

StreetSmart Marketing

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Suggestive Selling Increases Profits At Very Little Cost

Suggestive selling is a simple and inexpensive marketing technique used at the time of a purchase to increase sales and profitability. It is often relatively easy to add 10 to 20 percent more to an existing sale or get an existing customer to buy just one more item or a larger version of a given item. One technique that we suggest business people try is to properly suggest the most profitable version of the item being ordered.

For example, in a restaurant, when a customer orders a soft drink or other items that come in several sizes, most servers ask, “what size?” Instead of asking the customer which size item he or she wants, respond with, “Is large okay?” By suggesting the most profitable option, you are likely to increase the number of large items sold. That translates into additional profits without any additional marketing dollars being spent.

Another way to increase your average transaction is suggesting an additional complementary item. Oftentimes this can add another 20 to 30 percent to the transaction. We’ve used this approach when offering one of our audio albums in a direct response campaign. The special offer allowed customers to buy an \$80 album for only \$49. When they called into to buy the album, we also offered them an additional single cassette of a live speech on a similar subject. They could add this bonus cassette to their order for only \$9.95. (Our cost for the tape was about \$1.) We found that half of the call-in orders also agreed to pay the additional \$9.95 for the cassette. That resulted in increasing the average transaction by \$4.97, or a little more than 10 percent.

The key to implementing this add-on strategy is to first identify those products or services that you can easily use to add on to a sale. The add-on item needs to be high profit margin, easily sold and have a value of between 10 and 20 percent of the main product or service you sell.

The next thing to keep in mind is the timing of offering the add-on product or service. Do this just after you’ve confirmed the main sale. After you’ve gotten the commitment from your customer or client, then you make your add-on suggestion. It usually goes something like this, “By the way, many of our customers like to have the benefit of our (insert name of item), which allows you to get even more value from the (insert name of item just sold). It’s only (insert price) more. Would you like me to toss that in for you?” Notice how low key the presentation is. You want to make it sound like you just thought of this extra thing.

Lastly, as you start working with your add-on program, be sure to track the results you get. Through trial and error, you’ll be able to determine the best item and price-point for your add-on program. Once you do, continue to fine tune that offering to see if it’s possible to improve further. Test the results by raising or lowering the price of the add-on slightly. Also, experiment with other add-on items. Try to uncover if it is possible to substitute your current successful add-on item with another one that is more profitable at the same price-point.

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