The Three Ways to Grow Your Business (part 1 of 3)

Most business owners try to grow their business in order to grow their income. However, they usually try to grow their business linearly, focusing on one area of growth at a time. Not many business owners set up a goal for themselves by thinking geometrically.

The good news is that there are only three ways to grow a business. Here they are, nicely described for you:

1. Increase the number of your clients.
2. Increase the amount of money that they spend with you.
3. Increase the frequency of their purchases (number of times that they buy from you).

So, what can you do to grow your business geometrically instead of linearly?

It is very simple: you need to grow all three areas at the same time. Every small increment in each of these three areas will combine to create a geometrical growth.

You need to stop thinking linearly and think geometrically. This is the way to really grow a business and to make you leap way ahead of your competitors.

When you apply this multiple growth on the three ways to grow your business simultaneously, you will become a dominant force in your area/specialty.

In this article, I will focus on the first one. I will cover the other two in the next two articles.

1.- Increase the number of your clients: What's the Best Way to Attract More Customers?

Increasing the Number of Clients involves not only attracting new clients, it also means bringing back former clients that haven't bought from you in a while for whatever reason (perhaps they weren't happy with your former way of doing business, or they just forgot about you. Hey - it happens!).

Increasing the number of customers is the initiative where most business owners focus and spend most of their money when they think about growing their business. That's also the area where most of the advertising sales people put their emphasis on, and this explains why small businesses spend a lot of money in bringing new people through their doors.

This doesn't seem logical; after all, most of the businesses expend the bulk of their marketing budgets to capture new prospect instead of focusing on the clients that they already have or have had.

This is a very important aspect of growing your business. But you don't need to put as much emphasis on getting new clients in order to grow your business as you should in bringing your clients back and increasing the amount that they spend with you (at least that you are starting a new business).

So let's talk about what can you do to attract more people to your business.

What can you do to convert these people into clients? Into high quality repeated clients... Into the kind of clients that you want?

I can tell you some things that don't work: Yellow Pages, newspaper ads (unless you use them to communicate a special event or sale), radio ads and TV advertising (they are too expensive and very seldom bring enough new people to justify their investment).

So what does work? The key for you to understand is: you need to do marketing that gives you measurable results.

You need to be able to know how many new people buy your products, and how many clients come back to you because of your marketing.

What marketing vehicles do we have available that can give us these numbers?

There are several that we can use. In my book, I examine in detail the following marketing strategies to attract new customers: Coupons, Targeted Direct Mailing, Join Ventures, Networking and my favorite one: A Formalized Referral System.

Referrals are perhaps the most powerful weapon that you have in your marketing arsenal, and for good reason.

These are some of the top benefits that you get from using referrals as a marketing strategy:

- It is very inexpensive to implement.
- It brings quality people who you'll be able to convert into clients.
- It gives you instantaneous credibility.
- People trust their friends and colleagues much more than any brochure, flyer, or ad that you can create.
- It fills your restaurant with people who are connected. They will be visiting your business more often with the hope that they will meet their friends, colleagues, acquaintances, etc.
- It keeps people talking about your place and therefore fresh in their minds. The beauty of this system is that it has very little downside (just the cost of printing), and unlimited potential.

In the next article, I will cover the second way to grow your business: Increasing the amount of money that they spend per visit. Stay tuned...

Happy selling,
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