

Increasing your average customer value

Five Dollar Posts Transcript Bonus By Rachel Rofé

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All right, now let's talk about the true secret to success with paid ads, and there are two key concepts that you have to know about this, about the true secret. The first is, All traffic works profitably is your average customer value is high enough. All traffic, I mean Facebook traffic, you can get as much traffic as you want. Traffic is everywhere online. I'll sell you some traffic. Everyone is out there selling traffic. Google sells it. Facebook sells it. Instagram is starting to sell it. Pinterest is selling it. Plentyoffish.com is selling traffic. You can go to NextMark.com and find email lists you can buy. If your average customer value is high enough, the average value that you make from a customer, then you can buy traffic from anywhere. If the average value for every thousand visitors you get is high enough, you can buy traffic from anywhere.

The other concept is, he who can spend more than the competition wins. You'll get all the leads, you'll get all the customers because you can outspend the competition. You can bid up the ads and you can outspend them. You can buy ads on Bing even, Microsoft Bing, everywhere, Yahoo. It's not just on Facebook. Check out Yahoo. You ever go to Yahoo and scroll down and see these ads? Most people don't even notice, but these are sponsored ads. They call them Native Ads. It looks like an article, but these are really ads that you can buy on Yahoo and different networks. They're called Native Ads. You scroll down, you'll see it time after time, sponsored ads. It just shows you that traffic is everywhere, it's not just on Facebook. Facebook is a way to get cheap traffic to get started out. Eventually, you want to scale up big and that

all comes as a result of having a good lead funnel, a good sales funnel, and being able to spend money to make money, and being able to have a high enough average customer value.

That example that I gave you, how much money would you spend if for every \$1.50 you spent you made back \$2, how much money would you spend? You could put that on a credit card and pay it off before the credit card is due and cash in. A lot of people run their business that way. They take a little small loss and have 30 days to pay off their expenses, but they end up making so much money off the revenue and commission. That sales number I showed you just from that one email that's all profit. I just sent an email. It didn't cost me anything to send that email. I just sent it. Boom! That's all commission and profit just for one day's worth of work. It wasn't even one day. It was like three minutes of actual typing it up, and I probably worked two hours that day. But it just shows you that when you build your list, it's just a powerful vehicle for residual income, and that's what I want to teach you in this program.

I've gone through this sales flow before and this is how I put it together in terms of increasing my average customer value. Think about after someone buys a small front end product, maybe a 17, 27, 47, whatever is considered an impulse buy for your market, after they buy that, what can you offer them to add on to that to enhance that experience? If you look at some of the people who do it best, have you ever checked out VistaPrint? Have you ever gone through their process? They used to offer free business cards, and I wondered why they were doing that, free business cards. You could get 500 business cards for \$9.99, and they give you this promo card to apply it. But the reason that can do this is because people spread the word like, "Oh, use VistaPrint, you can get your cards fast for \$9.99 for 500 cards." They undercut the competition in terms of the front end product price because they know they can take that small loss upfront in order to bring in leads because they know that average customer value for that transaction is high.

What they do is sell you on, "Do you need stationary? Do you need envelopes? Do you need letterhead? Do you need a website? Do you need marketing?" They know someone with business cards is going to need all types of stuff, postcards. They're going to need presentation folders, corporate gifts, magnets.

They know that over time, people are going to come back. Even in the initial sales process they're going to offer you a bunch of other stuff where the average customer value is probably in the hundreds of dollars just from that initial transaction. So that they can spend a lot of money advertising this free business card offer or \$9.99 business card offer because they know they're going to make money. And the same thing with GoDaddy. GoDaddy just recently went public, and same process. Have you ever bought a domain at GoDaddy? Personally, I use NameCheap because I like them better, but GoDaddy, they don't make much money, if any money, on the initial \$10 domain that they sell you, but they're selling you website design software, website building software. They're selling you all types of different software, SEO software. They're selling you services so they know that you're going to need these things as well. The same way you go to Walmart. You might go to Walmart and you see all these things near the checkout. You have mints, and on your way out you end up picking up some mints. You end up picking up some chocolate bars or impulse items on the way out. That's how they pad their average customer value.

So it's the same concept and once you grasp that concept and start thinking in terms of "What else can I offer? When people buy my front end product, what else, after they buy, can I offer that enhances their experience? That adds on something else they might need." And when you start thinking in those terms, you can increase your average customer value. And then advertising becomes a lot easier. A lot easier. Let me show you a conservative example, and I showed this in my presentation so I'm just going to go through it quickly again. So let's say you get 1000 clicks at \$1 each. That's 1000 clicks. That's \$1 each. That's

very conservative. You should be able to get clicks. Using what I'm teaching you, you definitely can get clicks for less than \$1. And you send them to a squeeze page to get a free report, or free e-book, free offer, or a free giveaway, free physical product giveaway, free plus shipping type giveaway, and you get 30% of those people taking that offer, which will be 300 leads for \$1000. So you spend \$1000, you get 30% of those folks, you get 1000 clicks, you end up getting 300 leads at \$1000. Are you with me? Good. Say 3% of those 300 leads end up buying a \$50 offer off of your site, like after they opt in, you give them a \$50 offer.

So maybe the first offer could be, "This amazing trick that I learned helped me reduce strokes off my golf swing. Get this free e-book, I'll show you exactly how it works." Okay, great. And then, after they get their free e-book, you give them their free sample, and then you say to them right after they opt-in, "Also, if your serious about your golf game, get my full course right now. I'll offer you a special deal on it. The full course is usually \$500, but I'll give it to you..." let's say impulse item. "It's usually \$100 but today, I'll give it to you for \$27. You can get my DVD on how to improve your golf swing exactly how I did it. So in addition to the e-book, which I can only show you certain things in text, I'm going to show you the video of exactly how I did it." So if they're interested in the e-book, they're likely to be interested in the video too. So the e-book is a sampler, the video is actually more of a main product. So say 3% of those people take that, nine of them end up buying a \$50 offer. Did I say 27 or 50? Let's say 50 just for this example, so you end up making \$450. So you spend \$1000 and you made \$450. So you take a \$550 loss upfront.

But say you have a high ticket offer to increase your back end product. Say your high ticket offer is something like, "Join my group coaching program where I'm going to be critiquing your golf swing." I don't know. I'm just making this stuff up. but you get what I'm saying. "Join the group where we help each other and we share videos on what's working, what's not working, how to improve your golf swing, how to

improve your golf game. Join the exclusive, most elite community of serious golf enthusiasts on the internet." So you have that and you have a webinar that sells them that, or some type of ESL, or maybe you sell it on the phone. For everyone that buys that offer, you get the phone number with the order. That's one way of doing it. So say 100 of those 300 leads end up getting your offer, end up seeing your higher ticket offer. So say your higher ticket offer is \$500 to join to exclusive group.

So 3% of those 100 people who see that offer end up buying your \$500 offer, and your sales are now \$1500 for those 3 people, 3 times 500, plus the initial \$450 you made on that initial offer, so your sales are now \$1950. You see what I did there? You made \$450 here, then you added this upsell of \$500. You got three sales, which is only 3% of the people who saw that offer bought it. Now, you're at \$1500 plus the initial \$450 equals \$1950 on the same exact \$1000 spend.

So you can see how putting one little higher ticket offer into your funnel increases. How much would you spend if for every \$1000 you spend, you made a profit of \$950? How much would you spend then? And these are realistic conservative numbers. That's how you increase your average customer value, and next we're going to talk about the money being in the followup. And I'm going to show you a specific example of how I do all of this stuff and the thought process behind it in the next couple of videos.