

A man with short brown hair, wearing a blue polo shirt, is smiling and working on a red bicycle in a workshop. He is using a blue-handled tool on the rear wheel area. The background is filled with various tools and equipment, suggesting a professional bike repair shop.

# THE 4 BIGGEST MISTAKES SMALL BUSINESSES MAKE TRYING TO GENERATE LEADS

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**F**inding, developing and cultivating leads are vitally important for small businesses to survive and thrive. Unfortunately, many businesses make mistakes when deciding how to go about generating leads and once the mistakes begin, they can snowball, leading to bigger problems. In fact, the inability to generate leads is one of the reasons so many small businesses fail before they hit their stride.

With each and every customer incredibly valuable, it has never been more important for small businesses to use the correct methods to generate leads, but many make the same mistakes time and time again. So what are some of the big mistakes that small businesses make when attempting to generate leads? Let's take a closer look at some common mistakes and how you can avoid them.

## 1. THEY DON'T USE REFERRALS

**W**hat is the best resource for generating more leads? The answer is right under your nose. The best way to generate more leads is to use the customers that already buy from you.

In today's world of slick marketing and dishonest advertising, people trust their peers more than they trust old-fashioned ads. This is one of the factors that make marketing through social media so effective. But we will talk more about social media later.

Referrals are the key to any successful business and if you can turn your top customers into raving fans of your business you have gone a long way to ensure the long term viability of your business. Repeat customers mean repeat business, but they also mean much more than that.

When one of your customers just loves your company, what are they likely to do? They will tell friends, who will tell their friends, who will tell their friends and so on. And when your service is bad and you begin to lose repeat customers, guess what those customers will do? Tell their friends, who will tell their friends and so on.

Aside from simply buying a database, the simplest, most effective way to generate more leads is to cultivate them from your existing customer base.

People are savvier about advertising than they've ever been. Most potential customers have been conditioned through years of blatant advertising, to tune out a great deal of

information and a lot of what people do hear they don't believe. How many times have you seen a commercial that makes claims to good to be true? What do you think about the company that makes those claims?

But working with client referrals takes care of all of that for small businesses. There is an innate level of trust when customers find your business through word of mouth instead of advertising.

People like to have things in common with their friends and if your business is one of those things they have in common, it can pay great dividends for your business for a long time.

So how do you make sure your top customers are referring your business to their friends?

First, start with outstanding customer service. Train your team in exactly what to say to customers and how to say it.

In recent polls, customer service has been found to be the most important reason customers choose businesses, but also the most lacking category for businesses themselves. Too many businesses don't concentrate on customer service, instead focusing on discounts and offers that end up costing them in the long run.

**"FIRST, START WITH  
OUTSTANDING  
CUSTOMER  
SERVICE."**

If you concentrate on the way each customer feels after they've done business with you and make sure that it's a positive experience for them, you can find other ways of offering value instead of discounts.

Next, make giving referrals worth the effort for your customers. Reward them for their efforts with offers and events designed exclusively for them.

Sure, some customers might talk your business up even if you didn't offer them any reward, but why take the chance?

Invite your top customers to participate in the growth of your business.

We all like to feel as if we were the first to discover something special, so why not play up on those feelings to instill a feeling of pride and ownership in your customers when your business grows?

You can do this in many ways. Make special offers to customers that bring your referrals. Invite them to events specially designed for them. Maybe even throw parties for them or use strategic alliances to give them special items from outside of your business.

There are literally hundreds of ways you can reward your top customers for not only their loyalty, but their referrals.

If you aren't rewarding customers for referrals and taking full advantage of the possibilities you are making one of the biggest mistakes a business can make when it comes to generating leads.

## 2. THEY DON'T HAVE AN ONLINE PRESENCE

"DECIDING WHICH BUSINESS TO WORK WITH IS FAR EASIER THAN IT'S EVER BEEN."

Remember those days when finding something took a lot of work?

First you'd have to look up the type of business you needed in the Yellow Pages. Then you'd have to decide which company to use based simply on a static ad that was probably at least six months old. Then it was a matter of hoping you were dealing with a solid business rather than a bunch of con men. You didn't know until it was too late sometimes.

Well things have changed quite a bit. There is so much more information available to us through the internet, deciding which business to work with is far easier than it's ever been.

In fact, it's so easy internet marketing has turned traditional advertising on its ear. With traditional advertising, you go in search of customers. With internet marketing, businesses don't search for customers. Instead they give customers the ability to more easily find them.

When you really think about it, the paradigm has shifted in the world of marketing. Now companies with a strong online presence consistently find new customers at a higher rate than their competitors that don't have a strong presence on the 'net.

Sure, some businesses are still run poorly despite the quality of their marketing, but for the most part the internet is a fantastic resource for potential customers to do their due diligence on any business they may buy from.

For small businesses, having an online presence, and especially a presence on social media networks like Facebook, Twitter or FourSquare, is a great way to market to potential customers without the concerns of outrageous costs while creating the buzz and word of mouth every business needs to thrive.

Creating the right type of online presence doesn't take more than some work and follow

through. Even creating a website to promote your business can be done by almost anyone thanks to websites that can create and host your blogs like WordPress.

There is no excuse for businesses to not have some sort of online presence these days. If you aren't up and running online, you can be sure your competition is and they are finding leads that elude you.

### 3. THEY DON'T UNDERSTAND TARGETED MARKETING OR CUSTOMER ACQUISITION COSTS

**H**ow do you view your marketing? Is it an expense or an investment?

Businesses that can't seem to find enough customers eventually fail. One of the biggest reasons for this failure is businesses simply don't understand gaining customers is an investment, so they don't go about the process the right way.

It is vitally important for businesses to understand that you don't just get customers, you buy them. When you have that mindset, you can begin to understand just what you need to spend on your marketing.

This goes hand-in-hand with marketing your business on the internet, because one of the cheapest ways to buy customers is through social media. Probably the most expensive is traditional major media advertising like television or radio.

That's not to say that television or radio ads aren't effective. They certainly can be if done correctly, but the risks are far greater for a small business.

To use traditional marketing effectively, understanding your customer acquisition cost is incredibly important. If television advertising costs \$5000 for 30 seconds, but it brings you 100 customers who spend an average of \$100, it makes total sense, doesn't it? Of course it does, you've doubled your investment.

**"TO USE TRADITIONAL MARKETING EFFECTIVELY, UNDERSTANDING YOUR CUSTOMER ACQUISITION COST IS INCREDIBLY IMPORTANT."**

But if that same ad is only bringing in 50 customers that only spend \$50, that campaign is a bust and should be stopped immediately before its costs sink the business.

Too many businesses try to capture customers with a wide net, when a fishing pole will do. Sure big businesses like McDonald's can market to everyone, but small businesses don't have the resources or brand recognition to make that type of marketing work.

Small businesses need to find their niche and market to the people that make up that niche. And within each niche, there are small categories to which small businesses should market themselves.

Is your business marketed to everyone with the thought that everyone can use your product? Then you are missing the boat when it comes to marketing and you probably aren't getting the leads you need.

## 4. THEY DON'T USE STRATEGIC ALLIANCES

**O**ne of the greatest resources for generating leads for your business is other businesses. Working in strategic alliances with other businesses that sell to the same group you target as customers, but sell a different product, can be incredibly beneficial to all parties, including the customer.

Think about it, if you owned a flooring company, wouldn't you want to work with roofing companies, contractors, Home Owners Associations and other businesses involved in home improvement? How much easier would it be to get customers if you were using the database of a company your potential customers had already done business with?

In a way, all forms of advertising are strategic alliances. Advertisers in traditional marketing focus their efforts on particular groups. For example, watching a sporting event on television, you'll see tons of ads for cars and beer, but very few for clothing stores. If you watch Glee, it's probably the opposite.

Advertisers use products and services their customers want to promote their own business all the time. When McDonald's has a special toy in its Happy Meal regarding the latest hot summer movie, it's a strategic alliance, when Apple offers a special dedicated app for ESPN on its latest iPhone, it's a strategic alliance. The big companies do it and their businesses boom because of it. Now it's time for your small business to do it as well.

Part of what makes owning a small business so hard is that you feel all alone, like Robinson Crusoe on an island. But when you work in strategic alliances, you are no longer alone. You have another business owner, who is dealing with the same group of customers you are. They know who's difficult and who's easy and they have an idea of what keeps these customers coming back.

**"THE BIG COMPANIES DO IT AND THEIR BUSINESSES BOOM"**

## WRAPPING IT UP

**T**here are many mistakes businesses make when it comes to generating leads, but if you can avoid the four listed above your business has a much better chance of growing into the profitable, commercial enterprise every business owner wants.

Through using referrals, building a strong on-line presence, understanding customer acquisition costs and using strategic alliances, any business can generate enough leads to keep their business moving forward.

**1. We Guarantee to get results, and that you'll be able to "Find our Fee" in your business within 17-weeks of ActionCOACH coaching your company ... or your coaching is FREE.**

Our coaching programs have been tested and proven all over the world, so when you hire an ActionCOACH, you WILL get results. Whether it is in terms of more time, a better team or more money ... if you are making a good-faith effort and doing the required work assigned to you; you attend all coaching sessions and agreed-upon events and workshops and you complete all of your committed decisions and homework assignments on agreed-upon dates ... and you are STILL not satisfied or seeing results by the 17th week, we will coach you FREE until you do ... no questions asked!



**2. We Guarantee to tell the truth about you and your business ... no matter how uncomfortable it may be, or how hard it is to share with you the realities of your business and the changes you need to make.**

When you hire an ActionCOACH, you will have the "unreasonable friend" and personal business mentor you and your business need to succeed. You will be held accountable for everything you say you will do, and your business will get the push it needs so you can get the results you really want in your business.

**3. We Guarantee you a "business re-education" about how your business really works and how to successfully grow your company ... as well as how to apply your new education and knowledge to any business situation.**

Your ActionCOACH will guide you with proven systems and strategies designed to give you a "business re-education" that will allow you to profit in terms of more time, better team and more money. Not only will you be able to unlock the true growth potential of your company, you'll be in the "driver's seat" of your own business, equipped with a "map" and a "license" to take it and drive it wherever you want to go, with ActionCOACH by your side.

**4. We Guarantee complete confidentiality ...**

Our working relationship will involve a level of trust and understanding about the proprietary nature of our coaching strategies and the proprietary aspects of the numbers and nature of your business. Because of this, we guarantee a confidential business relationship with you during the course of our work together.

**5. We Guarantee a personalized approach to your business ...**

You and your business are unique. Because you are relying on our experience in working with businesses of all kinds, you can be assured you will have a clear understanding of the nature of any program we recommend, and that your expectations will be properly managed as to anticipated outcomes and results.

**6. We Guarantee a proven system and methodology that is designed to multiply profits in your business, with complete access to our proprietary system of coaching strategies, systems, programs and services ...**

Not only will you be shown a number of systemized ways to successfully build your business, you will also have complete and exclusive access to more than 3,500 strategies and tactics that make up our entire proprietary business coaching system.

**7. We Guarantee to show you how ActionCOACH defines business success, and how to build a commercial, profitable enterprise that works without you.**

Even if you are an owner who loves business and who loves working "in" your business every day, ActionCOACH will show you how to build a company you can work "on" whether you show up every day or not. Regardless of your ultimate goals, you will learn the strategies, systems and advantages of the ActionCOACH definition of a successful business.

**ActionCOACH**  
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