



# What is Com-pound Growth

WANT TO INCREASE YOUR ANNUAL REVENUE BY 72% OR MORE?

It's possible through the power of compound growth.

By making incremental improvements of just 20% across three very specific, key areas of your business, compounding effects can lead to exponential returns.

The three core areas we target for ourselves and typically implement for clients are: a 20% increase in sales volume, a 20% increase in average transaction value, and a 20% boost in retention rate (aka decrease churn). These 20% improvements don't simply add up to a 60% boost either (which would still be good - but this is better ③) - they actually COMPOUND into a 72%+ revenue growth - easily attainable within a year or even less.

In this guide, we'll summarize our exact compound growth methodology and key tactics to help you rapidly scale your business.

Let's get started with identifying your 3 core focus areas. 🗲



# 3 Core Business Areas

STEP 1: IDENTIFY 3 AREAS TO INCREASE BY 20%

# 1. SALES VOLUME

Sales volume refers to the number of qualified leads and new customers generated over a period of time. The key metric is daily/weekly/monthly new lead generation and new customers acquired, driven by marketing efforts to create targeted traffic and convert visitors into leads and customers. An effective sales process also plays a key role in converting generated leads into paying customers.

Improving lead generation efforts and sales workflows/processes is key to increasing sales volume over time.

# 2. TRANSACTION VALUE

Transaction value refers to the average dollar amount of each individual purchase or transaction from a customer. The key metric is average order value or average revenue per sale.

Transaction value increases by adjusting pricing, packaging, and/or product configurations to offer higher-priced or premium versions. Upsells and financing options also increase transaction value.

## 3. RETENTION

Retention refers to customers continuing to frequently use or pay for your products/services over longer periods of time. The key metric is customer churn rate or retention rate over given periods.

Retention improves by offering superior onboarding, support, loyalty incentives, recurring billing options, and gathering customer feedback to continually refine the customer experience.

## **ALTERNATIVES**

While the above three areas are ideal, alternatives like referrals can contribute too if structured properly to directly impact revenue.

For example, affiliate partnerships and incentivized customer referral programs can drive incremental sales volume through word-of-mouth influence.

# Driving 20% Gains in Each Area

STEP 2: IDENTIFY GROWTH STRATEGIES

# **SALES VOLUME TACTICS**

- Organic Marketing (SEO & Content, Social Media) Optimize website content, earn backlinks, create informational content to drive organic traffic.
- Paid Ads Leverage platforms like Facebook, Instagram, Google, and more to reach qualified audiences.
- Landing Page Optimization Whether the traffic is paid or organic, it's important to continuously improve page conversion rates through testing and best practices.

# TRANSACTION VALUE TACTICS

- Strategic price increases This involves researching competitive pricing, analyzing price elasticity for your products, identifying opportunities to support higher premium pricing and packaging. Even slight increases done properly can substantially raise transaction value.
- Upsells & cross-sells Offering additional products/services during checkout or account usage journeys. This includes order bumps, upgrades, add-ons, warranties.

## **ALTERNATIVES**

- Boosting referrals incentivize new referrals with rewards, perks, discounts, etc.
- Identify tactics for any other areas you've chosen - remember to make sure your strategies directly impact revenue.

## **RETENTION TACTICS**

- Premium Onboarding Wow new customers with an amazing onboarding experience. Make them feel valued by providing helpful tutorials, training, and support tailored to their needs. Check in often to get feedback on how to improve.
- Loyalty Programs Offer exclusive perks, special promotions, VIP benefits and access to engage and reward highly active or influential customer segments. Structure tiers based on usage and advocacy.
- Proactive Feedback Survey customers at regular intervals for feedback. Check in with at-risk or high-value users to improve satisfaction and reduce churn. Notify of new features based on usage patterns.



# Compound Gains Implementation Checklists

STEP 3: TAKE ACTION

## SALES VOLUME CHECKLISTS

#### **Organic Marketing**

- 1 Audit site SEO and optimize pages
- 2 Research and target buyer keywords
- 3 Create content plans based on research
- 4 Promote content on site & socials

#### **Paid Marketing**

- 1 Define ad audiences and creatives
- 2 Set up conversion tracking
- 3 Establish budgets and bidding
- 4 Monitor and optimize campaigns

#### **Landing Page Optimization**

- 1 Define goal / call-to-action
- 2 Write compelling copy
- 3 Ensure mobile-friendliness
- 4 Test and improve page layouts

## TRANSACTION VALUE CHECKLISTS

#### **Strategic Price Increase**

- 1 Research competitor pricing
- 2 Analyze price elasticity
- 3 Model price increase scenarios
- 4 Test pricing adjustments

#### **Implement Upsells**

- 1 Identify upsell opportunities
- 2 Create effective upsell offers
- 3 Display/present at checkout
- 4 Track upsell conversion rates

#### Implement Cross-sells

- 1 Determine complementary products
- 2 Make recommendations on checkout
- 3 Promote + demonstrate benefits
- 4 Monitor cross-sell metrics

### RETENTION CHECKLISTS

#### Onboarding

- 1 Map onboarding journey
- 2 Create tutorials and checklists
- 3 Set up training and support
- 4 Gather feedback regularly

#### **Loyalty Programs**

- 1 Define program tiers and benefits
- 2 Promote program to users
- 3 Track participation and engagement
- 4 Reward member milestones

#### **Proactive Feedback Collection**

- 1 Develop customer surveys
- 2 Identify at-risk users to check in with
- 3 Segment users and personalize outreach
- 4 Act on feedback insights

# **Time to Grow**

We hope this guide has shown you the immense growth waiting to be tapped in your business.

Now it's time to start executing.

If you're ready to implement compound growth but need an expert team to help you with the execution, you're in the right place. Zenscape's growth specialists will lead you through every level of the process, from opportunity assessment to tactical implementation and beyond.

Talk to us at zenscapemarketing.com/consultation/