

PROFIT BRIDGES

3 strategic “connectors” for doubling
your profits ...with no cost and no risk



BOB SERLING

Copyright Notices

Copyright © by Bob Serling

All rights reserved.

No part of this publication may be reproduced or transmitted in any form or by any means, mechanical or electronic, including photocopying and recording, or by any information storage and retrieval system, without permission in writing from the publisher. Requests for permission or further information should be addressed to LicensingLab, 2033 San Elijo Avenue #220, Cardiff, CA 92007.

Published by LicensingLab

2033 San Elijo Avenue #220

Cardiff, CA 92007

www.LicensingLab.com

Printed and bound in the United States of America.

Legal Notices

While all attempts have been made to verify information provided in this publication, neither the author nor the Publisher assumes any responsibility for errors, omissions or contrary interpretation of the subject matter.

This publication is not intended for use as a source of legal or accounting advice. The Publisher wants to stress that the information contained herein may be subject to varying state and/or local laws or regulations. All users are advised to retain competent counsel to determine what state and/or local laws or regulations may apply to the user's particular business.

The purchaser or reader of this publication assumes responsibility for the use of these materials and information. Adherence to all applicable laws and regulations, both federal and state and local, governing professional licensing, business practices, advertising and all other aspects of doing business in the United States or any other jurisdiction is the sole responsibility of the purchaser or reader. The author and Publisher assume no responsibility or liability whatsoever on the behalf of any purchaser or reader of these materials.

Any perceived slights of specific people or organizations is unintentional.

Introduction

How the Internet and Artificial Intelligence actually harm your sales

If you're a business owner or entrepreneur with an operational business, even if your sales appear to be good, I can promise they're nowhere near what they should be. And by operational business, I mean that you have a quality product or service, an email list you stay in touch with on a regular basis, and preferably have annual sales of \$1 million or more.

In fact, I can tell you unequivocally that if you have annual revenue of \$1 million or more, you're leaving a minimum of \$100k extra profit on the table. Every year.

There are three reasons why this occurs and they deeply affect every business. And I mean *every business*, without exception.

I'll show you what these three reasons are and how to quickly course-correct in just a minute. But first, it's important to understand the foundation that created these critical problems.

And that foundation is...

The Internet to start with, and now the addition of Artificial Intelligence

And no, I'm not anti-technology. In fact I rely on the Internet for most of my own business and I employ Artificial Intelligence on a regular basis.

So what do I mean when I name these two technological innovations as the actual culprits that are crippling your sales?

To put it simply...

They've made us lazy!

Yes, lazy. Marketing has become so inexpensive and so easy to do with just a few clicks or taps, that we've forgotten the most important principles for maximizing our sales.

In order to fully understand this, let me take you on a trip back to 1991 and you'll see exactly how the twin powerhouses of the Internet and Artificial Intelligence are unwittingly harming your sales.

Critical lessons from one of the most expensive forms of marketing

Back in 1991, before the Internet became widely popular, the primary method I used for promoting my products and services was direct mail. And because mailing costs were so expensive, I relied heavily on postcards as my main method of making the initial contact with prospects.

The complete process looked like this...

- Create a postcard with a strong headline and body copy offering a free report with more details
- Include an 800 number with a short, recorded message where people could leave their name and address in order to have the report mailed to them
- Collect the names and addresses of people who responded daily and either mail them your complete report or pay a fulfillment house to do this

As you can imagine, the expenses to do this added up quickly. First, you had to rent a list of prospects. And the best lists were the most expensive, because they were made up of people who had already bought something similar to what you were offering. That's because previous buyers always bought more than people who were on a list that was compiled from people who lived in a certain area or belonged to a certain organization.

Because buyers lists were the most expensive type of list you could rent, this was always your largest expense. And a list rental only entitled you to mail to that list one time. So if you wanted to mail to that list again, you had to pay the full rental fee again.

Next, you had to print your mailing piece. In my case, as I mentioned, to keep costs down, I used postcards for my mailing piece. Even though this was less expensive than a full mailing piece stuffed in an envelope, it still racked up another significant cost.

Whatever you mailed required postage, so this created even more expense, particularly if you were paying for first class postage.

Then there was the cost for the use of an 800 line. If I recall correctly, it was approximately \$1 per call.

If you used a service to collect the responses on your 800 line and send out your report, that was yet another cost. Plus, there was the significant cost of printing your report, having it stuffed into envelopes, and the postage to mail it.

When you added it all up, the total cost to send postcards to a list of 25,000 people, was around \$1 per person. So you were \$25,000 in the hole before you made a single sale. Not to mention that \$25,000 in 1991 was the equivalent of \$58,700 in today's dollars.

But that wasn't even the biggest problem

Costs were obviously quite high. And while costs were clearly a major concern, they weren't the biggest problem you faced with direct mail. The truly huge problem was the fact that...

The average response rate across all industries was a meager 2%

What this meant was that 98% of the money you spent was wasted. And there was no way to recover it.

Except for one...

Turning a challenging situation into considerable profits

The high costs and low returns that were typical of direct mail presented a significant challenge for making back your money. At a minimum of \$25,000 per mailing, you had to get quite good at optimizing your returns quickly if you wanted to stay in business.

While there were no guarantees for doing this, there were three main ways to substantially increase your odds of turning a profit – with the ultimate goal being to *turn a substantial profit*.

Method #1 was to focus on creating the most effective offer possible. Multiple studies have shown that 90% of all offers fail. So it was critical to understand the components of human behavior and solid marketing principles that resulted in a highly effective offer.

A solid offer could make nearly any mailing profitable. And an exceptional offer could send your sales through the roof.

Method #2 was to focus more time and effort on back-end sales than on the initial sale. Harvard Business Review reports that it's 27 times easier to make a sale to a customer who has already bought something from you than it is to make a sale to a cold lead. So leveraging this understanding was critical to building a profitable business.

Method #3 was understanding that not all customers are created equal. Some customers will buy more than others. Some will regularly buy your higher priced options. And a few "golden customers" have both these attributes. Conscientiously working to identify your customers who fall into these categories was critical for maximizing your profits.

Let's return to today and the near-invisible challenges caused by the Internet and Artificial Intelligence

Now, I didn't take you on a short trip back into the past just for the sake of entertainment. My real purpose was to clearly demonstrate how the Internet and Artificial Intelligence has made the vast majority of business owners and marketers lazy. Not through any fault of your own, but by creating a false impression of what it takes to fully optimize your marketing.

In today's marketplace, the cost of testing ads online is ridiculously cheap. You can realistically test on just about any social media platform – including Facebook, Instagram, YouTube, and Google – for just \$25 per day.

And while it used to cost thousands for the copywriting and design needed to create a winning ad, with the widespread availability of powerful AI tools, you can now pump out a decent ad in minutes. And all it costs is about \$30 per month for the AI tools needed to create an unlimited number of ads.

Because of this, marketers have become lazy.

We no longer invest hour upon hour striving to create the most powerful, most effective offer possible. Why should you when you can test one offer for \$25 and if it bombs, you just move on to the next \$25 test?

We no longer give any thought at all to making sales on the back end. Need proof? Look no further than your own marketing.

When is the last time you scheduled a series of follow-up offers to every customer who buys something from you? And do you have these series of follow-up offers built for every product and service you sell? I rest my case.

We no longer make any distinctions between a customer who buys once and customers who buy multiple times. We no longer make any distinctions between customers who regularly buy our most expensive products versus customers who are only looking for a bargain.

We no longer do any of these things, because marketing online and Artificial Intelligence have made us lazy. They've caused us to believe that all marketing is cheap.

But that's a false narrative.

Because haphazard, lazy marketing IS cheap. But it's also extremely ineffective.

Plus, the truth is that properly designed marketing costs little more than mediocre marketing. And in many cases, as you're about to see, it costs you nothing.

That's because every business already has assets they aren't fully capitalizing on. And all that's required to convert these assets to far more sales and profits are *small bridges* that connect your marketing to these untapped profits.

Plus, because you're leveraging assets you already have, you can realistically double or triple your profits with no cost and no risk.

So let's take a look at exactly how that's done. What I'm about to show you are three **Profit Bridges** you can use to realistically double or triple your profits. And how easy it really is to implement them immediately.

Profit Bridge #1

Improve Your Offer

I'm starting with this **Profit Bridge** first because it is the single most critical component for growing your sales and profits. In addition, improving your offer significantly affects two other important components of your marketing, which I'll get to in a minute.

The flip side of this is that without improving your offer, your sales will consistently fail to meet your expectations, but you won't understand why. And clearing that up is another reason why I'm starting with this critical Key first.

Proof of the value of an exceptional offer

Putting in the time to understand what's required to create an exceptional offer and then creating one is not just another marketing exercise. It can make all the difference between struggling to make sales and making substantially more sales with ease, often for years to come.

For example, a Wall Street Journal sales piece commonly referred to as "The Two Young Men Ad" demonstrates the immense power of an exceptional offer. It presented the story of two men who graduated from the same college and pursued similar career paths.

When they returned to their college reunion 25 years later they were still very similar. Both were married, had three children, and had taken jobs with the same company.

But there was a significant difference...

One was the manager of a small department at that company. The other was its President.

What made the difference was having superior business knowledge. Having the right knowledge at the right time. And knowing how to apply it.

And THAT is the core of the Wall Street Journal's exceptional offer.

Here are the actual results of the Journal's exceptional offer

The structure of the offer in this ad was to deliver a powerful message through the story of two very similar men who follow similar paths, but end up a world apart. And the story that delivers that message makes the reader feel confident that the *experience* the man who became president of the company had could also be their experience, with everything they can gain with a subscription to the Journal.

Keep this in mind, because I'm going to circle back to it in a minute and show you why the *experience* a customer has in using your product or service is critical to your success. But for now, let's look at the results this offer produced. And I'm certain it will fully clarify the value of an exceptional offer over a mediocre offer.

Before this offer and the ad that presented it were created, the Wall Street Journal was basically treading water. Their conversion rate was around 3% of the prospects who saw their offer.

But things changed, and changed quickly, with this new offer. Sales conversions immediately jumped from 3% to 15%, which was practically unheard of.

In addition, this offer was so strong that nothing else the Wall Street Journal tested against it could beat it for 28 years! So it ran consecutively, month-in and month-out for 28 years in a row. Because of this, it is considered to be the longest running ad in the history of modern marketing.

And the revenue it produced was just as massive. Over the period of time this ad ran, it accounted for more than \$2 billion in subscription sales. And in today's dollars, that amount would easily be double.

That is the power of an exceptional offer!

How to tell if your offer is as effective as it should be

So now that you've seen what a great offer looks like and the results it can produce, that brings us to the question, "How do I know if my offer is anywhere near as effective as I'd like it to be?"

Fortunately, it's actually quite easy to determine. If you have a quality product or service that you've created an effective marketing campaign for, but that campaign produces significantly fewer sales than you expected, then you have a problem with your offer.

Most importantly, in order to correct this and finally start producing the volume of sales you know are possible, the solution must be to create a better offer. Because even the best product or service won't sell well if you don't fix your offer.

And don't just take my word for it. According to a recent study published by LinkedIn, 90% of all offers fail. Yes, a full 90%.

So as I said, if your current marketing campaign doesn't produce the results you really want, which is more than likely, then you won't be able to consistently get better results unless you improve your offer.

Why is it that so many offers fail?

Now that you understand that 90% of all offers fail and that the value of improving your offer can be immense, we haven't yet uncovered *why so many offers fail*. Especially because most companies devote a considerable amount of time to creating their offers.

So let's clear this up. First, I'll show you exactly why so many seemingly good offers fail. Then, I'll show you what to do to dramatically improve your offer right now.

The reason why so many offers fail, or at best, produce mediocre results, is that companies create their products and the offers for them based on the *features and benefits* they think their customers want most.

BUT, that's not how customers judge a product or service.

Customers actually use your product or service, often on a daily basis. So the real basis for a customer judging a product is the *experience* they have when using it.

And as I mentioned a minute ago, what made the Wall Street Journal's ad so effective was that it made the reader feel confident that the *experience* the man who became president of the company had could also be their *experience* with the knowledge and tools they would get through their subscription.

The ad painted a clear and unmistakable picture of what the difference was in each man's life. And it delivered the point in as strong a way as possible, but without hype, that this difference can be experienced and enjoyed by the person who makes the smart choice to subscribe to the Journal.

So if you want to be able to create offers as often as you'd like to that convert as many prospects as possible to paying customer, your offers must focus on the outcome your prospect wants AND the experience they'll have in getting that outcome.

As you can see, this is very different than the way you've been taught to create a compelling offer.

A nearly foolproof way to create exceptional offers

Once you understand that building your offer around: (a) the outcome your customer most wants to get from your product or service; and (b) the experience they want to have while getting that outcome, you now have a nearly foolproof way to create offers that make you stand head and shoulders above your competition.

However, in order to determine the exact outcome your customers want and the ideal experience they want when getting that outcome, you can't rely on the old ways of creating your offer. You can't rely on your own knowledge of the market.

What you must rely on instead, is what I call **Deep Customer Intelligence**. Which means that you have to turn to your customers and find out from them, what they really want.

In order to do this, you can't use the typical approach of surveying your customers to find out which of three or four different options you've come up with they like most. Because all you're really achieving is finding out which mediocre choice they like most. Which has little or no bearing on whether they would actually buy it.

Instead of asking your customers which predetermined choice they like most, you need to start with a blank slate. And you must conduct your research with *actual customers only*. Because as you'll see from the four points of information that you want to gather, only your customers can give you complete feedback, not your prospects or subscribers who joined your list by taking a free lead magnet but haven't bought anything.

The **Deep Customer Intelligence** you need to identify by surveying your customers is:

- What problem were they experiencing that made them consider your product or service?
- What experience did they have with other products or services that fell short of getting them the results they want?
- What is the exact outcome they wanted to get from your product or service?
- What experience did they want to have when getting that outcome?

The results of this survey become the foundation for creating an offer that has exceptional appeal to your prospects – because it's based on the actual outcome and experience customers who are satisfied with your product said they want most. And nothing else can come close to matching this.

How to use your results to create an exceptional offer

Once you've collected your research, you'll begin to see patterns that you never recognized before. How could you when you were relying on your own expertise instead of having your customers reveal what matters most to them?

Nearly always, the path forward will be obvious. It will become crystal clear what outcome is of the greatest importance to your customers. And what the ideal experience looks and feels like that they want to have when getting that outcome.

These are the elements that become the backbone of your offer. You don't need to make it complicated and you don't need to look any further than this. All you need to do is remember that building your offer on the exact outcome your customer wants most plus delivering the ideal experience in getting that outcome is an outright winner every time.

In just a minute, I'll give you a couple examples of real life offers that were created this way and the results they produced. But before we get to that, there's one more important aspect of creating an offer your competitors can't hope to match.

The two hidden components of an exceptional offer

Most people think of their offer as being the price of their product, the terms, and any extras that are included to get the benefits that are promised.

However, as you've already discovered, those elements fall well short of what it takes to create an exceptional offer that delivers the outcome and experience your customers really want. And in addition to creating the type of exceptional offer I'm talking about, you also need to include two other important, but often hidden, components.

Now, I don't mean hidden in the sense that you can't see them. But in the sense that most people don't consider them as critical components of their offer. Which is a huge mistake, because including these two hidden components is essential to creating the most effective offer possible. These two components are:

Component #1: Proper positioning

Component #2: Effective messaging

Let's take a deeper look at each of these components.

Component #1: Proper positioning

Often, when you conduct your research to determine the exact outcome and experience your customers really want, you'll discover that your product is positioned improperly. And changing how you position your product can make all the difference in the world.

For example, one of my clients discovered that their customers considered one of their bonus items to be the most desirable feature of their product. Customers felt that this bonus

was the most important component for getting the outcome they wanted most and that the experience they had in using this bonus was ideal.

But my client was about to remove that bonus because they considered it to be a low priority, while taking extra time to deliver! So they quickly changed course.

By repositioning their product to make the qualities of the bonus the main focus of their offer, they were able to charge a much higher price for that product. As a consequence, they experienced the greatest increase in profits they had ever produced.

Component #2: Effective messaging

To put it simply, if you're focusing on the wrong outcome and experience that your customers want, your messaging will always be ineffective. It will focus on elements of your product or service that are less important to your customers than what they really want. Which means that it naturally produce fewer sales than are possible.

Fortunately, the solution is simple. Having conducted your research properly, you now know unequivocally what outcome and experience to build your offer around. So it's just a matter of aligning your messaging to describe how that outcome and experience is delivered to take your sales from lukewarm to the highest level possible.

How well does this work? For one of my clients who is a very well known trainer in the leadership market, it turned out that one of the highest priorities of his customers was the ability to rub shoulders with him in person.

Now, you'd think that would be unimportant to high-level executives of successful corporations, but that point was repeated again and again in our survey results. So we changed the messaging to put a much greater emphasis on this point – and we increased the price substantially, since this trainer's time was at a premium.

As a result, my client produced an additional \$234,000 in profits by aligning his messaging with what was most important to his customers. And nothing else was changed in the program itself.

This never would have happened without the **Deep Customer Intelligence** that revealed not only the exact outcome the customer wanted, but the experience they wanted of working directly with this expert. Then using that experience as a key component of the messaging.

Creating the most powerful offer possible – your Linchpin Offer

Whenever I work with a client, my goal is to create the most effective offer possible. An offer that can easily double their sales immediately and keep producing that level of sales for years to come.

In order to achieve this, you have to create an offer that makes your product or service stand out as the *only choice for your market*.

This is what I call a **Linchpin Offer**.

Remember, all great offers start with understanding the outcome your customers really want – and the experience they want to have in getting that outcome – at a far deeper level than your competition. And this is done by surveying your customers to gather **Deep Customer Intelligence** on the four types of information I listed earlier.

Then, once you've collected this deeper form of intelligence, you create your **Linchpin Offer** using this formula:

Offer + proper positioning + effective messaging = your Linchpin Offer

Always remember – using all three of these elements to create your **Linchpin Offer** is the single most important thing you can do to produce the level of sales you really want.

Profit Bridge #2

Master the Back-end

What would you do if you knew for certain that one type of sale was 27 times easier to make than all others? And as much as 90% more profitable.

You'd focus a tremendous amount of attention on making that type of sale, am I right?

But here's the thing...

According to the Harvard Business Review this type of sale is available to you every day of the year. And there's no mystery in how to capitalize on it.

The type of sale I'm talking about is back-end sales. Also known as repeat sales to your existing customers.

Now, if you think about the massive 27X advantage that HBR reports you get with back-end sales, the reasons for them being so beneficial are obvious.

FIRST – People will always buy more from someone they trust. So once you've delivered a product or service that lives up to what you promise, you've now gained a deep level of trust. And this trust can be capitalized on immediately by selling your customers something additional of true value.

SECOND – It costs you nothing to make back-end sales. Because you already have a paying customer's contact information, you don't have any cost to make repeat sales to them. All it takes is an email with a compelling offer.

You don't need to pay a penny for traffic. You don't need to create a complicated funnel. You don't need to jump through a single hoop. Just a solid offer, sent by email at no cost, is all it takes to make back-end sales day-in and day-out.

So let's take a look at a couple methods for making back-end sales with just minimal effort.

Method #1 – Immediate follow-up

The minute a customer buys your product or service, an automated series of follow-up emails should be triggered. I prefer to have 3 to 5 emails scheduled every other day.

Each of these emails should offer an additional product or service with a brief explanation of the benefits your customer will get. And each of these emails should end with a link to a sales page for that particular product or service.

The products or services you offer can be your own or they can be products and services from other companies. Both types sell well, because the sale is made based on the trust you've earned with your customers, not the source of each product or service.

Method #2 – Simplified Joint Ventures

As I just mentioned, selling your customers the products or services of other companies is easy, because all sales are based on the trust you've established with your customers.

In addition to this, there's another powerful factor at play here. You see, no single product or service – including yours or mine – gives a customer everything they need to achieve their complete goal. There are *always* a number of other complimentary products or services that are needed for a customer to reach their complete goal.

For example, let's say that you sell a specialized brush that removes a dog's fur better than anything your competitors offer. It's extremely popular, so you have a hot selling product on your hands.

But is that brush the only product or service your customer needs to achieve their complete goal of having a happy and healthy pet? Of course not.

In addition to your pet brush, your customers might want:

- Specialized food without chemicals or additives
- A padded, super comfortable collar
- An attractive name tag with your phone number or email address to go on that collar
- Books on training your dog out of annoying behaviors
- Training treats to reward your dog when it responds appropriately to your training
- A better leash for controlling your dog when walking it or taking it to parks
- A comfortable harness that makes it easy to correct your dog when it isn't behaving properly
- An anti-barking collar or other anti-barking device
- Chewies for pleasure and cleaning your dog's teeth

- Additives to put in your dog's water that help keep their teeth clean
- Pull toys
- Chew toys
- Balls
- Devices for flinging balls
- And on and on and on

This is just a partial list of all the products your customers would be interested in for assuring that they have a healthy, happy dog. And I'm sure you could come up with dozens more.

But here's the *important point*...

This type of list is not exclusive to any product or service. Whenever a customer buys anything, there is always a long list of other, complimentary products or services they want or need in order to achieve their complete goal.

Most importantly, this includes YOUR product or service.

Selling more of these products and services with Simplified Joint Ventures

Now, the majority of these products and services will not be your own. They will be the products and services of other companies.

But rather than being a problem, that presents you with a golden opportunity to sell more of these products and services to your customers.

All it takes is a mechanism I call a **Simplified Joint Venture**. It's *simplified*, because unlike conventional joint ventures you are not going to approach other companies and suggest that you'll sell their product to your customers in exchange for them selling your product to their customers.

That's what's called a *reciprocal Joint Venture* and they are very difficult to negotiate. So the vast majority of reciprocal Joint Ventures never get out of the starting gate.

What you're going to do instead is keep this very simple. You'll do this by sending the companies that have complimentary products or services a short email that essentially says:

*We have the industry's leading dog fur brush and a solid list of satisfied customers.
I'd like to sell your Comfort Control Collar to our customers. Would you be interested?*

Because of its **simplicity**, this type of invitation will get a 90% to 100% positive response. After all, what you're really asking to do is to send your JV partner *more sales for free!* And hardly anyone will ever turn that down.

Three more invaluable benefits of selling with Simplified Joint Ventures

When you use **Simplified Joint Ventures** to sell other companies' products to your customers, you gain three powerful benefits.

BENEFIT #1 – You don't do any of the work. When you sell another company's product to your customers, your JV partner does all the work.

They've already created the email copy that you'll use, because it's the same copy they use it to sell their product to their own list. In addition, your partner takes all the orders, processes the credit cards, delivers the product or service, provides all customer service, and handles any refunds or returns.

All you do is send out the email a partner provides you with, that has an embedded code crediting you for each sale that's made, and collect your commissions.

BENEFIT #2 – All the commissions you receive are at a 100% profit margin. Because your JV partners do all the work, you have no costs associated with making these sales. Other than a few minutes to load and send out the promotional email, nothing else is required of you.

This means that all the commissions you receive are at a 100% profit margin. And that's the sweetest profit margin possible!

BENEFIT #3 – You can convert more prospects to paying customers. In addition to making repeat sales to your customers, you can also convert many of your prospects to paying customers with these sales.

If you recall from the list I gave you above, people who buy one product or service always have a need for many more products or services in order to achieve their complete goal. So while many of your prospects may not be interested in your core product at this time, they could very well be interested in one or more of the complimentary products and services you're offering.

Not only does this convert more prospects to paying customers, but by offering a series of complimentary products and services, you demonstrate that you have your customers' best interests in mind. And this form of good will can cause many prospects to reconsider and purchase your core product.

A final word on mastering the back-end

When you pay attention to the immense range of back-end sales that are available to you, you gain invaluable advantages that you can't get with other forms of marketing.

- You gain the ability to make considerably more sales easier than trying to convert cold traffic into buyers
- You gain the ability to create JV partnerships that deliver commissions with a 100% profit margin
- You gain the ability to offer the same JV deals to your entire list, resulting in the conversion of far more prospects to paying customers.
- You gain the increased loyalty of your customers by helping them move another step close to achieving their complete goal

With all this going for it, isn't it time you start devoting significantly more attention to making back-end sales?

Profit Bridge #3

Leverage the Customer Value Ladder

Most people think that a sale is a sale. A customer is a customer.

But that type of thinking seriously restricts how many sales you can make. So let's take a look at why that type of thinking is so damaging. And what you can do to correct it and fully capitalize on all the sales available to your business.

Selling on the Customer Value Ladder

While you may have been taught to think that any sale is a good sale, the fact is that some sales are considerably better than others. And some sales are far easier to make.

To understand the distinctions between which customers buy the most, it's important to understand that there are different categories of customers, depending on their buying activity.

There are three distinct categories of customers on the **Customer Value Ladder** that are more valuable than all other customers. In descending order, here are the three categories of customers who are far more valuable than all others:

- **Recency** – Customers who have bought something from you recently
- **Frequency** – Customers who repeatedly buy from you
- **Monetary Value** – High-ticket buyers

So let's dig deeper into the value of each of these categories.

Recency

Customers who have bought something from you recently

At the top rung of the **Customer Value Ladder** are those customers who have bought from you the most recently. These customers are far more likely to buy from you again – and by again, I mean right away – than any other type of customer.

It shouldn't surprise you that this category of customers is the most likely to buy from you again, and right away. It's actually the logical extension of the Harvard Business Review's report that a customer who has bought something is 27 times more likely to buy again than a cold prospect.

And it ties directly into the fact that no one product or service on its own allows a customer to achieve their complete goal. So it's only logical that a newer customer feels the deepest need to make more purchases.

To illustrate the power of **Recency**, let me share the story of one of my clients who sells disposable cameras. These inexpensive cameras are used by amateur photographers, for ease of use when traveling, and often given to guests at weddings and other events to capture the feel of the event on the spot.

When we first started working together, I recommended that the day after a customer purchased a camera online, they should receive an email offering them a discount on another copy of that exact same camera.

When my client replied, I had to pull my phone away from my ear. He was screaming so loud, I thought he'd injure himself. "Are you freaking nuts?", he demanded. "My customers will think I'm an idiot if I offer them the exact same item they've already bought. This has to be one of the stupidest ideas I've ever heard of!!"

But I pressed on, despite his obvious agitation. I recommended that we test this with just a small group of new buyers, no more than 10% of them. And that the copy should be written to say something like:

Don't wait to run out of photos. At this super-low price, it makes great sense to always have a couple more cameras handy and never miss a shot.

Plus, they make great, inexpensive gifts. With its clear, crisp photo quality, your family, friends and relatives will love our 24-shot Mini just as much as you do.

Based on this suggestion, my client reluctantly agreed to conduct a very small, limited test. And since the offer was made by email and a simple landing page, we were able to start the test within a few days.

The results? Sales absolutely soared. Many customers were buying 10 or more cameras at a time. And my client received dozens of emails thanking him for making this offer available.

Needless to say, my client then rolled out this offer to their entire list of recent buyers. And they scheduled it to automatically be sent the next day to every customer whenever bought a camera.

The power of leveraging **Recency** cannot be understated. It is the fastest, most reliable way to increase your sales considerably. Give it a try and I can promise you'll wish you had done this years ago.

Frequency

Customers who repeatedly buy from you

On the next rung down on the **Customer Value Ladder**, we come to customers who buy from you with great frequency. They are also referred to as multi-buyers.

Simply by checking your sales records going back for about three years, you'll easily be able to identify these highly valuable multi-buyers.

Selling more to them is easy. You simply schedule a monthly offer for one of your own products or services or one from a JV partner.

Implementing this is one of the easiest tasks you could ever ask for. And the results will pay handsome dividends month after month.

For example, I have a client whose annual revenue from new sales hovers around \$800,000 per year. But their follow-up sales made through regularly scheduled monthly offers clocks in at \$1.2 million per year. So if you aren't doing this, you're missing out on substantial gains, all of which can be automated to repeat month after month.

Monetary Value

High-ticket buyers

Next, we come to buyers who have bought your most expensive items. It should come as no surprise that a customer who has bought one high-ticket item is highly likely to buy another high-ticket item.

Selling more to this category of buyers is quite easy. Similar to what we just did with multi-buyers, start by going through your sales records for the past three years to identify every customer who bought a high-ticket item.

Then, start making monthly offers to them of other high-ticket items. And as you already know, these can be high-ticket products and services of your own or those that come from JV partners.

I've had clients make substantial 6-figure profits from small lists of 100 or so high-ticket buyers. With that type of return available, it's more than worth the small amount of time it takes to sell more high-ticket items to your high-ticket buyers.

Wrap up

The three **Profit Bridges** I've just shared with you can double your sales quickly. And you have no cost or risk to implement them. Most importantly, I've never worked with a client who wasn't significantly impacted by overlooking at least one of these bridges – and usually all of them.

Now, based on the details and examples I've given you, I'm sure you can see that it isn't difficult to begin capitalizing on these three **Profit Bridges** with just minimal time and effort.

So why not get started today?

You don't have to tackle all three bridges at once. Simply pick the one that seems easiest to implement, given the specifics of your business, and start there.

You should immediately be able to see a significant growth in sales. And this will give you the momentum and motivation to turn all three of these **Profit Bridges** into new sources of sizable sales and profits.

About Bob Serling



Bob Serling is a 40-year marketing, licensing, and product development veteran and the founder of LicensingLab. His innovative take on marketing, licensing, and product development has helped thousands of businesses and entrepreneurs produce exceptional results.

Bob has been the monthly marketing columnist for Success Magazine... invented a skateboard toy featuring Tony Hawk's branding that was sold in toy stores and department stores all over the world... co-created and licensed advanced assessment software currently being used by many Fortune 500 companies... created a one-and-a-half page prospecting letter for a client that landed an agreement for a \$25 million project by being sent to just one prospect – then licensed that same letter to 14 different industries... and much more.

He's perhaps best known for having pioneered the practice of using a deep form of customer intelligence to create offers and innovative marketing strategies that double a company's profits without having to spend a penny.

Bob offers a range of marketing solutions designed specifically for mid-market companies with annual revenue from \$1 million to \$30 million. If your company revenue is within this range, Bob can help you quickly:

- Create an offer that makes your product or service stand out as the only choice or your market
- Generate more money from repeat sales to your customers than you make from your main product or service
- Quickly identify the one or two categories of customers that produce the most sales for your business, then fully capitalize on them, starting in as little as 6 days

To schedule a short call by Zoom and have Bob help you identify the most profitable options for growing your sales with no costs and no risk, just send an email to:

bridges@LicensingLab.com