
5 ways to grow revenues and boost sales

Running a business can be challenging, but it's possible to increase your revenue stream and grow profits with just a few simple changes to the way you work.

Learning to experiment with different strategies can help you to become more profitable. Here are five top tips to help your business grow.

1. Focus on your key customers

The 80/20 rule, also known as the Pareto principle, says that 80pc of profits are generated by 20% of customers. By doing an assessment of your existing customers you can find and focus on that 20pc. Once you've identified your most profitable customers you can expand your customer base by targeting customers who fit the same profile. When focussing on your key customers consider the following opportunities to increase revenue:

Upselling

Selling your customer a premium product.

Cross-selling

Analyse their previous purchases and offer them complementary products.

Diversifying

Identifying your customers' need that isn't being fulfilled and develop a product to meet that need before they look elsewhere.

2. Expand your market

Identify areas where there is little or no competition and scale into these locations. The cost of moving into a new area might be smaller than the potential profits you're losing by standing still. It is important to thoroughly research opportunities before you begin but by researching into the buying habits of your potential customers you could discover an untapped market and watch your profits grow.

3. Review your pricing

By identifying the problem that your products are solving for your customer and how, what you offer

is different to what's on offer by other companies you can make your brand more valuable and locate areas where customers are willing to pay more for your product. However, it's always wise to test any price increase before you make them permanent.

4. Review your product and service offering

If you offer a number of different products or services it is worthwhile to do a review and determine the profit margins of each. By doing activity based costing you can work out what each product or service costs you. You may find that some products do not offer worthwhile returns. By choosing to focus on the more profitable aspects of your offering you can increase revenue.

5. Consider promotional offers

Promotions can be a good way to increase revenue as increased sales caused by the reduction in price can more than make up for the smaller profit margin. However, it's always a good idea to conduct a [ratio analysis](#) to determine whether the increased sales are worth the cost of promotion.

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