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UPSELLING BASICS

By Carol Woods

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One of the quickest ways to increase your sales is through upselling, or selling additional products to customers at the time they are placing an order. An excellent example of that is found at fast food restaurants: when you order a burger, you will often be asked "Do you want fries with that?" It's a great way to increase your revenues, since customers are basically in a "buying from you" frame of mind at that time. This can work for products or services, although services should be "productized", meaning you offer a specific scope of services for a set price.

Here are the basic steps to a good upselling program:

1. Know the value of your products
2. Figure out what others have bought
3. Develop new options (products, installation, maintenance plan)
4. Script your plan

Ready to get started? Get out your pencil and let's go!

1. Know the value of your products
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In this case, value means two things: the value or profitability of the product to you, the business owner; and the value or usefulness of the product to your customer.

Start with yourself. Look at each of your products, and calculate the cash in your pocket for selling each of them. This is just the amount you sell the product or service for, less your costs for buying or providing it. Be sure to include all costs – for example, if you buy the product from another company you will need to include the shipping costs to get the product to your location.

Create a table so you can clearly see the profitability of each product: on a piece of paper put the following items as column headings, and then fill your table out:

Product Name

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Selling Price

Cost to Buy/Provide

Cash in (Selling price minus your cost to buy or provide)

% Cash in (Cash in divided by Cost to buy or provide)

Next, look at the value of each product to your customer. There are items which are useful by themselves, and items which are useful when purchased with another product. You will have the greatest success if you offer products which are less expensive than the original purchase but are in some way related to it. For example, if you sell a printer, an excellent upsell would be to offer a set of extra printer cartridges to be shipped to them along with the printer.

Add a column to your table:

Related to

In this column, put a "P" for primary products and an "A" for add-on products. Next to each "A" put the name of the primary products it can be sold with.

2. Figure out what others have bought

You should also take a look at prior sales and see what products your customers often purchased together. This may give you some additional ideas and insight as to what add-ons go with what primary products. Update your table based on your review.

3. Develop new options (products, installation, maintenance plan)

Spend a little time thinking about additional options for add-on sales. Again, a great upsell product is less expensive than the original purchase but is in some way related to it, and provides a fixed benefit for a fixed price.

Some options to consider:

- Supplies which relate to the original purchase (e.g. printer cartridges)
- Maintenance or update agreement
- Premium service – such as a special phone number to call with questions
- Extra or printed copies of a report or e-book

4. Script your plan

You now have enough information to develop your upsell script. This is as simple as asking the buyer "would you like _ with that" at the time of purchase. I would also suggest you include some sort of reason to purchase. Here is an example "Would you like a set of 2 additional printer cartridges along with that? We can ship them to you with the printer so they'll be available whenever you need them."

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Select the products you will offer with a particular primary purchase by reviewing your product table. You will want to emphasize those items which relate to the primary purchase and which have the highest return to you. (In fact, you may even consider raising prices of the add-on products; there is often less price resistance at the point of sale).

Make it easy on the person talking to the customer by having a separate sheet or separate section on a sheet for each primary product with the specific add-ons to offer.

You can also do this via a web site, by showing pictures of the related products below the primary product description or next to their selected items in the order summary or shopping cart.

You're now ready to go. Happy upselling!

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How To Increase Your Profits By 40% Or More With No Extra Work!

By Richard Grady

Before I expand on the above heading, I do have a slight confession to make – you will have to do 'some' work for this process to work but I promise it really isn't much and the long-term benefits can be absolutely incredible :-)

The process that I want to discuss in this article is 'upselling'. Upselling may be a method of marketing that you already use in your own online business but if not, I am sure you are familiar with the process.....

Let me give you a couple of 'real world' examples of the upselling technique:

1. You visit your favourite burger joint (McD's, Burger King, wherever, they all use upselling). You order a burger and you are asked, 'Do you want fries with that?' Assuming you say 'yes', the next question is, 'Large?' A high percentage of people will go for this option because for some reason it is easier to say 'yes' than 'no'. You will probably then be asked if you want a drink and again, if you want it large.

2. If burgers are not your thing, how about a visit to your local bookstore? How many times do you see the piles of 'three for two' books? Of course you can buy just one book but if you find another two that you like, you get one free so that's surely a better deal right?

Both of these are examples of upselling and as you will have worked out, upselling is quite simply a marketing method used to persuade your customers to spend more money than they had originally intended.

However, there is more to it than just forcing a few extra dollars/pounds out of your customer's pocket. You see, for upselling to work properly, there has to be something in the deal for both parties. This

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means that the customer has to benefit too. Indeed, the upsell has to be attractive to the customer in order for them to even accept it. To take the book example above, it is no good offering a pile of 'three for two' books if there is only one title that is popular or a new release – they all need to be good titles that people will want, otherwise the customers will just buy the book that they were originally interested in.

So how does upselling transfer to your Internet business?

Usually it is as easy as adding an additional 'upsell page' in between your normal ordering page and your payment page. This is especially easy with eBooks and other digital products but there is no reason why it cannot be applied to any product being sold online.

I personally use upselling on most of my websites and in a number of different ways so it is probably as easy to look at how I use upselling as this will help you to begin to apply the technique to your own website business.

I use upsells on my eBook sales by directing the customer to an upsell page after they have decided to purchase one of my products. A typical upsell will be to offer the customer the chance to purchase both the eBook that they are interested in plus one or more associated eBooks for a heavily discounted price. I ensure that the discount is considerable as this makes the deal far more attractive for the customer but involves me in no extra work if they decide to go ahead with the upsell.

With my membership sites, the upsell is slightly different and subscribers are offered the chance to make a large saving if they opt to pay for an annual subscription rather than month by month. Again, a great deal for the buyer but no extra work for me.

Upselling is an extremely simple concept yet incredibly effective. On average, 40% of my customers opt for the upsell if it is offered and I have seen situations where as many as 70% of buyers upgrade to the upsell offer.

Remember, the key to successful upselling is to give the customer a superb deal – it isn't all about forcing that extra bit of cash out of the buyer's wallet. If you don't offer great value and quality products, your customer will end up requesting a refund. But if you DO offer them a bargain then you will have a happy customer that will buy from you again and again.

To put a cash value on the power of upselling, just consider the following comparison for a moment.....

You offer a product for \$20 and 100 people buy it. Your income is \$2000.

You offer a product for \$20 and again, 100 people buy it but this time buyers are offered an upsell which costs \$40. 40% of buyers opt for the upsell offer. Your income is now \$2800 – a 40% increase!

How much extra work would be involved in handling the second scenario above? None really. If you are selling a digital product then there is no extra work but even if you are selling a tangible product, you are shipping to the customer anyway so how much additional effort is required to put the upsell

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product in the same package?

Powerful stuff and if you are not using upsells already, you really should be.

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