

Small Business “BIG” Profits

BONUS REPORT #5:

**“How To Use The ‘U Factor’ To Uncover
And Reap \$72,000 (Or More) Untapped
Profit Hidden In Your Business”**

By Bob Serling

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How To Use The “U Factor” To Uncover And Reap \$72,000 (Or More) Untapped Profit Hidden In Your Business

Would you like to increase your profits by \$72,000 with almost no effort or investment?
Who in their right mind wouldn't?

What I'm about to show you has to be the fastest, easiest way of increasing your profits you could ever imagine. I call it the “U Factor,” and if you think I'm excited about this topic, you're absolutely right. Right now my pencil is burning up the page trying to get this information down on paper for you.

The reason I'm so excited about this particular technique is that I've never seen it fail. Everyone I've ever come in contact with who has used this technique has made money with it. On top of that, almost no one uses it! So you'll gain another preemptive advantage over all your competitors.

Another reason why I absolutely love this technique is because it's so easy to put into action. In fact, you can have it up and bringing in untapped profits in about twenty minutes!

How To Start Reaping Tremendous Untapped Profits With The “U Factor”

Just what is the “U Factor”? It's a disarmingly simple technique known as an “Upsell.” Using the upsell in any type of business is incredibly simple. So simple, you can have it up and bringing in extra profits in the blink of an eye.

I'll give you the step-by-step details of how to use the upsell in just a minute. But first, there's a crucial concept that I want you to understand. It's important to recognize that the easiest person to sell more of your products to is an existing customer.

And to extend this concept one step further, you can really make some serious money when you realize that the easiest and most convenient time to sell more to your customers is right at the time that they're buying from you.

Look, you already have the person in your store or office – or ordering from you if you're selling by mail or phone. They'll never be more willing to dig a little deeper into their wallet than at this point of sale. All you need to do to capitalize on the situation is offer your customer a strong incentive to buy more right now.

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Okay, now that you understand this important concept, let's take a look at how you profit from the upsell. Getting your customers to spend a little more at the point of sale is a snap.

Here's how the upsell works. Essentially, you offer your customers the opportunity to buy even more of what you sell at an attractive discount once they've made the commitment to buy something else at the regular price. The offer goes something like this:

“Thank you for shopping with us today.

By the way, today we're featuring a sale of Screaming Blue Whamblasters at a 15% discount. Would you be interested in one?”

That's all there is to it. The items you feature in your discount offer should be very popular, quick moving items. They should also be items that have a fairly high profit margin so you can give a liberal discount and still make a decent profit.

Depending on the popularity of the item and the amount of discount, you can expect 15% to 40% of your paying customers to take you up on your offer. Not bad for virtually no effort and no additional expense!

I do have one caution for you though. Successful upselling is a function of numbers. In order to produce results of 15% to 40% (or more), your sales people must consistently present the upsell opportunity to every customer at the point of sale.

Now, let's take a look at how much a typical upsell can add to your daily profits. In this example, we'll say you own a shoe store.

First, you select half a dozen very popular styles of shoes. As well as popular, they should be styles that have a healthy profit margin built in. You set these shoes up in a special display near your cash register.

Whenever a customer buys any pair of shoes at full price, you tell them that because they are buying a pair of shoes today, they are entitled to any of the additional six styles at a full 20% discount.

If there's \$20 profit in each of these additional pairs of shoes and you get 3 out of 10 customers (30%) to take you up on your offer, you've effectively increased the average value of every sale by \$6 (\$60 / 10 sales). Now, multiply \$6 profit times every sale you make in a day, a week, or a month. It gets your blood pumping, doesn't it?

How To Customize The Upsell For Cashing In With Your Business

The upsell is remarkably easy to customize for any type of business. In this section, I'm going to show you how to use it with three different business types – retail, mail order, and service businesses.

Before I do, I want to clarify an important point. Earlier I told you that it takes about twenty minutes to have an upsell program up and running in your business. But as I've already shown you, the heart of an upsell program is simply making the offer to every customer who does business with you, after they've picked out an item at full price.

So the question that you might have is, “If all I have to do is make an offer, how could it take twenty minutes to implement my upsell system?”

The answer is simply that it may take some time to analyze your products or services to decide which are extremely popular and have a large built-in profit. While this shouldn't be too time-consuming, it may require a little time to research. But aside from that, the time it takes to put an upsell program into action is next to nothing!

Using The Upsell To Increase Retail Profits

I've already given you one example of how to use the upsell with a retail store (the shoe store example above). Here's another variation you might want to try.

Instead of offering a weekly special (or daily special, monthly special, manager's special, etc.), you're going to tie the upsell to a specific level of purchase.

Here's how this works:

Again, you set up a special selection of items close by your cash register. Whenever your staff rings up a sale, they tell the customer that because they've purchased X dollars worth of goods, they're entitled to certain items in the special section at a discount of 15% (or whatever figure you choose).

The advantage to this method is you can offer increasingly valuable upsell items for higher purchase amounts. In our shoe store example, a purchase of \$75 would entitle the customer to purchase the upsell items in Group A; \$125 would entitle the customer to purchase the upsell items in Group B; \$200 would entitle the customer to purchase the upsell items in Group C, and so on.

By increasing the desirability and discount of the upsell items in the higher price groups, you can often motivate the customer to increase their base purchase amount in order to take advantage of the more attractive upsell items. But a word of caution is in order here.

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This version of the upsell is more complicated to run, requires more staff training, and can potentially confuse your customers if you offer more than one or two upsell groups. If you decide to use this version of the upsell, keep it simple.

Using The Upsell To Increase Mail Order Profits

The upsell can produce substantial profits when used in a mail order business, both with orders that are mailed in and orders taken over the telephone. In mail order, though, you want to limit the upsell offer to just one item, or two at the most. Offering people too many choices by mail or phone can backfire and actually dilute your sales.

Here's an example. If you sell cookware by mail, a good upsell item would be a cookbook. Another would be a set of kitchen utensils. Again, the upsell item is offered at an attractive discount, but only when the customer buys the original item you're offering at full price.

As I've already mentioned, the approach you use is extremely simple. If you are taking orders by phone, it would go something like this:

“Thanks for ordering the Chefs Selection Cookware Set. To go with your new cookware, we're also offering a 20% discount on our most popular cookbook, “Quick, Easy, Delicious Meals From 46 Gourmet Chefs.

It usually sells for \$26, but today only you can get it for just \$20. Would you like to take advantage of this special offer?”

After the customer answers, you follow up with:

“We're also offering a special on a fantastic set of the most convenient kitchen utensils.

Today only you can get a six-piece set that includes three different sized whisks, a dicer, a pizza-cutting ring, and a fillet knife for just \$17.50 which is a full 20% off our regular price.

Plus, all utensils are Teflon coated for easy clean up. Would you like to take advantage of this special offer?”

That's all there is to it. Again, the key to making upsells as successful as possible is that they must be offered to every customer who orders.

If you're taking orders by mail, you simply include an upsell item with every sales letter you send out. There are many different ways to upsell in your direct mail package. It can be part of the main offer – with good deal, better deal, and best deal options.

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It can be sold in the P.S. block. I've done this many times using a P.S. that essentially says:

“Here's some late breaking news that was too late to get into my main letter. I've just struck a fantastic deal on Red Trailing Blimpwhistles, and I'd like to pass the savings on to you.

When you place your order for the Yellow Flangetracker, you can get a Red Trailing Blimpwhistle for just \$16. That's a minimum of \$4 cheaper than you'll find them anywhere. Please see the order coupon for all the details.”

Another way to present the upsell, and my personal favorite, is by putting it in a lift letter. This is a small letter that accompanies the main letter. On my own upsell offers, I usually get between 30% and 70% response. That kind of additional profit can turn a marginal campaign into a true blockbuster.

At the end of this special report, you'll find an upsell lift letter I created for a client of mine. It pulled an astounding 80% response from customers who had ordered the main product!

Using The Upsell To Increase The Profits Of Service Businesses

Upsells can increase the profits of service businesses with almost no effort and absolutely no additional expense. Some of the items service businesses can offer as upsells are other services at a discount, supplies, or pertinent books and reports.

For example, if you own a swimming pool cleaning service, why not offer chemicals, filters, and other equipment your customers can use to reduce the need for expensive maintenance and repairs? Or during the summer months, why not hire a college student with a Red Cross certification to give swimming lessons to your customers?

You can even add a second upsell to this offer. Tell your customers if they get four or more neighborhood kids to take a group lesson all at the same time, their child will get the lesson for half-price or free!

If you're a CPA, when you're preparing a client's tax return, tell them you've discovered that a mid-year review saves people an average of \$600 in taxes (of course you have to do a little research to make sure this is true). Explain that because you can fine-tune their withholding and investments, the benefit they get can be substantial.

Then inform them that a review would normally cost \$160, but if they sign up for it now, they can lock in a special price of just \$125. Think of what this would do for your profits if just 3 out of every 10 clients take advantage of your offer. If you have 500 clients, this upsell alone would add \$20,750 gross revenue to your business. All for offering an upsell

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that costs you absolutely nothing, because you conduct these reviews during the slowest part of your year!

As you can see, upsells are a fantastic way to increase the profits of your service business!

The “Hidden” Upsell Item That Can Bring Windfall Profits To Any Type Of Business

I'm constantly prodding my clients to starting using upsells on a regular basis in their businesses. But one of the most common excuses I hear is that they can't come up with a good upsell item that's strongly related to their business.

First of all, that simply isn't true. Any business that will devote fifteen minutes to creating a list of potential upsell items will easily come up with a full page of highly profitable products or services.

But even if you couldn't, there's always at least one upsell item hidden in your business that I guarantee will do landmark business. What is that item? The simple answer is:

The same item your customer is already buying!

As obvious as this might be, 99 out of 100 businesses never think of it. But the fact is, you can almost always sell more of what you're already selling to your customer with almost no effort whatsoever.

All you have to do is offer each and every one of your customers the opportunity to purchase more of the exact same product or service at a discounted price.

Here's a real life example of what I mean. I was consulting with a client who sold a line of high-quality, low-cost 35mm cameras at bargain prices. One of the first things I did for him was create an upsell for flash attachments. This upsell sold like crazy.

After he had exhausted a number of other camera related items, he called me and said he was stumped. What should he offer as his next upsell?

First I asked him what his level of returns were on his main product. He said they were a fraction of the industry standard since this camera was such a good value for the money.

I advised him to offer the exact same item, additional cameras, at a discount price. When the customers ordered, they were informed that as a special offer, they could get up to three more cameras at a 20% discount if they order today.

How well did this work? It worked like wildfire! Nearly fifty percent of all customers wanted a least one more camera for themselves, their family, and friends. My client was

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elated because the overhead to pack and ship additional cameras was next to nothing. The extra profits he reaped were sweet indeed!

You can enjoy similar profits. Just offer more of the exact same product or service your customer is already buying. You'll be pleasantly surprised by how much this adds to your bottom line!

Case Study: How An Average Business Can Reap \$72,000 In Untapped Profits (Or More) With A Simple Upsell

Now, you may be wondering how much profit you can expect to add to your business by using an upsell on a regular basis. I'm happy to report that the amount can be substantial.

In this case study exercise, I'm going to give you a worst-case scenario that will show you how the average business could expect to produce at least \$72,000 additional profit just by using this simple, but mighty, technique.

These days, an average business does about \$300,000 per year in gross sales. For our example, we're going to say that your average unit of sale is \$75. Which would mean that you're making 4,000 sales per year to produce \$300,000 in revenue.

Next, we'll say that you start offering an upsell item that costs the customer \$22 and yields \$12 in profit. If just 15 percent of your customers (the low end of our 15 to 40 percent range) take advantage of your offer, you'll generate 600 additional sales per year (4,000 X 15).

Now if you multiply the 600 additional sales by \$12 profit, your yield comes to \$7,200 of extra profit that you never would have seen without the upsell. And if you assume that you'll be in business for at least ten more years, that's \$72,000 additional profits you'll reap over that ten years.

Now maybe you're thinking that I cheated you. That I should have showed you how to make \$72,000 every year, not in ten years.

But remember, I'm projecting the low end of the scale. And the fact is, all it took you to put your upsell into action was about twenty minutes of your time. So any way you cut it, a return of \$72,000 for twenty minutes worth of effort is a windfall profit!

Plus, the fact is, you can make much more than \$72,000. If you have a hot item with substantial built-in profit, you can easily get 40 percent or more of your customers to buy the upsell item. And if you upsell multiple items at the same time, you can often double your profits on every upsell you make.

When it comes to reaping profits with upsells, with persistence and a little ingenuity, the sky's the limit!

Conclusion

Upsells are simple, they require almost no additional effort or expense, and they work like crazy! But in order to reap these untapped profits, you have to put your upsell program into action.

Now that you know precisely how to do it for your business, there's no reason not to start your upsell program today. Because, as you've already seen, a simple upsell program can increase your profits every day, every month, and every year. From now until the day you stop doing business!