example, or attracting the wrong type of users that will not stick with the product for the long-term.

What's more, the world's fastest-growing startups grow not because of a linear funnel but thanks to an exponential, accelerating customer acquisition *loop*.

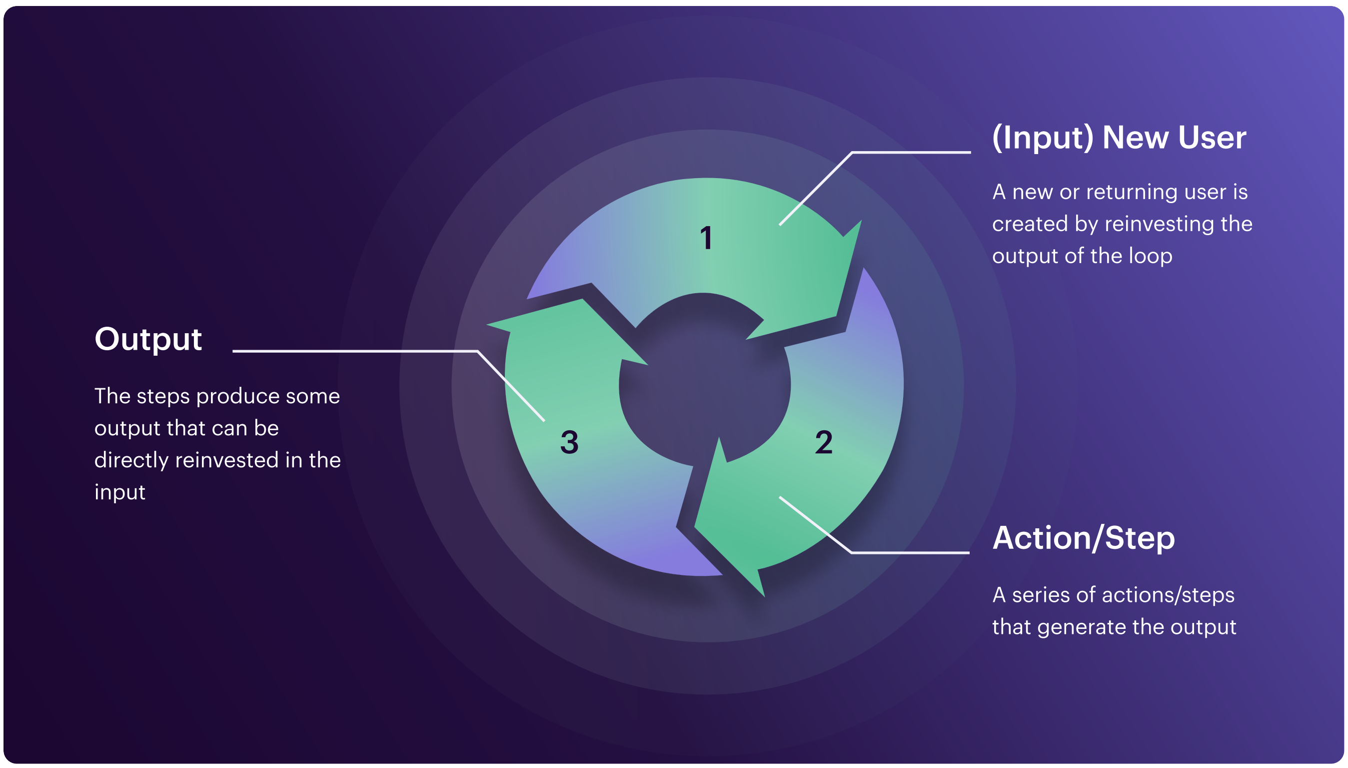
STAGE/TYPE	EXAMPLE METRICS
A: Acquisition	# of weekly visitors % of growth of weekly visitors % of visitor -> sign-up conversion ratio % of growth of weekly sign-ups Customer acquisition costs (CAC, by channels - Organic, ads, referrals etc.)
A: Activation	% of sign-up onboarding completed % of onboarding -> first action
R: Retention	N Day retention, i.e., % of users usnig the product feature on nth day
R: Revenue	% of active user -> paying user conversion Lifetime value ($)
R: Revenue	% of active user who reffered at least one user % of refferals -> sign-up -> active user -> paying user conversion ratio

The Growth Loops model

The Growth Loops model structures acquisition as a closed system in which inputs generate outputs that lead to more inputs and so on.

Take SurveyMonkey, an online survey tool, as an example. After a new user signs up for the service, they create a survey and send it to people. Those folks go on to make surveys they invite people to, who create their own surveys, and so the growth loop continues.

Marketers Brian Balfour, Casey Winters, Kevin Kwok, and Andrew Chen developed the Growth loops model in response to the AARRR framework. As they explain in their blog post—aptly titled "Growth Loops are the New Funnels"—the linear pirate funnel can't explain why the world's fastest-growing startups succeed. The AARRR metrics also tend to create strategic and functional silos, as different teams focus on a single metric and lose sight of the big picture.



"Source: Reforge, Growth Loops are the New Funnels"

Companies like Facebook, Pinterest, and Zoom have all used growth loops for their customer acquisition. It's a powerful approach because it keeps reinforcing itself once the loop works, accelerating user growth. At the same time, your job becomes easier as your customer acquisition efforts deliver compounding results.

3. What is a customer acquisition strategy?

A customer acquisition strategy outlines how you will acquire customers for your business. Typically, the goal is to attract high-value customers at a reasonable cost and explains why this specific approach is best for your business.

An effective strategy aligns your business model and product with your acquisition channels.

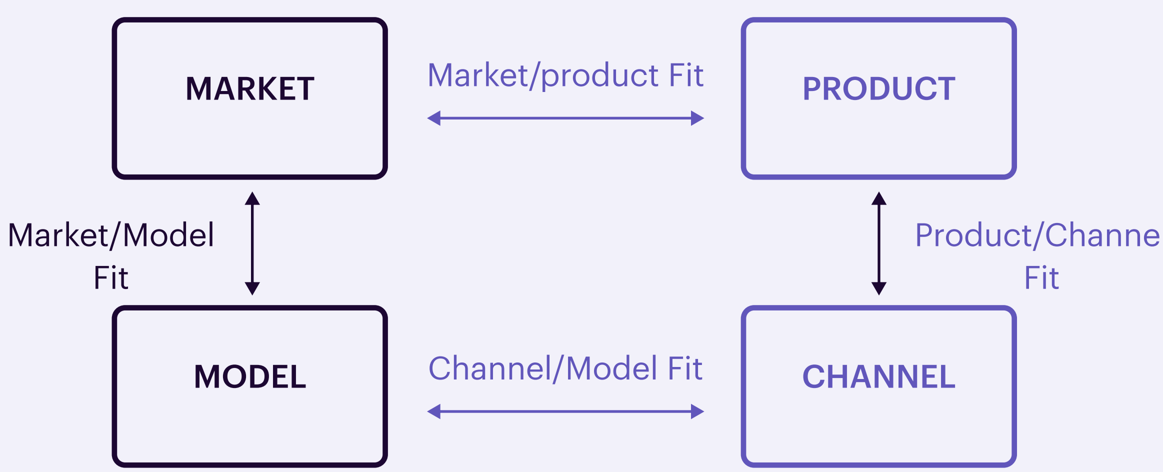
REFORGE

"You control your product, you do not control the channel. So you need to change the things within your control to fit with the things that you do not control."

Brian Balfour
Founder & CEO, Reforge

Read the full story here.

What's Needed to build $100m+?



Source: Reforge, Product Channel Fit Will Make or Break Your Growth Strategy

In the previous diagram and [his essay on the topic](), Balfour calls this Product-Channel Fit, which happens when you create product attributes to fit a specific distribution channel. This synergy then accelerates your customer acquisition.

Balfour gives several examples. One case is games, where Zynga became the market leader by building games—and their distribution model—specifically for one channel: Facebook.

Source: Reforge, Product Channel Fit Will Make or Break Your Growth Strategy

How to develop a customer acquisition strategy

An acquisition strategy should be able to grow and evolve along with your business. It should also specify which customers you aim to attract. Effective plans, therefore, share four key traits:

Targeted:

It's designed for finding your ideal customers.

Sustainable:

It seamlessly scales as your business grows.

Diversified:

It helps you reach new customers across a variety of channels.

Flexible:

It's capable of evolving with market and industry changes.

Follow the below five steps to ensure your strategy includes these four attributes.

1. Define your ideal customer

While developing your product, you—hopefully—did market research and customer interviews. Use such data, along with information on previous campaigns and product usage, to identify whom to target with your acquisition efforts. Ask yourself:

Whose pain points does my product best solve?

What are such people’s goals, needs, and preferences?

Which channels are they most likely to use?

2. Set clear goals and objectives

Figure out what exactly you want to accomplish and within what timeframe. Specific targets are better than vague ambitions. Think “ I want 500 programmers to purchase my video course by January 1st,” not “increase sales of my video course.”

3. Identify your acquisition channels

Create a channel matrix that rates each channel on attributes like potential impact, cost, and effort required to manage them. You'll also want to check where your competitors are active and how well they're doing. Figure out where your competitive advantage lies, and then pick your top one to three channels.

4. Define your approach for each channel

You'll need to work out an approach for each channel based on your business model, product, and the channel's characteristics—remember product-channel fit. Such planning should include the budget required and the ROI you expect. And it should also specify other efforts, like required creatives, experiments to measure the channel's effectiveness, and team members to involve or even hire.

5. Measure and adjust your strategy

Once you've begun to implement your strategy, keep an eye on the data. You'll want to regularly check in and see if you're hitting your expected ROI. And regularly is critical here. Even a channel that performs like magic early on becomes less effective over time, something we'll look at in more detail in the next chapter.

Startup Inc Channel Matrix

	Cost	Targeting	Control	Input Time	Output Time	Scale
Perfect World	Low	High	High	Low	Low	High
SEM	Medium	High	High	Low	Low	High
SEO	Low	Medium	Low	Medium	High	High
Viral	Low	Low	Medium	High	Medium	High
Sales	Very High	High	High	High	High	High

Channel value depends on business. For example, SEO input time could be high for one business and low for another depending on how competitive the terms are.

Example of a channel matrix overview from Brian Balfour's 5 Steps To Choose Your Customer Acquisition Channel.

4. What is a customer acquisition channel?

A customer acquisition channel is any place where people can discover your business and, usually, turn into prospects or customers. Here's a list of common customer acquisition channels:

- **Cold emails or calls**
- **Content marketing and SEO**
- **Social media and influencer marketing**
- **Referrals and other viral campaigns**
- **Newsletters and subscriptions**
- **Webinars and events**
- **Co-marketing, media partnerships, and integrations with other products**
- **Search engine and social media advertising**

Paid vs. organic customer acquisition channels

You can categorize customer acquisition channels into two types: organic and paid. Organic methods, like content marketing or sending out email newsletters, are free. (At least, in theory, more on that shortly.) Paid channels cost money to use, for example, running ads on Facebook or having a sponsored placement in someone else's newsletter.

Now organic channels are not entirely free because, like paid ones, they have operational costs. You'll often have to pay people to execute your acquisition strategy and equip them with tools to get their jobs done. But organic channels are free to use. You don't need to pay a fee per blog post you publish on your website, nor for every email you send to your newsletter subscribers.

Paid gets more expensive as you scale your business

As your business scales, with few exceptions, paid acquisition channels end up being more expensive than organic ones.

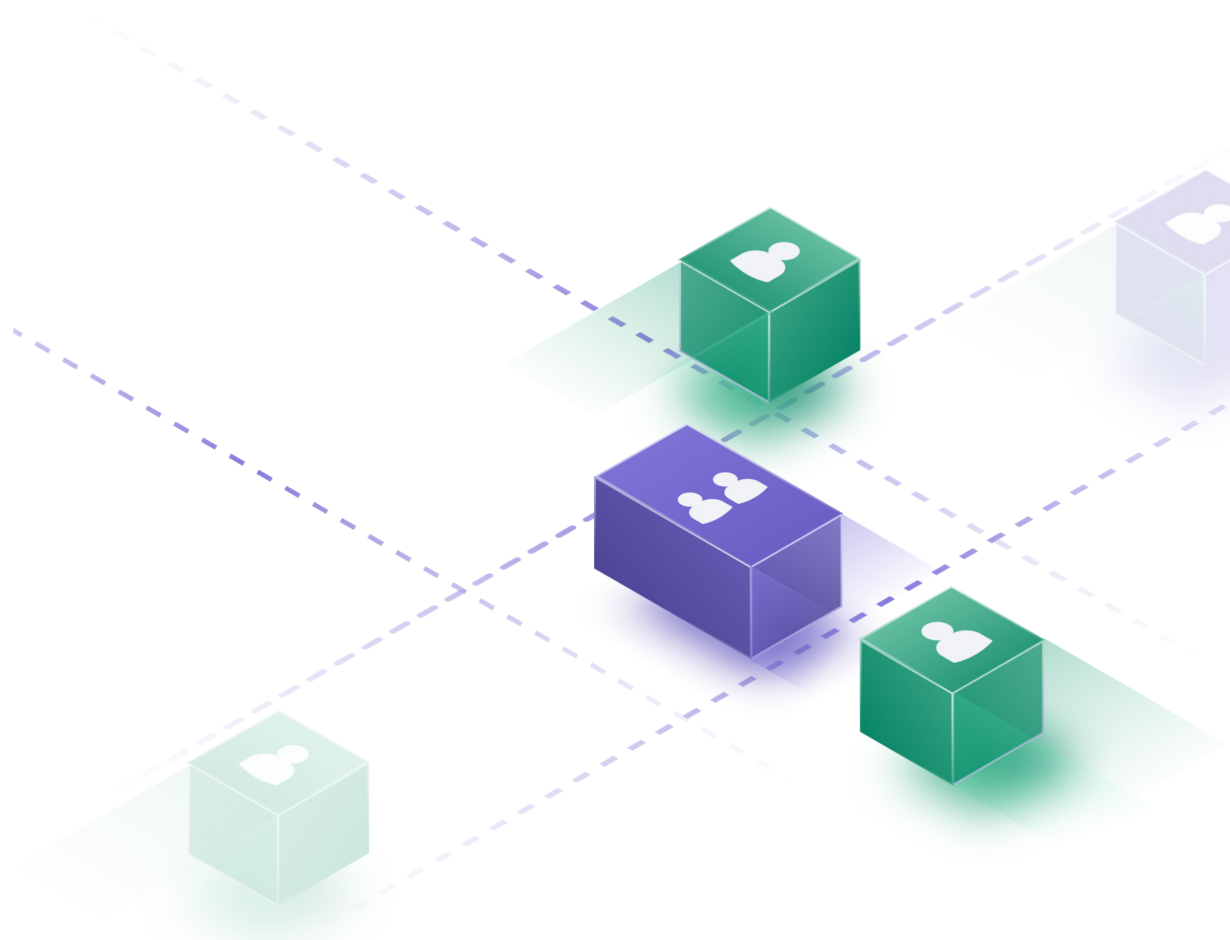
When a business is just starting out, it can earn 10% customer growth through a Facebook ad campaign or from a few blog posts for roughly the same cost. But, a few years later, when that company is ten times larger, it pays only a slightly higher cost to produce a blog post and distribute it to a much larger audience. That's because that business owns its email subscriber list and website—now with many more subscribers and visitors.

In contrast, that large business would pay ten times more to grow its customer base by 10% through Facebook ads. It doesn't own the audience—Facebook does. This difference is also why these two types of channels are sometimes referred to as paid versus owned.

In short: the cost to go from 10 to 100 customers might be roughly the same for organic and paid channels. But to get from 10,000 to 100,000, the price of a paid ad campaign is much higher, while the cost and effort it takes to produce a blog stay roughly the same.

Paid vs. organic lead quality

Lastly, another essential difference between the two types of channels is that, typically, organic acquisition channels slowly drive a lower volume of higher quality leads. In contrast, paid acquisition channels quickly drive a higher volume of lower-quality leads. As a result, paid strategies are better for short-term growth spurts, while investing in organic approaches pays off long-term.



The paid acquisition local maximum

Startup growth expert Andrew Chen argues that paid channels aren't just more expensive than organic ones to use. They actually become more costly per acquired customer as your business grows. He refers to this effect as hitting the "Paid Marketing Local Max."

Source: "Paid Marketing Local Max."

As you see in the above chart from Chen's article on this topic, acquisition efforts reach a phase he dubs the "local maximum." The initial results from paid channels slow down and even start to decline. The only way to get out of this slump is by "investing in product differentiation, defensibility, and organic acquisition."

Chen outlines several reasons for these phenomena:

1. Early customers—even when acquired through paid channels—are often your biggest fans. They tell others about your product, and so, for each paid user, you get additional ones through word of mouth. This effect lessens as your customer base grows, and you have to cast your paid acquisition net wider.

2. As prospects become familiar with your advertising campaigns, the ads become less effective. People simply start seeing your ads too often. As Chen says: “The messaging becomes stale, and novelty effects are real. Market performance has a reversion to the mean.”

3. Competitors will come in and copy what you're doing if you're successful. They'll not only go after your product but also take "inspiration" from your ad messaging and creatives.

All this doesn't mean paid channels are always a poor choice. When, for example, your product needs a minimum amount of users to work, the best approach to quickly reach that point is usually through paid acquisition. Most marketplaces, social networks, and communities have such requirements, as new customers will leave when they find nobody else there.

Should you go broad or deep?

Marketers have two choices for spending money on their acquisition channels: going broad by investing a little in many channels or going deep, focusing most resources on just one or two. Ideally, you'd do both, but only brands with extraordinary budgets can pull off that strategy successfully.

So, you’ll need to choose.

Going broad allows you to—potentially—reach more prospects and control your brand's messaging across many channels. But it also limits your team's attention and resources as you scatter them across many initiatives.

Going deep lets you become well-known on one or two channels, leaving a lasting impact on your followers there. You may end up reaching fewer prospects and can lose ownership of your brand's presence on other channels.

Perhaps unsurprisingly—with this distinction in mind—most growth experts recommend going deep

FAST COMPANY

“You can do anything, but not everything.”

David Allen
Productivity guru and author of Getting Things Done

Read the full story here.

5. Customer acquisition best practices

To ensure success in your customer acquisition efforts, follow these best practices from the industry's most effective growth practitioners and companies.

Target prospects who are like your best customers

Modern marketing tools make it easy to create detailed profiles of your best customers and use them in your acquisition efforts.

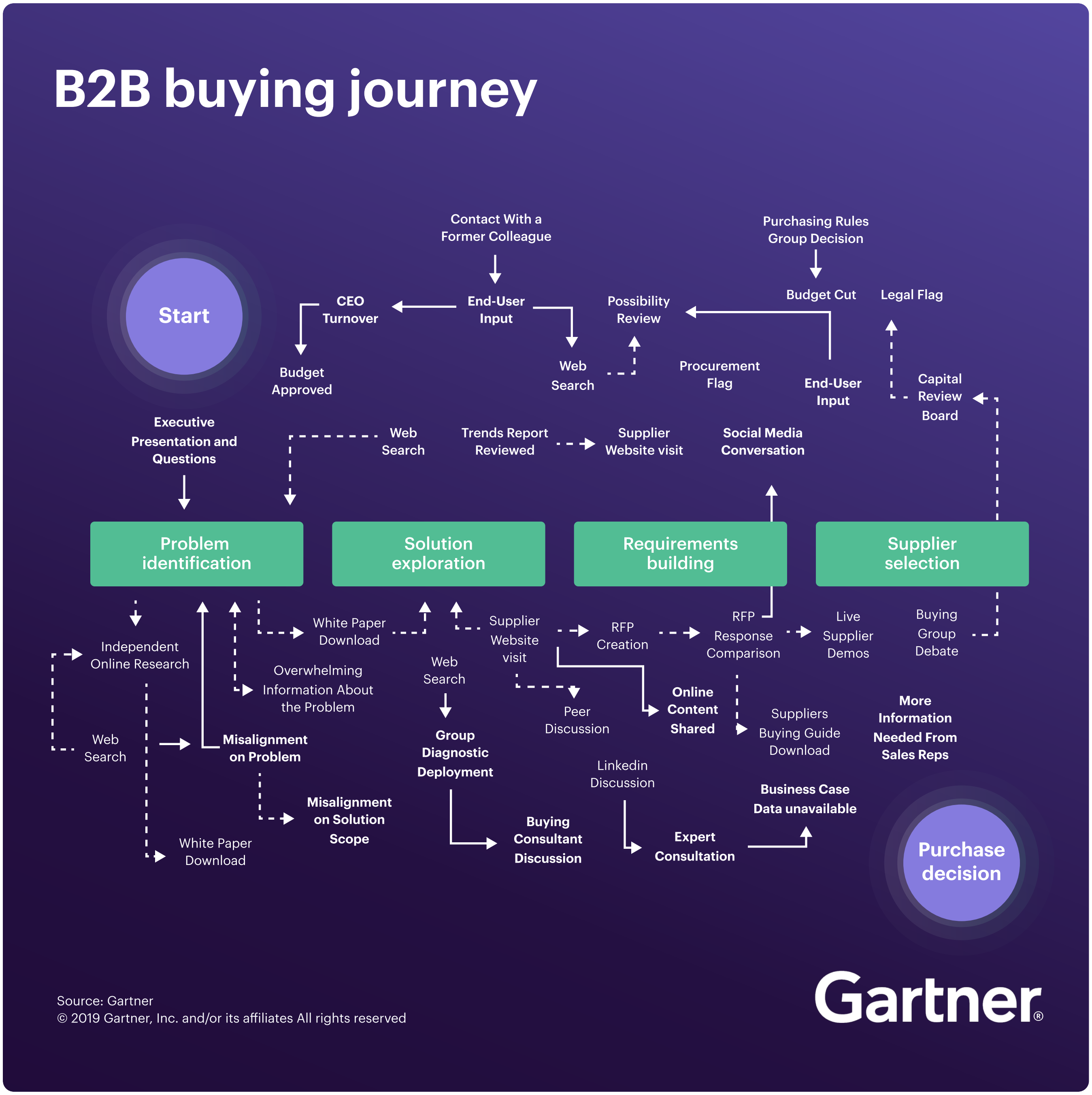
A Customer Data Platform (CDP), for example, collects customer data from across dozens of channels and synthesizes it into a single view of your customer. From there, you can feed your best customers' characteristics to advertising platforms which then find you more prospects with similar traits—so-called lookalike audiences.

To identify your best customers, calculate a value score for each customer based on metrics like your profit margin, customer lifetime value, or retention and referral rates. Next, conduct customer interviews to collect qualitative data and identify more of their shared attributes.

Once you have that information, you can connect a CDP like Segment to an advertising platform like Facebook and set up a lookalike audience in minutes.

Understand your unique buyer's journey

Because [77% of B2B buyers say](#) their last purchase was very complex or difficult, it's critical to know how your customers make a purchase decision. This situation means there's an opportunity to stand out by simplifying your customer journey—but you can only do so when you have a complete picture of that path.



It takes just one look at this maze—eh, we mean, [diagram from Gartner](#) to realize the B2B buyer's journey is complex.

To map out your customer journey:

1. Consider where your customers first encounter your brand.

2. From there, think through the different steps they might take that lead to a purchase

3. Then leverage data to discover in detail how prospects travel across different touchpoints, perhaps even using multiple devices.

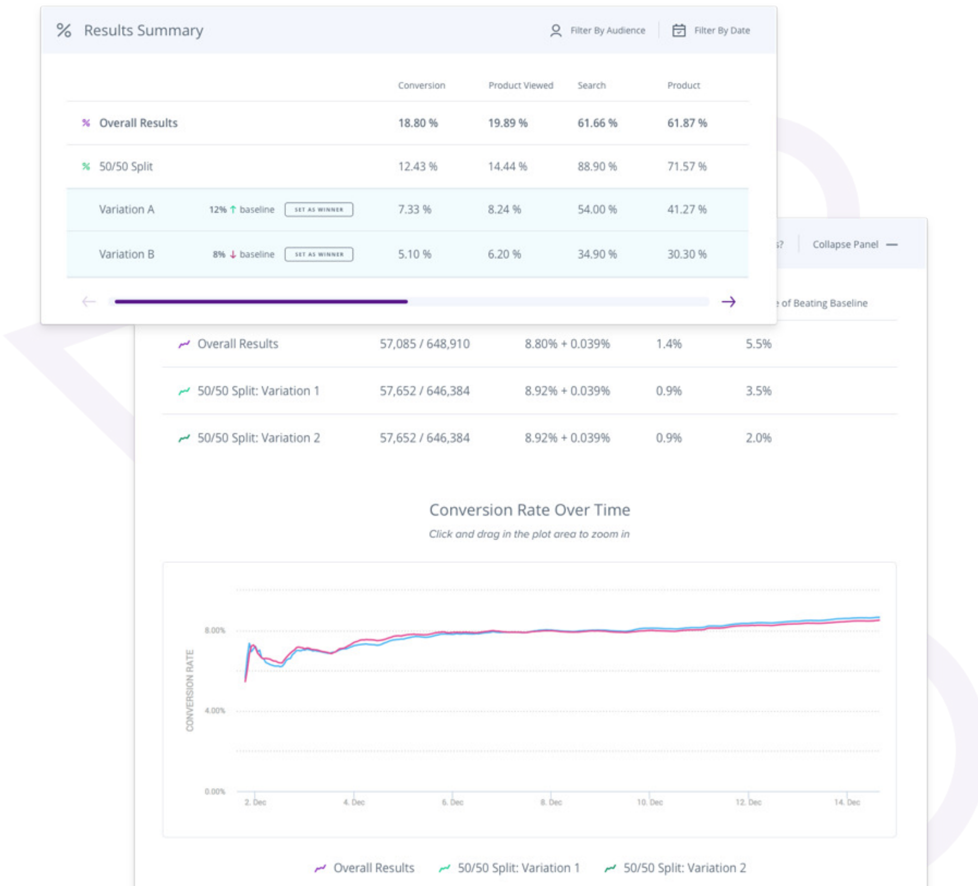
Tools like Google Analytics and Hotjar, combined with Segment's identity resolution feature, are invaluable to figure out the puzzle of your customer's journey. You'll be able to figure out, for example, whether customer A on device X is different from customer B on device Y or whether they're actually the same person.

Once you have a complete picture of the customer journey, bring different teams in the company together. Brainstorm how to take out steps and remove as much friction from the process as possible, ideally turning it from a maze—like the one pictured above—into a smooth growth loop.

Regularly test your messaging and creative

Experimentation helps you continuously improve your messaging and creative assets. It lets you find the best performing iterations and spot when ad fatigue sets in. Such tests also equip you with more information about your target prospects, allowing you to make better hypotheses in the future.

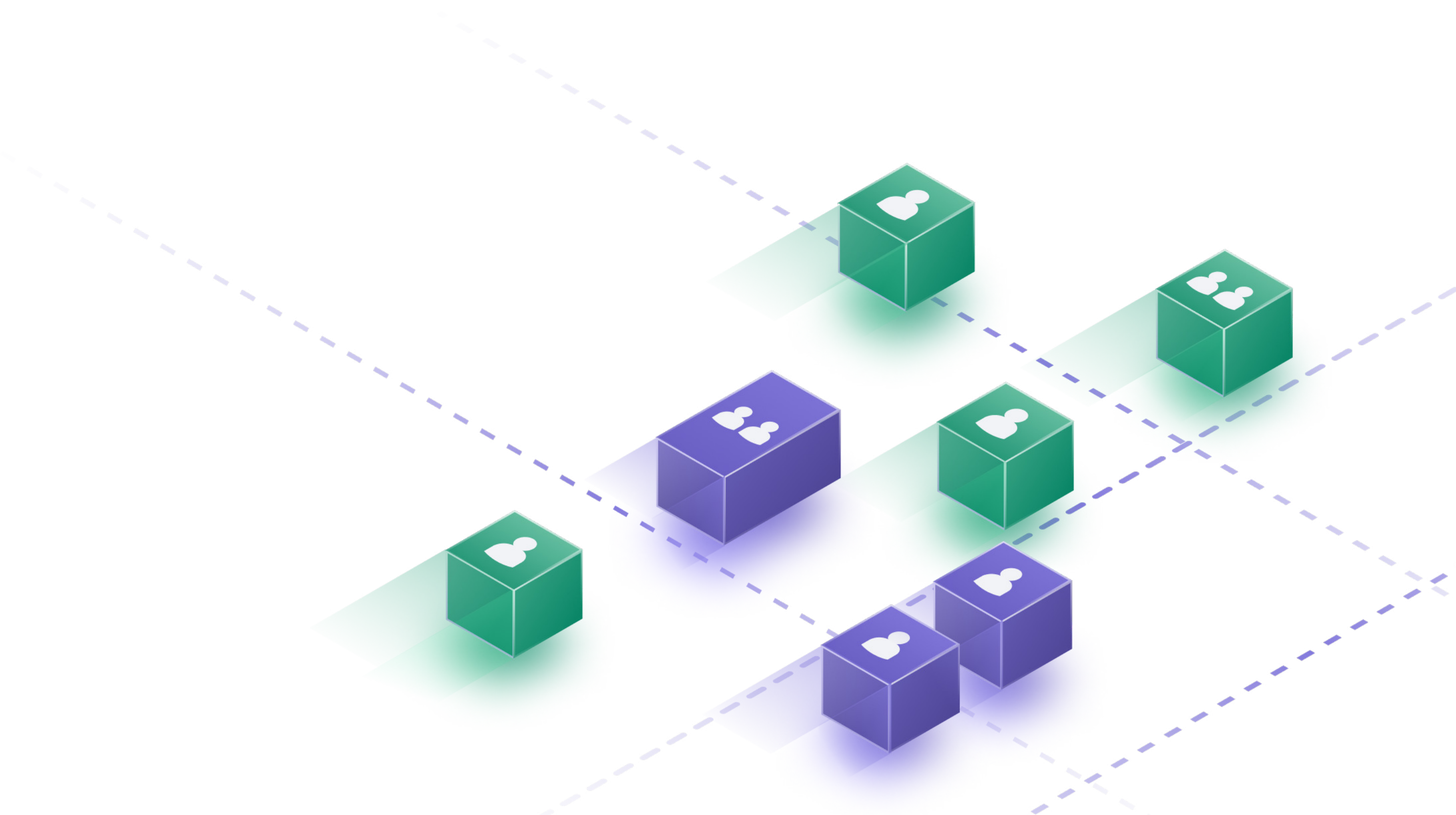
To conduct experimentation, you'll need to run at least two variations of an image or message and compare which one gets the best results—an [A/B test.]



[A/B testing best practices: how to build experiments that work]

Many modern marketing tools automate such tests for you. All you have to do is upload two versions of an image or test. The most popular ones—like Amplitude, Optimizely, VWO, and Split—connect to Segment, allowing you to sync results and data on customer behavior with your CDP in real-time.

To draw reliable conclusions from your tests, you need to involve enough people so the results are statistically relevant. You can do this by calculating the required sample size—an art in itself—in which you balance the size of your test's audience with how confident you want to be about the results. The details of sample size calculation are beyond the scope of this book, but you can find more information here on the Segment blog if you want to dig.



Align your tactics with your growth stage

When starting your business, Y-Combinator founder Paul Graham famously recommends you "do things that don't scale." Join every sales call. Approach people on the street. Whatever it takes to find your first customers. But as you start to grow a customer base, you'll need to move away from such short-term tactics.

After finding your first 100 customers, you'll need to implement long-term acquisition tactics, like sales email automation and search engine optimization. Such initiatives take some time and effort to set up. But, once in place, they help systemize your customer acquisition efforts by making them consistent, repeatable, and scalable as you grow.

Close

"Transitioning from short-term plans to long-term strategies means shifting your focus from the present to the future. You need to know what your business is going to look like next month, in six months, and next year so you can prepare today."

Steli Efti
Co-Founder & CEO of Close, a CRM for sales teams

Source: An overview from Close. It shows how much time to spend on short-term versus long-term tactics, depending on the number of customers your business has.

A CDP like Segment can play an essential role in preparing for the long-term. It helps standardize your customer data, connects to hundreds of marketing tools, and automates most of the compliance requirements of privacy regulations—critical as your business grows.

Maintain a channel prioritization list and process

A channel prioritization process helps you regularly evaluate if your current channels still deliver optimal value or if you should consider shifting to new ones.

As students of the Reforge marketing strategy program learn, marketers without a process for channel prioritization typically run into two issues. They'll:

1. Bias their acquisition efforts toward the channels they're familiar with instead of the ones that best suit their objectives.

2. Get stuck adjusting and micro-managing their budgets across a pre-existing set of channels instead of evaluating the potential of new ones and the decay of old ones.

Even if one channel works wonders for you and it makes sense to focus most of your efforts there, you need to have a plan B in case that channel's performance suddenly drops, as happened to Pinterest when Facebook changed its algorithm.

A quarterly rhythm is usually best for the evaluation as it syncs with the budgeting periods of most companies. The process should involve a simple list that tracks the performance of channels you're already using. You then add one or more up-and-coming channels that you want to run small experiments on in the coming quarter. The objective is to test their performance and see whether they can replace—not add, remember to go deep—one of your decaying channels.

6. Measuring customer acquisition costs

You need metrics to evaluate and optimize your acquisition spend. But because finding and acquiring customers usually makes up a large percentage of a company's marketing activities, there's much information available, and it can be hard to decide what metrics to focus on.

We recommend tracking three vital numbers that help you optimize and reduce your customer acquisition costs:

- **CAC (Customer Acquisition Cost): how much you spend—on average—to acquire a customer.**
- **Time to payback: how long it takes you to recover your CAC.**
- **LTV/CAC ratio: the ratio of dollars you earn for every dollar you invest in acquisition.**

Together, these three metrics—customer acquisition cost, time to payback, and your LTV:CAC ratio—**determine the health of your customer acquisition program.**

How to calculate customer acquisition cost

To calculate customer acquisition cost, divide the amount you spent on acquisition—sales and marketing spend—by the new customers you gained in that period.

Say you spend $212,000 to acquire 1,000 customers. You divide those total marketing and sales costs ($212,000) by the number of customers you acquired (1,000) to obtain your customer acquisition cost ($212). Or, in formula form: CAC = $212,000 / 1,000 = $212 per customer.

In an ideal world, for every dollar you invest, you gain three—an LTV/CAC ratio of 3:1 called the "golden ratio." According to David Skok, General Partner at Matrix Partners, you should also aim to recover your CAC—your time to payback—in less than one year.

Say you spend $212,000 to acquire 1,000 customers. You divide those total marketing and sales costs ($212,000) by the number of customers you acquired (1,000) to obtain your customer acquisition cost ($212). Or, in formula form:

$$\text{CAC} = \left(\frac{\textbf{\$212,000 (marketing and sales costs)}}{\textbf{1000 (customers acquired)}} = \$212 \right)$$

For example, if you pay $395 for each customer, you'd need an LTV of $1,185 to achieve the 3:1 golden ratio. But to also hit the optimal time to payback, you'd need to earn that $1,185 per customer within one year.

Andrew Chen, the growth expert we met earlier, has a recommendation for this CAC calculation:

> "It's a best practice to calculate your CAC for each channel, as it allows you to distinguish between high- and low-performing channels."
>
> Andrew Chen

A "blended" CAC—a number that incorporates all channels—can be misleading because low performers get hidden in the average by the high performance of other channels.

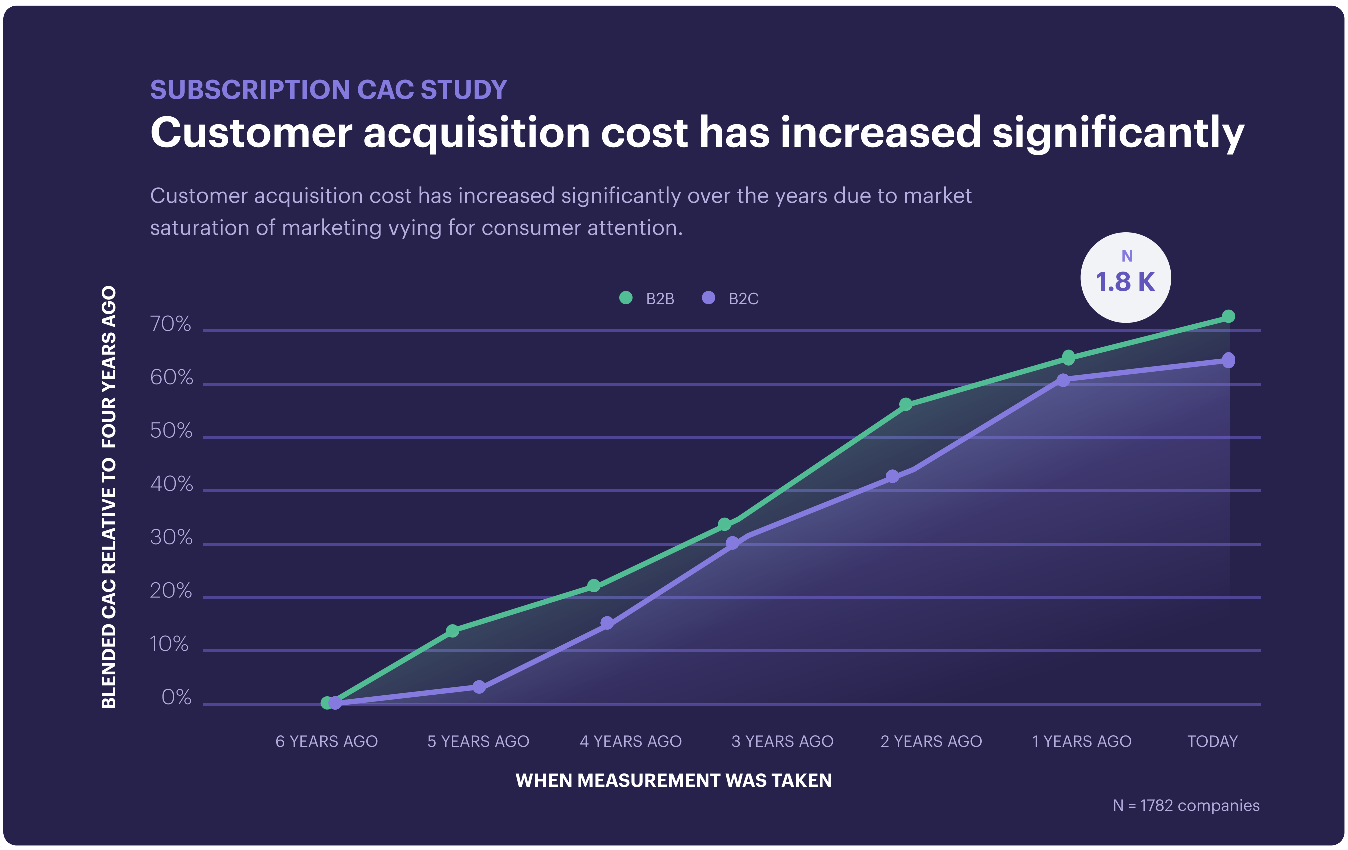
Brian Balfour also has a last, important tip on CAC calculation:

> "Don't forget to include the cost of salaries, overhead, and tools in your calculation... Some refer to this as your 'fully loaded' CAC."
>
> Brian Balfour

How to lower your customer acquisition costs

To lower your CAC—your average acquisition cost per customer—you can either reduce your spending or increase the returns on your marketing investments. Such efforts pay off because customer acquisition costs rise every year.

For example, customer acquisition costs for B2B subscription businesses have risen nearly 70% over the past six years, according to ProfitWell, a SaaS monetization platform. It now costs an average of $395 (!) to acquire one customer in the software industry.



How Is CAC Changing Over Time?

As discussed earlier, a first step to reduce your CAC could be to limit your reliance on paid channels. Those get more expensive over time, while organic ones tend to become cheaper on a cost-per-customer basis, especially as you scale.

Another effective strategy is to minimize human touchpoints along the customer journey—in line with our recommended shift to long-term tactics as you grow. Do this by investing in the automation of acquisition efforts and processes where possible. That approach saves labor costs from in-house efforts or external agencies.

To increase your returns, focus on improving your conversion rate. Optimize every step in the buyer's journey to ensure you don't unnecessarily lose prospects along the way.

Some examples of activities that help achieve such improvements:

- **Enriching your CDP's customer profiles with data from more sources—for example, offline channels. Expanded profiles allow you to personalize your marketing efforts further and hence, more relevant to prospects, increase the likelihood they'll convert.**
- **Running the channel prioritization process we explained earlier ensures you regularly review channel performance and select high-return over low-return channels.**
- **Running A/B tests we've discussed earlier to improve the conversion rate on individual creatives and texts.**

7. Customer acquisition challenges and their solutions

Several customer acquisition challenges remain even with a framework in place, your strategy planned, and your measurement set up. Let's review some of the most common obstacles and how to resolve them.

Cutting through the noise online

Online channels are increasingly saturated. The average person is now estimated to encounter between 6,000 to 10,000 ads every single day. This ad overload makes standing out from your competitors all the more critical—and challenging.

The solutions for cutting through this noise are relevance and reach:

- **Relevance: Get to know your ideal prospects as best as possible and then craft marketing campaigns that resonate with them based on that information. You do this through some of the strategies we touched on earlier—A/B tests, personalization, and conversion rate optimization.**
- **Reach: Know where your ideal prospects hang out and reach them on those channels.**

A CDP like Segment can help you understand your current customers so you can find others like them. It also lets you figure out how prospects arrive, act, and react on your acquisition channels.

Dealing with privacy legislation and the third-party cookie's death

Because of recent privacy regulations like the GDPR in Europe and the CCPA in California, acquisition practices that were acceptable just a few years ago—like using third-party cookies and other data to identify prospects—are now on the way out.

Paying attention to these regulations is especially important during customer acquisition because there are restrictions on the types of data you can collect, from which sources, and for how long you can store such information.

Generally speaking, the key to compliance is building your acquisition strategy around first-party data—information you have collected from your customers on your own channels. Segment is ideally suited to help with this objective. It automates the monitoring, classification, and synthesis of the customer data you collect from your channels.

Leveraging omnichannel customer data

Prospects usually travel across several channels using multiple devices before making a purchase. The data they generate on this journey can help improve your acquisition efforts, but only if you can stitch the information together into a coherent picture.

Segment makes this easy by gathering all the first-party data you collect in one place. It then standardizes this information and runs identity resolution processes on that data. These features help you figure out whether user A visiting your website on mobile and user B doing so on desktop are really two different people, or just the same customer using another device.

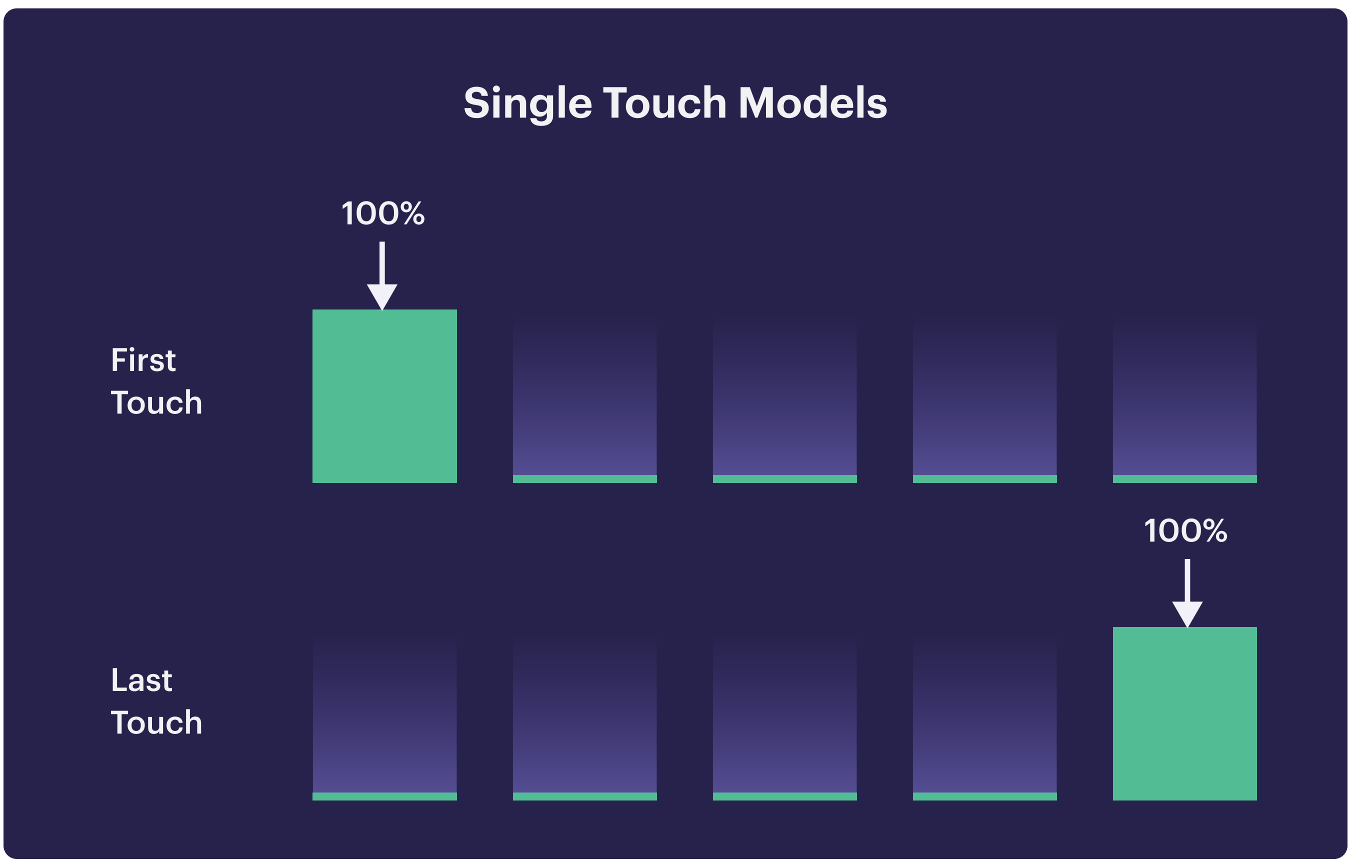
To provide an omnichannel customer experience, it's critical to have reliable and accurate data prepared by a CDP. Mistakes in this process might mean you send the wrong message to the wrong person at the wrong time, like offering a discount for a product a customer bought the day before at full price.

Measuring channel attribution correctly

Since prospects now regularly jump across channels before making a purchase, you need to master the art and science of attributing your acquisition costs correctly across several channels.

The most common attribution approaches are first click—or touch—and last click:

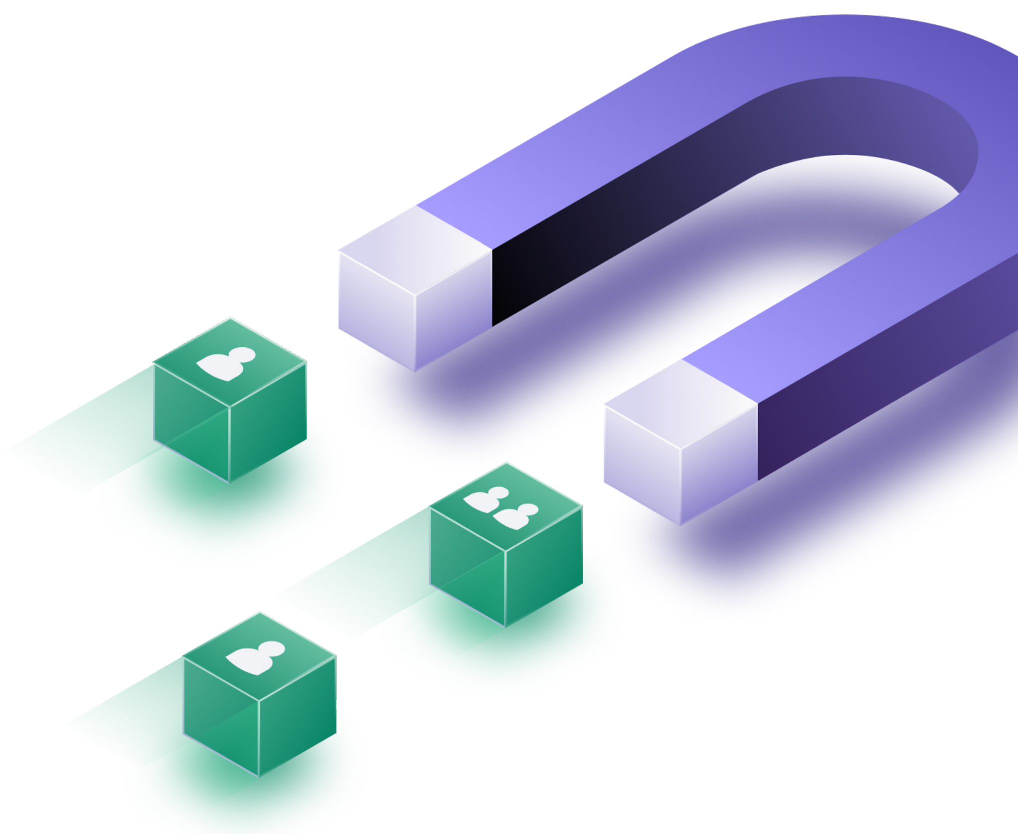
- **First touch means assigning 100% of the credit to the channel where the customer first interacted with your business.**
- **Last touch attributes 100% of the credit to the channel where the final customer interaction happened before someone converted into a paying customer.**



The problem with these approaches is that they don't account for the contribution from channels your prospect might have visited between their first and last touch. To figure out the role and value of those channels, you'll need to use an approach Reforge teaches in their marketing program called "incrementally."

Incrementally lets you determine the difference in behavior between people who visited a specific channel during their pre-conversion journey and those who didn't. It's a more precise approach than first touch or last touch, but much harder to execute.

To calculate the incrementally of each channel, you'll need to run tests where you leave out a particular channel in one variation of the experiment and not in another. Then you see how that omission affects the results, and you know the channel's contribution to your overall acquisition strategy.



The benefits of an analytics dashboard

Even with a correct calculation of incrementality, you'll need a way to track that metric and other critical data. An analytics dashboard helps you do this by visualizing metrics like attribution, CAC, LTV/CAC ratio, and time to payback, updated in real-time.

A comprehensive analytics dashboard tool lets you drill down on your critical metrics per channel, time period, customer segment, and other variables. It should also be accessible by all team members, as it's a powerful motivator that helps you rally your team around key metrics.

Once you centralize customer data from all your channels and platforms in a CDP like Segment, you can connect one of the many dashboard tools that Segment works with within minutes. To learn more about analytics and dashboards, visit our online academy.

8. Customer acquisition—an arduous but worthwhile journey

Reaching the pot of gold at the end of the customer acquisition journey—finding lots of customers for your business—isn't easy. Acquisition costs have increased over 50% just in the last five years. And the path keeps evolving and shifting, from AARRR funnels to growth loops to whatever comes next.

But customer acquisition doesn't have to be confusing if you and your team put in the disciplined effort to follow the approach outlined in this guide:

- Learn about customer acquisition models and frameworks
- Put in place a customer acquisition strategy
- Understand and pick effective acquisition channels
- Measure your customer acquisition efforts
- Observe effective best practices and overcome common challenges.

With this information, you can master customer acquisition and turn prospects into customers consistently—no magic required.

About Twilio Segment

Twilio Segment is the world's leading Customer Data Platform (CDP). Our platform provides companies with the data foundation that they need to put their customers at the heart of every decision. Using Segment, companies can collect, unify and route their customer data into any system where it's needed to better understand their customers and create seamless, compelling experiences in real-time. Thousands of companies, including Intuit, FOX, Instacart, and Levi's use Segment to make real-time decisions, accelerate growth and deliver world-class customer experiences.

For more information, visit segment.com.

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