

- Week 5 -
Creating Upsells And Downsells

Important Points To Remember

- Adding an upsell is one of the fastest ways to increase your profit.
- On average 30% of your customers will buy it.
- Your upsell/downsell must be a complimentary offer that is an incredible deal.
- Use a “One time offer” to encourage action now.
- Almost any offer can have an upsell! Get creative!
- Encourage staff to ask for upsells with contests. It works very well.
- Always ask for the sale! Never take that choice away from your customer!
- Ask for the more expensive upsell first!

Upsell / Downsell Requirements

- Must be presented immediately after a buying decision is made.
- When selling online use a “one click” upsell. So customers don’t enter info twice.
- Never present the upsell or add on items in the main sales pitch.
- Must enhance the initial product or service.
- Makes the main product easier, better, faster, guaranteed, etc.

One Time Offer Definition

A One Time Offer is an upsell with added scarcity. By positioning a product as a “one time only” offer, you’ll sell a lot more, however it truly has to be a one time only offer. You can’t make the same offer in a few days. You can, however, make a slightly different offer. A countdown timer will dramatically increase your conversion rate with an online one time offer / upsell.

Upsell Examples

Individual help or ongoing coaching

- Perfect for authors, experts or consultants
- Positions you as the expert
- Allows you to charge very high rates
- Can be recurring monthly / yearly.

Ongoing service / updates

- Helps to maintain the product or service to function at peak performance.
- Ensures the value of the product or service continues well beyond the purchase.
- Gives you another opportunity (later) to sell other products / services.
- Product education so the customer knows how to use the service.
- Applicable to contract work, car repair, service work, et.

Add on items or accessories

- Ensures your customer has all the necessary products to achieve their end goal.
- Usually less expensive items ie: Batteries, cables, memory card, etc.
- Saves the customer frustration (having to return to the store for batteries)
- Works well when bundled as a package.
- Enhance the product / user experience.

Extended guarantees

- Provides peace of mind for expensive purchases.
- Keeps the product working as it should.
- Saves customer money over (potentially) costly repairs.
- Often extremely high margin
- A strong guarantee increases the overall value of the product!

Continuity items

- Perfect for consumables or items that need to be updated/replaced monthly.
- Guaranteed recurring revenue.
- You're continually placed in front of your ideal customers.
- Causes customers to come back and spend with you more often.
- Low priced recurring items rarely get canceled.

Use The Space Below To Brainstorm Your Upsell & Downsell

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Your Notes

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-Week 5 -

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What We're Doing In Week 5

- What is an upsell & what are the benefits?
- How a downsell works
- How to fit upsells into your business
- How to create your upsell
- How to promote your upsell
- Examples in different markets
- Big sales push #2

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What Is An Upsell?

- "Would you like fries with that?"
- McDonalds - Most profitable 6 words in history - they instantly doubled the sale!
- 1/3rd of people will say yes to almost anything regardless of price. It makes it very easy to double the average value of a sale.
- The easiest sale in the world to make since they've already said "yes" to the act of purchasing.
- Always have other products that your customers can purchase.
- This is the #1 fastest way to increase your profit now. It takes almost no extra effort!
- Great example: Batteries, extended warranty, fries, tie, leather cleaner, scotch guard, etc...

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Picking The Right Upsell / Downsell

- Must be complimentary to your main offer
- Must provide incredible value so that it sells itself
- It can be batteries for a digital camera, a lifetime warranty, personal training.... anything!
- Can make the initial product / service faster, easier, more convenient, guaranteed, etc.
- It's much easier to get someone to say "yes" again after they've already purchased something from you.

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Selling Something More Expensive

- You're always going to have customers that want to spend more money with you. Let them!
- Higher priced products or services position you as the leader in your industry.
- Increases the average value of your sale faster than less expensive items.
- They make your lower priced products seem like a bargain
- Fewer sales are required to meet your sales minimums
- Generates higher quality customers

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Selling Something Less Expensive

- Usually offered as an alternative to the more expensive option
- Similar product but not quite as complete (consider it a "light" version)
- Simply remove a few services from the first option and lower the price.
- For customers that want something else but aren't able to commit to the higher priced option
- Accessories or anything that enhances the customer experience (ie: batteries, memory card, camera case)

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When To Ask For The Sale

- Right after they've made a buying decision for the initial item. They have a lot of forward momentum! There will never be another time when they are more likely to say yes.
- Online -> Immediately after the initial purchase
- Real World -> After they've made an agreement to purchase.
- An upsell isn't an upsell unless you've introduced it to them after they've agreed to purchase.
- Mentioning the upsell ahead of the initial purchase leads to customer confusion and the loss of a sale. Focus on the initial sale first and only AFTER they agree to buy, show them the upsell.
- Do not wait to get to the cash register to talk about the upsale. They've already calculated the price in their head by that point and won't spend more.

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What is a "One Time Offer"

- Scarcity for upsells - It encourages the prospect to buy now.
- The offer is only ever offered once otherwise you can't call it a "one time offer". "One time" = stronger call to action
- If the offer is appealing enough, a large % of your customers will buy it just because you ask. If you make a compelling sales argument - many more will buy. ie: Would you like rechargeable batteries? It'll save you money in the long run and they last longer.
- One click upsells (online) can convert at over 50% for complimentary products of the same price. This turns a \$50 average sale in to a \$75 average sale with no increase in advertising!
- Hint: Use a countdown timer for added scarcity online

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- Types Of Upsells -

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Individualized Help or Coaching

- Instead of the person buying just the product or service you help them achieve the goal they want. Ex: Gym membership / personal trainer.
- Allows you to charge very high rates and positions you as the expert.
- Helps your customers get better results.
- Customers love having access to the expert.
- Can be very profitable, very enjoyable work.

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Service / Update Packages

- The customer is offered something to help maintain the product or service. ex: Lawn installation / weekly summer maintenance.
- Keeps the product / service working as it should.
- Protects the investment the customer makes.
- Customer can buy subscriptions guaranteeing recurring revenue and peace of mind for the customer.
- Example 2: Summer/Winter tire & lube,oil & filter maintenance package.

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Add On Items

- Items that enhance the experience the customer will have with the product or service they're buying from you. ie: Customer buys new TV & needs cables to hook it up.
- Helps the customer avoid another trip to the store. ie: "This doesn't come with batteries - do you need some?".
- Customer ends up appreciating you looking out for them. It's a real headache to have to go back to buy batteries!
- Essential accessories for your product or service
- Works well when bundled together as a package.
- ie: New camera: Batteries, charger, camera bag, memory card, tripod, software, warranty, etc...

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Extended Guarantees

- Extremely high margin!
- A large percentage of people will purchase this if you explain it in a logical, common sense way. Show them the benefits of the service.
- Only a small percentage of people will take advantage of the warranty.
- Big benefit = peace of mind in the investment they're making.
- A strong extended guarantee increases the value of the product! Buy it once and have it "forever".

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Continuity Items (memberships, discount clubs, vip programs)

- Sell VIP memberships, "x of the month subscriptions", buy in bulk.
- Guaranteed recurring revenue covers future ad cost! It's fantastic!
- Low price recurring subscriptions rarely get canceled.
- You get paid to stay in front of your prospect!
- Customers are significantly more likely to return.
- Ex: Restaurant: VIP Membership - \$19 / month. 1 Chefs special meal each month + 1 alcoholic beverage.
- A busy business attracts more clients - people want to do what others are doing

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Structuring Your Offer: Online

- As soon as someone makes a purchase they're redirected towards another page with an offer on it.
- My preference: Short video (3-5 minutes) with benefits, scarcity and a call to action.
- Buyer only has to click 1 button once to confirm the purchase. This makes it VERY "low barrier".
- You can stack multiple offers -> Upsells on upsells. Just don't go crazy!



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Structuring Your Offer: E-mail

- Subject: %FIRSTNAME% - Thank You!
- Thank them for their purchase (send purchase info).
- Give them the opportunity to buy offer at special one time discount.
- Expires in 24 hours
- Write "personal style" e-mail.
- Always look for the "path of least resistance" when asking them to take an action. ie: Call you to process the sale vs process it themselves.

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Structuring Your Offer: In Store / Phone

- Know your “upsells” ahead of time. What compliments your product / service well?
- Ask every customer, every time. Don't make the decision for your customer!
- Educate your staff - have them ask every time! Make it a contest!
- Have pre-assembled “packages” that makes the buying decision easy. ie: Customer comes in to buy a camera. Salesman sells him a camera and offers him a “required camera accessories” package. This makes the decision convenient and easy.
- Mark in their “profile” or in Active Campaign that they purchased!

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Examples & Ideas

- Dentist -> Whitening for 1 year
- Restaurant -> VIP Discount Card
- Lawyer -> Buy hours in bulk
- Car Wash -> Perma Wax the car / rust proofing
- Music store -> Instrument setup / lessons
- Car dealership -> warranty / tires / storage
- Consultant -> Monthly retainer / recurring subscription
- Any complimentary product or service!

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Key Points To Remember:

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- Your upsell/downsell must be a complimentary offer that is an incredible deal.
- When an upsell doesn't work, try a downsell.
- Use a “One time offer” to encourage action now.
- Almost any offer can have an upsell! Get creative! If you need help, let me know.
- Encourage staff to ask for upsells with contests! It works very well.
- Always ask for the sale! Never take that choice away from your customer!

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Week 5 Homework - Big Sales Push #2

- Create a more expensive offer.
- Create a less expensive offer.
- Use your swipe files to create a short promotion (4 Day Cash Machine, Pain-Pain-Promo, etc). - Follow all direct marketing rules!
- Send to me for review.
- Send to your subscribers & count the sales!
- Add to your sales process and funnel. Make sure all staff knows!
- Finish reading the two marketing books you chose from the recommended reading section.

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Next Week:
Using Analytics To Guarantee More Sales

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