

# Double your Revenue in a Year with a Custom Brand Mobile App

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Throughout this book, I'll be using a fictional restaurant named Greg's Grease Pit. These metrics can be substituted for your business's. If you don't know these metrics, learn them!

<b>Customers per Month</b>	1500 (50 per day)
<b>Average Price per Plate</b>	\$10.00
<b>Calls per Day (for orders/reservations)</b>	10
<b>Time of Call</b>	5 minutes

Since we have 1500 customers at an average of \$10 each, our average monthly revenue is \$15,000. Now let's double that!

### Step #1: Discounts for Referrals

The first way we're going to double our return is by offering a discount to anyone who gives us a referral. Let's make it real juicy and say you get 50% off a meal for each referral. Let's say 1 in 20 (5%) people take us up on this. That seems pretty reasonable.

The first month, we get 75 referrals (5% of 1500). So our new customer base is 1575. If we get 5% the next month, we get about 79 referrals. Small change right? Check out our customer growth over time:

Customer Growth

Month	Customers	Referrals
<b>January</b>	1500	75
<b>February</b>	1575	79
<b>March</b>	1654	83
...	...	...
<b>December</b>	2567	128

Wow! that's a lot of extra customers. Keep in mind, we still lost some money because each extra customer gave someone a discount. On average, this was a \$5 discount for each person. This means that the extra 415 customers costed us  $5 \times 415 = \$2,075$ . Keep that in mind as we monetize in the later sections

## Step #2: Push Notifications instead of Phone Orders

As I'm sure you know, it's possible to take orders through a Mobile App. Remember that Greg's Grease Pit gets 10 calls per day. Let's say we can get half the customers to download the App and make their orders on the App instead. So now we saved ourselves 5 calls per day. This is 25 minutes since each call is 5 minutes long. Now you have an employee who has an extra 25 minutes per day. What are they going to do? Answer, social media.

Put your employee to work jazzing up your social media pages. Take pictures of happy customers; interact with people in your town; send updates on events. Sounds fun, but how does it make you money?

Let's say 20% of customers are new ones. Since our number of customers is constant (1500 per month), this means that there is one customer who leaves for each new one. Before the Mobile App, we have 300 new customers and 300 leaving per month. Imagine through our aggressive social media campaigning that we were able to save 1 in 10 customers that otherwise would have left. How would that change things?

The first month, we save 30 extra customers. So the customers at the end of January is 1500 normal ones plus 75 referrals plus 30 saved customers. Again, 30 extra may not seem like a big deal, but check it out over time:

Customer Growth with Social Media

Month	Customers at Beginning	Referrals	Customers that Would have Left	Customers Saved because of App	Customers at End
January	1500	75	300	30	1605
February	1605	80	321	32	1717
March	1685	84	337	34	1803
...	...	...	...	...	...
December	2615	131	523	52	2798

We're still a few hundred dollars short. In step 3, we'll take care of that and more!

### Step #3: Sponsorships / Advertising

How valuable is my App from an advertising standpoint? Keep in mind by December I have about 2800 customers. Since half use the App, that's 1400 eyes each month. Let's say 2% of those customers will be swayed by whatever service I advertise on the App. So I control 28 customers per month. Now let's make some money.

I have 5 friends. Aaron is a doctor. Bill is a shoe-salesman. Charlie owns a gas station. Dan sells TV equipment. Ed runs a grocery store. Let's assume a customer pays about \$50 for each of their services. So 28 customers is worth \$1400 for each of them. We strike a deal. I advertise all 5 services on my App for \$500 a month. I win because I make an extra monthly fee for simple ads. They win because they have the potential to get 3 times their money back in extra customers!

So let's look at our final tally. We have 2798 customers per month which each pay \$10 per order plus the \$500 we get from each ad. Our monthly revenue is:

$$\text{Revenue} = \$2798 * 10 + \$500 * 5 = \$30,480$$

Let's summarize these results. We paid \$2,075 in discounts plus the cost of the Mobile App which should be around \$1,500. After a year, our \$3,575 investment is generating an extra \$15,000 per month. That's insane! It's a 5X return on investment each month.

Excited? Send me an email at [contact@theappofficer.com](mailto:contact@theappofficer.com) with your business's metrics. I'll tell you how much extra revenue you can generate with a custom Mobile App!