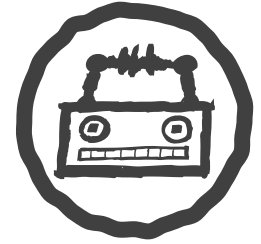# BUILDING A PROFITABLE BUSINESS THROUGH METRICS, TESTING AND REFERRALS

In marketing and generally in business, it's imperative to understand exactly what metrics drive results. In "The Lean Startup", author Eric Reis says that anyone can find a graph starting in the lower left quadrant that goes to the top-right over time. He's referring to a typical growth graph that can easily be found within Google Analytics, your emailing platform, etc. The real question is - is that data actionable? Is it important? Does it reflect the actual health of the business, or is it, as Reis refers, a *vanity metric*?

At Tech Guys, we're firm believers that the only way we can win your repeat business is by showing that our team produces results. So much so, we lead with numbers. We ask questions from the initial stages of working with our clients to figure out what their goals are, how success is measured, and the metrics that drive it. Once that's established, we can work on a holistic strategy to define exactly what's important to spend time focusing on, and how to generate more completed goals with a minimal budget.

INTRODUCING: THE EARR LOOP

One piece of technology we like to use is referred to as the EARR Loop. In business, no matter if you're running a B2B or B2C company, you have the same general process:

EDUCATE — your prospects need to be educated that you exist, that they have a problem, and you have a great solution.

ACQUIRE — converting your prospects into customers, done through product purchases, service packages, etc.

RETAIN — the act of keeping someone past the initial sale, the initial transaction.

REFER — the process for having your best customers tell their friends, having them convert.

This becomes a loop as the REFERRED prospect is already EDUCATED and has a chance to become ACQUIRED.

The metrics that drive this loop are similar for many companies, but every business type has it's uniqueness. With that caveat in mind, there is a list of metrics that we can track every week or month, depending on need.

METRICS NEEDED TO TRACK EDUCATION and ACQUISITION...

- **Website Unique Visitors by Traffic Source** *(Google Organic, Direct, PayPerClick, Facebook, YouTube, etc.)*
- **Email Performance**
    - — List size change over time
    - — Total sent/month
    - — Open Rates vs. Click Through Rates vs. Purchase Rates per email
    - — Best performing subject lines, calls to action in body copy
- **Social Media**
    - — Change in Followers, Likes, +1's and Subscribers
- **Opt-in Goals**
    - — Which ad triggered the most sign ups?
    - — Which ad had the lowest cost per signup?
- **Purchase Goals**
    - — Where did the prospect enter the sales funnel?
    - — Conversion rates per ad creative, Tweet, Facebook Post, etc.
    - — Earnings per Click (EPC) for top traffic sources

METRICS NEEDED TO TRACK CUSTOMER RETENTION...

- **Subscription Rate**
    - — How long does the customer stay a customer?
    - — What emails give the most value to reduce customer atrophy?
    - — What "free gifts" increase perceived value and reduce refund requests?

METRICS NEEDED TO TRACK CUSTOMER REFFERALS...

- **What is your process for asking your customers to refer their friends?**
- **How do you reward referrals?**
- **How can you enroll others in the change you've made to your social good after 6 and 12 months of them being your customer?**
- **How do you ask for testimonials? What can you test to increase testimonial submission rate?**

For some of our clients, we work directly with their bigger mission with their company. In a world that is getting more "WE" focused, as noted by Michael Drew in his book "Pendulum: How Past Generations Shape Our Present and Predict Our Future", having a mission at a company that's bigger than itself helps the company to stand out among its competition. For instance, Tom's Shoes gives a free pair of shoes to someone in need with every purchase. This social good allows Tom's to rise to the top of the market, help the world, sell more products, and be more profitable.

It is this never ending, data-driven analysis of marketing campaigns that helps our clients be more profitable. If you're looking to grow your business, it's first important to get clear on what your goals are, and where you are currently in relation to those goals. Setting a timeline and bringing onboard a tech and marketing company to help you reach your goals will ensure that it isn't just an exercise in futility. Instead, with the help of a qualified marketing and technology company, your goals can be actualized through finite measurements of the metrics that give your company it's competitive edge.

If you're interested in learning more about how Tech Guys Who Get Marketing can help you grow your business, reach out to Ryan. He'll arrange a time to chat and pull in a marketing or technology expert as needed. During the call, expect to get personal about your goals and what success really looks like for you. If that level of detail isn't something you've done before, let Ryan lead and he'll help uncover those specifics. After that, it's all about getting the right people dialed into your company's mission, and we would love the opportunity to win your business.

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