

Raise Your Life Time Value Through Cross Selling



Video Transcript:

Paul: Today I want to talk about **cross selling** and maximizing the lifetime value for your customers.

Hi, it's Paul Clifford from Disruptware.

As you know for any business online or traditional, getting the customer onboard is the hardest part. So, let's talk about once you get a customer, **how do you maximize the revenue**, or the lifetime value, for that customer? Traditionally there are **three known methods**. First of all, especially in the SaaS business, there's **retention**. So, you want to keep them hooked using your app monthly, annually for as long as you possibly can. The second thing is

expansion, or upsells. This is how you can sell them more of what you have. So, can you charge them more usage or more users? Whatever form your product takes, then you should look at how you can take that customer step-wise up to the next phase of development. The third thing is **cross selling**. Not a lot of people do this. And, essentially this is where you can sell complementary products to your customer base.

So, let's look at it this way. You know, I was camping last Friday, and we went to one of the great California, state run campgrounds. And once we had the pitch set up, and everyone was comfortable, I noticed there's a great big fire pit set up there. So I thought, "Well, great, let's go and get some firewood and create a nice fire." And, sure enough, there was a store. And, so, I went to the camping store and bought some accessories. But, obviously, what I was there for was some firewood. And, sure enough, there was some great big lumps of firewood. And, of course, they're big logs. So, as I was buying these, I thought, "Well, hang on, it's going to take me ages to get this fire started." So, I needed something to split the logs up. And I looked around and, sure enough, right next to the logs was a camping ax. So, it really does follow through that I went in there to do some camping, I ended up buying some firewood, and, of course, buying the firewood I needed then an ax. And, of course, **I come out spending three times as much as what I planned to.**

So, this is a very simple example of cross selling in an everyday situation. Because you know you've got your customers coming onboard, and your revenue's starting to grow. And you know – or **you should know what their profile is**. You should know **what they're looking for** and **what problems that they are trying to solve** that's not necessarily what your direct or primary solution is doing.

So, let's take another example in the online world. Let's take a WordPress user, and let's say you have a customer base or a list of WordPress users, then they are probably buying things for their WordPress site. They're probably buying plugins. They're probably

buying themes. And it follows that if they've bought one of those, then they're going to buy another. It might be a lead capture plugin, it might be a social plugin, maybe a theme. And so, it's really logical and straightforward for you to offer those to those customers, and it's quite likely **they're going to buy them from you because you've already earned their trust**. And they're going to buy them from somewhere. They're going to go out to the competition and buy them, so why not buy them from you? And the way you can do that quite quickly is to go out to certain marketplaces like [Theme Forest](#) and [Code Canyon](#), places like that that are already building these themes and these plugins. And you could **contact the owners and do a deal to license it**, like a **white label license** or something like that.

You know, don't start from scratch. You don't put a job out on [ODesk](#) and say, "I want a theme," or "I want a plugin." Because the whole objective here is **really to get something in your brand that's quite quick to produce**. Yes, it might cost you a bit more money, but the point is **you can get something to market very, very quickly**. And you'll find that your ROI on that will be like two or three times what you spent on actually buying the product or licensing the product.

So, the action points from this are **to really look at your customers, ask or decide what else are they buying**. What problems are they trying to solve that your primary solution is not providing for them, because they're going to go elsewhere to find it. And then **how can you create something very similar quite quickly by white labeling or licensing** something complementary to them? And then all you need to do then is to brand that, and put that in your marketing funnel, so that throughout their lifetime of being with you, they have other options to expand their core business by buying directly from you.

So, I hope you found that useful. This is Paul Clifford from Disruptware.

Recommended Resources:

1. Odesk – [click here](#)
2. Theme Forest – [click here](#)
3. Code Canyon – [click info](#)

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