Your guide to growing your business
Your guide to growing your business

Learn what it takes to grow your business. And check out some of the common approaches people use to reach new markets and drive up revenue.

This guide is intended as general information only. Always check with a professional for advice.
1. **How to grow your business**

2. **Are you ready to grow your business?**

3. **Stages of business growth**

4. **Write a business development plan**

5. **How to forecast demand**

6. **How to increase sales**

7. **How to increase website traffic**

8. **How to sell your product online**

9. **How to grow your product line**

10. **Expand your business into new markets**

11. **Where to next? Tools and guides by Xero**
How to grow your business
How to grow your business

You’ve started your business and likely gone through several ups and downs. Despite the challenges, you persevered – well done! Now that business is finally going well, you’re thinking about growing.

Business growth takes time
Growing your business is just like caring for a plant. You need the right soil for your business to take root in, and the right amount of water and sunlight to encourage and nurture growth. You want it to be steady and sustainable so your business not only grows, but thrives.

Get ready for business growth
This guide takes you through what you need to know before growing your business.

1. Types and stages of business growth
Find out what to expect at each stage of growth.

2. Write a business development plan
Outline your goals for growth and how you’ll achieve them.

3. Forecast demand
Prepare for future demand.

Ways to grow your business
Use the tools and insights in this guide to grow your business.

1. Increase sales
Sell more to existing customers or win over new ones

2. Increase website traffic
Get more customers to visit your website.

3. Sell your product online
Think about selling your products or services online.

4. Grow your product line
Improve your products or services, broaden your appeal, or offer something different.

5. Expand your business into new markets
Make your move and break into new markets.

Persistence is key
You probably won’t experience growth right away. Don’t get discouraged. If you keep at it and put in the hard work, you’ll see progress and reap the rewards.
Are you ready to grow your business?
Before you embark on your journey to growth, make sure you’re set up for success with the right plans in place, the right resources, and the right mindset.

**Business growth checklist**

These questions will help you work out if you’re ready to grow.

1. **Do you know what your goals are as you grow your business?**

   A. Yes, I’ve set specific, measurable, achievable, relevant, and time-based goals.
   
   B. I think so, but I haven’t outlined them yet.
   
   C. No, I’m not sure what I want to achieve by growing.

2. **Have you consulted a mentor, advisor, peer, or other professionals for advice?**

   A. Yes, I’ve talked to professionals and peers about the pros and cons of business growth.
   
   B. I’ve consulted some people, but I need to talk to more.
   
   C. No, I haven’t talked to anyone yet.

3. **Do you have enough funds to cover the costs of growth?**

   A. Yes, I know how much I need and how to secure it.
   
   B. I’m figuring that out now.
   
   C. I don’t know how much I need.

4. **Do you have the time, energy, and resources to grow your business?**

   A. Yes, I have a plan to bring it to life.
   
   B. I think so, but there’s just so much to do.
   
   C. I don’t know. I haven’t found time to think about that yet.

5. **Are your business processes and structures flexible enough for growth?**

   A. Yes, I have processes and structures that can adapt to growth.
   
   B. I think so, but they need a few tweaks.
   
   C. I think so, but they need a lot of improvement.

6. **Do you have a business growth plan?**

   A. Yes, and it’s been reviewed by an accountant.
   
   B. I’ve started it, but it needs work.
   
   C. No, I’ve just got a ton of notes.

**Six things to do before growing your business**

If you’re ready to grow your business, tick off these items on your to-do list before diving in:

1. **Do your research**

   Assessing risk, evaluating the market, and understanding your competitive edge as a business will help you determine if you’re really ready to grow. It’s also worth looking at your sales forecasts and budget. Work through the numbers with your accountant before your business moves to the next phase.

2. **Get professional and peer advice**

   Consult as many professionals as you can – accountants, advisors, lawyers – to help build on and validate your research. You might need to pay for their expert advice, but the money you spend will be worth it.

   Talk to other small business owners who’ve been through the same experience. Find out how they overcame obstacles and succeeded in growing their business.

3. **Set goals**

   Before starting on the path to growth, ask yourself these questions: What am I trying to achieve? What do I hope to gain from growing my business? Where do I want my business to be in one, two, or even five years?

   Having clearly defined goals from the start will help your business stay on track as it grows. Set SMART goals – specific, measurable, achievable, relevant, and time-based.

---

**Are you ready to grow your business?**

Mostly A’s

It looks like you’re poised for growth. It’s time to take your business to the next level.

Mostly B’s

You have potential for growth, but your plans need some developing. It’s time for more homework.

Mostly C’s

You’re not quite there yet. It’s time to think things through in more detail.
Are you ready to grow your business?

For example, Asha is a personal trainer and wants to grow her business. To do that, she sets the following goals:

4. Create a business growth plan
Growing your business is an exciting time, but it has the potential to go wrong. That’s why you need a realistic plan with clear strategies for growth and specific ways to achieve your goals.

You’ll need to keep track of your progress and take note of any warning signs indicating your plan isn’t working. Have a backup plan in case things don’t go as expected.

5. Factor in time, energy, and cost
It takes a lot of time, effort, and emotional energy to grow a business, so be prepared for that. You’ll also need enough funds to cover the costs of growth and make sure your business stays afloat.

6. Consider building your team
As your business grows, you’ll find it difficult to be across every tiny detail. You’ll need to delegate more, and that’s where employees come in. They’ll take over some of the day-to-day tasks in your business so you can focus on the more important work of growing it.

If you’re not ready to take on new employees, your team will need to grow in a different way. This involves increasing the capabilities of your current employees through training, or adopting new processes and ways of working.

What if my business isn’t ready for growth?
You don’t have to give up just because your business isn’t ready for growth now. It might not be the right time to grow your business, or you might be in the very early stages of growth.

Find an advisor or mentor you can work with and network with fellow business owners to get their advice and support. Look into accelerators, boot camps, incubators, or business courses to give you the push you need to grow your business.
3

Stages of business growth
You’ve done your research, identified your goals, and decided you’re ready to grow your business. Now it’s time to plot your growth strategy. This chapter outlines the stages of business growth, as well as the challenges at each stage and tips on how to overcome them.

**Launch and learn: the startup stage**
This is the stage you came from – the stage you survived. It was risky and difficult, but your efforts paid off.

At the startup stage, you most likely experienced challenges such as:
- exceeding your initial budget
- establishing your presence in the right market
- following through with your business plan

Despite the many issues you would have faced, you pushed through, probably by:
- keeping a close eye on your cash flow
- focusing on your immediate goals
- adapting to feedback from your customers

Check out our guide on how to start a business to learn more about the startup stage.

**Sure and steady: the growth stage**
You’ve launched your business. Now you’re seeing consistent revenue and an ongoing stream of customers. Be prepared for sure and steady growth.

You’ll be facing these challenges in the growth stage:
- meeting the demands of increasing sales and rising customer numbers
- dividing your time as a business owner between various opportunities and issues
- successfully continuing to grow

To overcome these growth challenges, you’ll need to:
- formulate a business growth plan and build a growth strategy
- fine-tune your methods and make your processes more efficient
- set up more effective accounting, management, and reporting systems
- hire people who are passionate about your business so you can delegate and move into more of a leadership role

**Bigger and better: the expansion stage**
Your business has firmly established its market presence. Things are running routinely and smoothly, but more growth is possible. It’s time to go bigger and better.

You’ll encounter these obstacles in the expansion stage:
- gaining a larger market share
- moving into new markets
- finding other profit channels or avenues of revenue

To get through these obstacles, you’ll need to:
- plan carefully and do a ton of research
- be realistic with the resources you have compared to the cost and the return on your investment
- focus on markets and avenues that complement your strengths and current business activities, as opposed to unrelated areas with increased risk and a greater potential to go wrong

**Navigating the stages of business growth**
Every business is different. You may be content with the stability of steady growth and choose not to expand in a big way, or you may skip the gradual growth stage altogether and go straight to more rapid expansion. Whatever stage your business is currently in or whichever you choose next, understanding each stage can help you anticipate the challenges and increase your chances of success.
Write a business development plan
Now that you’re in the growth stage of your business, it’s time to get to work. Set things in motion with a business development plan.

**What is a business development plan?**
A business development plan is just like the business plan you created when you started your business, but with a focus on growth and how to achieve it. It’s a long-term plan that outlines strategies for steady and sustainable business growth over the coming years.

**Before you start, do a SWOT analysis**
Before you begin writing your business development plan, you need to complete a SWOT analysis to make sure you’re focusing on the right things. Identify your strengths, weaknesses, opportunities, and threats – these will form the basis of your plan.

For more information, check out the SWOT analysis section in the how to write a business plan chapter of our guide to starting a business.

**How to write a business development plan**
Your business development plan is the cornerstone of your growth strategy. It will keep you on track and accountable, so make sure it’s clear, specific, and realistic. Review and revise your plan as often as you can. And keep building on it as your business evolves.

**What to include in a business development plan**

1. **Opportunities for growth**
   Study your target market, your competitors, and your previous progress. From there, identify opportunities for growth – whether it’s in creating new products, adding more services, breaking into new markets, a combination of these, or other opportunities. Consider your options and work out what’s best for your business.

2. **Funding plan**
   Determine how you’ll fund your business growth. How much capital do you already have? How much more do you need and how will you get it?

3. **Financial goals**
   Do profit, revenue, and cost projections, then use them as a basis for setting your short-term (quarterly) and longer-term (yearly) financial goals.

4. **Sales and marketing activities**
   Figure out what sales and marketing efforts will effectively promote growth and how these efforts will change as you get bigger and better. Make sure your sales and marketing plan is sturdy enough to support your growing business.

5. **Team needs**
   Evaluate your existing team and think about how you can improve their capabilities to meet your growth objectives. Consider hiring new employees and what skills they need to have.
Avoid these common business development mistakes

- Thinking short-term instead of long-term
- Underestimating how much money it will take to grow
- Not budgeting enough money to cover the costs of growth
- Focusing on too many growth opportunities – think quality, not quantity

As your business grows, take note of your progress and make periodic adjustments to your business development plan to make sure it's still relevant and meets your current needs. Business growth takes time, so be prepared to put in the hard yards in.
5

How to forecast demand
As your business grows, so will your customer base and demand for your products or services. To meet that demand, you’ll need to get a feel for what customers will want from your business in the future and how to prepare for it. That’s where a demand forecast comes in.

**What is a demand forecast?**
A demand forecast estimates the amount of goods or services that customers will buy from your business in the future. To create a demand forecast, you’ll need to look at sales and other data from the past to work out what customer demand will be in the future.

**Why you need to forecast demand**
An accurate demand forecast:
- ensures you have the right amount of products or services ready for future customer needs
- takes away any avoidable hiccups that might cost you money, such as last-minute changes to operations and product shortages or surpluses
- helps you make informed decisions about budgeting, inventory, hiring staff, and pricing
- gives you valuable information about your business potential in current and other markets

**Three ways to forecast demand**
Here are three methods you can use to forecast demand. Find the one that works best for your business. You can also combine these methods for better and more accurate results.

**Qualitative**

**Expert opinions**
Form a panel of experts – accountants, business consultants, investors, lawyers, and others. Each expert creates their own demand forecast, then they all come together to discuss and reach an agreement on a single forecast for your business.

**Sales team forecast**
If you have a sales team, ask them to use their experience, knowledge, and observations to create a demand forecast for you.

**Market research**
Conduct surveys to capture information about your customers, find out their preferences, and gauge their interest in the goods or services you offer or plan to offer. Market research can be expensive and time-consuming though, and customers who express interest during surveys may not actually buy from your business.
2. Causal methods
These methods examine how factors such as the changing economy, shifts in consumer spending, increasing prices, and competitors affect demand. Examples of causal methods include:

Seasonal trends
Look at your sales figures over the past year and figure out why you have higher sales for certain months and lower sales for other months. For example, a gelato business may have higher sales during summer months and lower sales during winter months.

Lifecycle model
Look at the lifecycle of a product or service – from when it was first introduced to the market up until today. You might discover that customers buy your product at different stages of its lifecycle.

For example, a gelato business found that when it introduced a new flavor, in the first month following its introduction, only a few customers tried it. But after three months, demand for the new flavor started to pick up.

3. Quantitative methods
Based on mathematical approaches, these methods are a good fit for businesses with several years’ worth of data to work with. Using this data, you can identify any patterns or trends in the past to predict future demand. Here are two examples of quantitative methods:

Time series
Plot a line graph, with each point in the graph representing the number of sales at certain points over a period of time.

Moving averages
Add together the actual demand for the last three months, then divide the total by three to get next month’s demand.

Quantitative methods give you specific numbers. But for more effective results, combine them with any of the qualitative or causal methods to account for other variables that might affect demand.

Top tips to improve your demand forecasts
Each year, you’ll learn what data will help you better understand your customers and you can use that to refine your demand forecasts. As your business continues to grow, so will your forecasting efforts.

Here are three tips to improve your demand forecasts:

1. Numbers are key: Zero in on the numbers that give you the information you need to forecast demand.

2. Take other variables into account: Be aware of other factors that affect demand, record any information you can about these factors, and make room for them in your forecasts.

3. Use your instincts: Sometimes your intuition will tell you whether it’s going to be a busy, high-demand week or a slow, low-demand one. Listen to your instincts – no one knows your business better than you.
How to increase sales
Increasing sales is a great way to help grow your business. But how do you sell more to your current customers, and how do you win over new ones? Here are some tips and tricks to help boost your sales.

**Nine ways to increase your sales**

1. **Look after and learn from your existing customers**
   Your current customer base is a good place to start when you want to increase sales, so check in regularly to see how your customers are getting on. Do they have new problems that your product can solve for them? What do they love about your product or service and how can you build on that? Do they have suggestions for improvements that may attract new customers?

   Happy customers are those who are listened to and looked after. And happy customers are likely to recommend you to their peers, which is the best form of advertising.

2. **Do your research**
   Market research can help you get to know your current and potential customers better and understand where your product or service sits in the market. It can also give you a clearer idea of how your product or service compares to others like it, what customers will pay for it, and how to determine the right price.

   You can do market research yourself by conducting surveys among your current and potential customers, or you can get an external provider to do the research for you and report back on their results. Check out our guide on how to do market research to learn more.

3. **Clearly identify your ideal customer**
   To do this, you’ll need to create buyer personas. A buyer persona gives you a clear picture of your ideal customer— their age, job title, what problems they have, what would make their life easier, and more. When you know who your ideal customer is, you know how your product or service can help them.

   Here’s a sample buyer persona for the Usual Suspects Clothing Company’s new kids and baby line:

   **Working mom Kara**

   *Occupation:* Architect  
   *Family:* Two kids under age 6  
   *Age:* 35  
   *Background:* Kara is an on-the-go working mom who balances her career with raising a family. She’s tech-savvy and uses online resources for just about every aspect of her life, from parenting to shopping.  
   *Challenges:*  
   • No time to shop in brick-and-mortar stores due to her busy schedule.  
   • Finding clothes that are gentle on her baby’s sensitive skin and won’t trigger her kids’ skin allergies.  
   • Finding kids and baby clothes that are ethically sourced and made.  
   *How we can help:*  
   • Our online store allows Kara to shop where and when she wants.  
   • Our kids and baby clothes are made from organic cotton that’s gentle on sensitive skin.  
   • Our clothes follow fair-trade guidelines and are ethically made.  
   • Our return process is simple and quick.
4. Hone your competitive advantage
You’ve made it this far by championing the features of your product or service. Now that you’re growing, it’s time to focus on the benefits you offer. What makes your product or service different? What makes you stand out? What value do you deliver above and beyond your competitors? How can your product specifically help solve customers’ problems?

Here’s an example that translates Asha’s personal training business features into benefits:

<table>
<thead>
<tr>
<th>Features:</th>
<th>Benefits:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• One-on-one coaching</td>
<td>• Tailored approach to getting fit with no distractions</td>
</tr>
<tr>
<td>• Online training programs</td>
<td>• Flexibility to train where and when you want</td>
</tr>
<tr>
<td>• Nutrition and exercise plans</td>
<td>• Customized plans to support your fitness goals and nutritional needs</td>
</tr>
</tbody>
</table>

5. Bundle your products or services
If you have several products or services, you can bundle them together to raise sales. Bundles allow you to increase the overall transaction price, but your customers still feel like they’re getting a good deal because you’re offering a discount for multiple products or services.

For instance, the Usual Suspects Clothing Company offers one t-shirt for $20, or two for $30. So customers get a discount for buying two t-shirts – an attractive offer. Just make sure you’re still making a profit!

6. Introduce a loyalty or rewards program
When you reward your customers for being loyal to your business, they’re more likely to return and spread the word about your products or services. It takes extra admin effort, so be prepared for the time and costs involved.

Here’s an example of a loyalty program and a rewards program for the Usual Suspects Clothing Company:

<table>
<thead>
<tr>
<th>Loyalty:</th>
<th>Rewards:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sign up for our loyalty program and get 10% off on each purchase over $150.</td>
<td>• Sign up for our rewards program and get 100 points.</td>
</tr>
<tr>
<td>• Get 20% off on your birthday.</td>
<td>• Refer a friend and get 150 points.</td>
</tr>
<tr>
<td></td>
<td>• Get one point for every $1 spent.</td>
</tr>
<tr>
<td></td>
<td>• Get a $20 voucher for every 200 points earned or donate your voucher to initiatives supported by the business (such as funding education for women and girls).</td>
</tr>
</tbody>
</table>
7. Add giveaways and special offers
Use giveaways and special offers to attract new customers and retain loyal ones. For instance, Asha gives new clients two training sessions for free, and a gelato business uses stamp cards to offer repeat customers a free gelato of their choice on their tenth visit.

8. Make the most of social media
Just about everyone is on social media, which makes it an excellent avenue for increasing sales. Market research will give you insight into what social platforms your current and potential customers use the most. From there, you can choose a social network to target the right audience.

For example, market research shows that the Usual Suspects Clothing Company’s customers mostly use Facebook and Instagram. So the company could add a “Shop” tab on their Facebook page where customers can see their new and best-selling items. They could also run a promo on Instagram where customers get 5% off their next purchase when they post a photo of themselves wearing their clothes.

9. Increase your prices
Raising your prices can be pretty daunting. What if you lose customers because they don’t want to pay higher prices? But if you do it right, increasing your prices won’t be a problem.

Provide enough notice before a price hike, and give your customers a chance to buy your products or renew their contracts before the price increase. Be honest and upfront about your reasons, and inform your customers of any additional value you’ll be offering, such as extra services or support, more availability, or a shorter turnaround time. Demonstrating improved value will help your customers accept a price increase and understand that raising your prices will allow your business to grow while still providing high-quality products or services.
How to increase website traffic
Your website is your digital storefront. It showcases your products or services, answers basic customer inquiries, and encourages sales. So creating an inviting and user-friendly site is essential to keep customers engaged, persuade them to buy, and encourage them to return. Your website also gives you the opportunity to turn visitors into customers – and customers equal sales.

1. Optimize your site
You want customers to find you easily, so you’ll want to try and be one of the top websites to appear in relevant search results. To do that, you’ll need to optimize your site for search engines. Figure out what keywords are relevant to your business and incorporate them naturally into your website pages. To learn more about search engine optimization, check out our guide on SEO for small business.

2. Create a responsive site
People use different devices to surf the web, and an increasing number of them are doing so on mobile. In 2018, mobile phones accounted for over 50% of website traffic worldwide. By 2021, mobile will make up almost three quarters of e-commerce sales. The numbers are compelling, so make sure your site is responsive and easy to use across a range of devices.

Your site must also enable a smooth user experience from the first click to the last. This includes quick load times, intuitive navigation, a clean layout, a simple user interface, and more. Without these, potential customers can get frustrated, leave your site, and never return.
3. Be social
Make the most of all that social media has to offer. Be sure to add a link to your website on all your social media accounts and encourage people to visit it. Run competitions and promote new products or services to drum up traffic to your site.

Posting regularly and adding relevant hashtags (especially on Instagram and Twitter) is also a great way for potential customers to discover your business. Whatever you do, be genuine and attentive when interacting with customers on social media.

4. Advertise
If you have the budget, go for paid advertising options such as:

- **Paid search:** You can use Google AdWords Express to automatically manage your online ads. You can also retarget ads to customers who have already visited your site but haven’t bought any of your products or services.
- **Paid social media:** You can purchase Facebook or Instagram ads, boost posts with high engagement, or show sponsored posts to a certain demographic.
- **Display advertising:** You can advertise on other websites or on social media networks through banner ads or formats that include audio or video. This might take more effort and is often more expensive because you need a creative idea or team behind it.

5. Build an email list
Through email marketing, you can build a list of subscribers who want to receive updates about your product or service. It’s an effective way to connect with potential customers and get them to visit your website. Check out our email marketing tips to learn more.

6. Get listed
Getting listed on an online directory for your location or industry (such as Google My Business or your local Chamber of Commerce’s site) can increase your business’s visibility because you’ll have your own profile and a link to your website. For review sites like TripAdvisor or Yelp, people can leave feedback about your business, so getting positive reviews can bring in more customers.

7. Engage influencers
Find bloggers, social media users, and other influencers in your industry who align with your business values. You might need to offer them freebies or woo them a bit to get them to write about your service or post about your product, but their large audience and following will hopefully drive more visitors to your website.

8. Test your content
Experiment with the types of content you provide customers and see what appeals most to them. It could be short articles or longer ones, image slideshows, videos, or infographics, for example. Even if your content comes in different formats, make sure it’s useful and valuable so people want to share it.

9. Use Google Analytics
Google Analytics supplies a treasure trove of data on different aspects of your site, including where your traffic is coming from, visitor demographics, and any traffic patterns or trends. You can use this data to inform your marketing strategies and attract the right customers to your site.

10. Research your competitors
See what your competitors are doing to drive traffic to their website. You can use competitor analysis tools like Alexa or SimilarWeb to check where their traffic is coming from and adopt a similar strategy or tap the same sources. It’s also worth looking at what your competitors are posting, promoting, and sharing on social media to see how you can do it better.
How to sell your product online
How to sell your product online

Thinking of adding an online storefront to your brick-and-mortar shop? Or perhaps you’d like to go completely digital? Growing your business online widens your reach, allowing you to sell to more customers in diverse locations. If you sell your products or services solely online, you’ll eliminate the costs of operating and maintaining a physical store.

Here are the steps to take to sell your product or service online.

Planning
Research is key in the planning stage, so get educated on online selling. These questions can help get you started:

- What do customers want to buy online? How do they want to buy it?
- How do customers want to be marketed to?
- Do you want to sell on an existing ecommerce platform or integrate that platform into your current website to get you up and running quickly? Or do you want to build your own online store using ecommerce website builders so you can have more control?
- What are the costs of shipping your products? How will you handle the logistics of it?
- How are your competitors promoting and selling their products or services online?

Think of planning as a discovery phase. You might find out that selling all your products or services online is the way to go, or it might make sense to sell only part of what you offer. You might even realize that online selling isn’t right for you. Whatever you choose, take your time to do some research and create a plan for growing your business on the web.

Branding
Your brand is your identity – from your logo and color palette to the look and feel of your website. It’s what makes you you, so keep it consistent.

When selling online, you want customers to associate your brand with your products or services. Part of that involves writing product descriptions. Here’s an example of how to win at selling your brand:

**Usual Suspects Crowd Pleaser Tee**

$32.00
Color: Not-so-mellow Yellow

**Features**
An all-time classic, everyone’s fave – the Usual Suspects Crowd Pleaser Tee is a relaxed, comfy fit crew neck perfect for all.
- I’m a feel-good tee, made from 100% ethically sourced cotton
- I’m true to size so pick your usual
- I’ve been pre-shrunk; there’ll be none of this shrinking in the wash business
- I’ll stick around for longer if you cold wash me and hang me to dry

**Brand**
Simple but beautiful basics for your all day, every day needs. All Usual Suspects garments are made with 100% organic cotton that’s ethically sourced (and they won’t break the bank, either). And the best part? 5% of the price of every Usual Suspects tee sold goes back to the workers of the Fairtrade organization we source our cotton from.
How to sell your product online

To learn more, check out our guide to online marketing.
**Selling**
For online selling to be effective, you need to provide a convenient and user-friendly shopping experience. Make the selling process as easy and painless as possible with these helpful tips:

<table>
<thead>
<tr>
<th>Shopping</th>
<th>Shipping</th>
<th>Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make sure your checkout process is quick and optimized for both web and mobile. Ask colleagues, family, and friends to test the checkout process and suggest improvements. Provide different ways to pay through secure payment gateways. If you can, give your customers more time to pay with installment options or buy now, pay later schemes.</td>
<td>Provide different shipping options with varying costs and timeframes. Offer free shipping if you can and draw customers in with this added bonus. Make sure customers can track their order.</td>
<td>Have a clear and transparent returns policy. Offer refunds, an exchange, or credit for returned items.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reviews</th>
<th>Customer services</th>
<th>Repeat customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make it quick and easy for customers to leave reviews. A star rating and comment box for each product will do. Acknowledge negative reviews and respond immediately. Work with customers to find a resolution and check in to make sure their concerns have been addressed. Post positive reviews on social media to advertise your product or service.</td>
<td>Create an FAQ page on your website to answer basic questions about the buying process. Offer different ways for customers to reach you: email, social media, live chat, and more. Provide quick turnaround time for replies to customer inquiries and complaints.</td>
<td>Offer loyalty and rewards programs. Provide bonuses for returning customers such as getting a discount on their next purchase or getting a free gift for referring a friend.</td>
</tr>
</tbody>
</table>
How to grow your product line
Expanding your product line is a crucial part of growing your business. It can be less risky than creating a new product or service altogether, and it allows you to meet the ever-changing needs of your customers and the market. Refining or extending your offerings might just be what you need to boost your business.

**Five ways to grow your product line**

1. **Listen to your customers**
   You can gain a lot of insight from your customers about what to offer next, so listen and learn. Ask for feedback in person or through email and social media. Host polls and take surveys. Your customers may not only have ideas on improving your existing offerings, but also suggestions for completely new products or services.

2. **Go broader and better**
   Growing your product line means going broader and better. Here are a few ideas on how you can do that:
   - **Look at ways to make your product or service appeal to a broader market**
     How can you reach a wider audience? Is there a gap in the market that hasn’t been filled? Customer feedback and market research can help with this, as well as figuring out how you can improve on what your competitors are doing. For example, the Usual Suspects Clothing Company could offer a wider range of clothing sizes, while a gelato business could sell wholesale to supermarkets or offer a supply of flavors to restaurants.
   - **Offer varying price points to suit different customers**
     How can you price your products or services to attract customers? For instance, Asha can package her services into tiered pricing plans: a basic plan for one-on-one coaching, a standard plan for coaching and online training, and a premium plan at the highest price that also includes nutrition and exercise plans. Asha isn’t offering anything new but giving customers more options to meet their budget and fitness needs.
   - **Look at what you can offer new markets**
     What can you create that will appeal to new markets? Market research can help. For example, the Usual Suspects Clothing Company could offer new designs for babies and kids, while a gelato business could offer custom-made flavors for parties and events.

3. **Build on market trends**
   Get the inside scoop on what’s happening in your industry to see where the market is headed. Read trade magazines, industry news, and trend reports. Be inspired by innovations in other industries. You can then tweak your existing product or service to cater to these trends.
   For instance, the food industry is leaning toward healthier options, so a gelato business can offer low-fat and low-sugar flavors. Meanwhile, the fitness industry is getting more tech-savvy, so Asha could offer personal training software for customers to track their progress against goals, connect wearable devices or fitness trackers, and make bookings or payments.
4. Team up with other businesses
Partner with a business that has the same values as yours or a business in the market you want to target. For example, The Usual Suspects Clothing Company can approach brick-and-mortar stores in other locations to widen their reach, or collaborate with other ethical and sustainable businesses for bulk orders on company t-shirts and client gifts.

5. Expand your distribution channels
Are you solely online and could you approach a wholesaler, distributor, or retail outfit? Could you open a pop-up shop or join weekly markets and fairs? If you’re a brick-and-mortar store, could you go digital or sell on online marketplaces? Look at other ways of distributing your products or services to attract more customers and appeal to new markets.
10

Expand your business into new markets
You’ve increased your sales, extended your product line, and established your product or service in your home market. Expanding into new markets might be the natural next step for your business. But it takes a lot of energy and research to get it right, so take your time – you want to set your business up for success in the new market.

Here’s what you need to do before expanding your business.

**Define the market you want to sell to**
You’ll need to understand how the market works, so consider creating buyer personas for customers in the new market. Then, make sure you have a good grasp of market growth rates, roadblocks to entry, competitors, and demand.

Market research can help you with all this. It might be worth investing in a professional instead of doing it in-house. They have the necessary experience to analyze and assess your business’s potential to expand into new markets. They’ll know what to look for, what questions to ask, and who to ask.
Expand your business into new markets

**Choose your mode of entry**
Here are a few ways to enter a new market:

- **Build**
  This can be an entirely new product or service for the market or a new shop for the location. It’s a high-risk mode of entry and you’ll need more money and resources, but you’ll be in control.

- **Buy**
  You can franchise or acquire an existing business in the market. It’s a quicker mode of entry and you’ll immediately get a feel for how the market works, but it can be costly.

- **Partner**
  You can work with a distributor or agent in your target market or team up with another business in the location. This poses less risk and can be a good way to get to know the market better, but you’ll have less control. Take time to build a relationship with your partner and earn their trust. Let them know what’s in it for them and how your product or service is unique enough to stand out in the market. And document your agreement so there’s no misunderstanding.

**Work out if you have enough resources**
This includes capital, inventory, staff, technology, and more. If you don’t have the resources you need, what can you do? You might need to hire more people or outsource tasks, raise more funds, create new processes, or increase production to support your expansion.

Think about the overall impact expanding will have on your business. Are you ready to do it comfortably? Will expanding into a new market help or hinder your business? Will it cause your business significant financial strife? Make sure to answer these questions honestly before diving in.

**Develop a solid market entry plan**
Once you’ve decided you’re ready to break into your market of choice, it’s time to create a solid market entry plan. Breaking into a new market is like starting a business, so your market entry plan will be similar to a business plan.

Make sure your plan is targeted to the market you’re moving into. Include how you’ll measure success, how you’ll price your product or service in the new market, your financial strategy, and your sales and marketing activities. To get into the flow and start planning, check out the chapter on how to write a business plan in our guide to starting a business.

**Educate your team**
You’ll need to introduce your team to the ins and outs of your target market. Schedule training sessions to get your current staff up to speed, or consider forming a new team from the employees you’ve got or from new recruits. Work with them to develop new processes for your market.

If you’re expanding to a different location, your team will need to understand how to communicate with customers there and respect their particular customs or practices. Consider hiring local employees or working with local partners to make it easier to educate your team.
Where to next?
Tools and guides by Xero
You’re all set to grow your business. But with so much to keep track of, it can get overwhelming. Software can make it easier for you to manage growth. Let Xero help.

**Handy tips and tricks for your business**
Xero has a host of useful guides on small business topics like marketing, invoicing, payroll, bookkeeping, and more. Take a look at some of them for yourself.

*Browse small business guides*

**Discover more about Xero**
At its heart, Xero is accounting software. It helps you keep on top of your business finances and payroll. It also connects with other business apps to support sales, marketing, inventory management, and more.

If you’re keen to learn more about Xero, check out these resources:
- [Xero features](#)
- [Xero TV short videos](#)
- [Xero education courses and webinars](#)

And check out our [ecosystem of connected apps](#).

*This guide is intended as general information only. Always check with a professional for advice.*