

How You Can Increase Your Average Sale!

My wife Margaret is average, so she says. She tells me that she is average height, age, and bone size, for a woman. However, I must say as she left the house this morning with her lulu lemon pants riding several inches above her ankles she didn't look normal. I know that she was thinking that her husband had below average intelligence for putting her clothes in the dryer, and shrinking them... again! But what really is average?

When we are in business, one thing we need to know about is our average sale. Our average sale is our total revenue for a period divided by our number of transactions. So for example if you sold \$1000 in a day and had 50 customers, your average sale would be \$20. If you sold \$100,000 in a month and had 10 customers, your average sale would be \$10,000. Every business and every industry has a different benchmark for what is an average sale.

Why is average sale important, you might ask. Well, your average sale is one of those numbers that every business owner needs to know. Think about it, most business owners are trying to grow their sales. We spend so much energy, money and focus on bringing in new customers that sometimes we forget about the goldmine that we have right in front of us. If we were to increase our average sale by getting our customers who are already purchasing from us to buy a little more, our sales would go up with little effort or cost! So what do we do?

The first thing we need to do is start talking about our average sale with our staff. Recently I heard of a business owner who wanted to grow the average sale and started educating his staff about what an average sale was and why it was so important to the business. Within a few weeks his average sale grew by 10%. Wouldn't you love to grow your sales by 10% like that? Usually its not so simple. But here are some things you can do to increase your average sale.

1. Fries with that? Mcdonalds made famous the add on! Simply asking your customers if they would like something else that you have to go along with what they are buying can increase average sales substantially.
2. Upsells. Are you trying to sell the cheapest products all the time? Perhaps your customers would like something more valuable. A store selling pool tables found that if customers were taken to the most expensive product first and not the lowest, that the average sale more than doubled, and customers were happy with their purchase!
3. Change your offerings. A bakery owner who was frustrated with a low \$5 average sale of mostly cookies, added higher end cakes and shortly thereafter increased the average sale to \$14... almost 3x higher! What could you do to change what you are selling that would increase your average sale?
4. Train your customer. Does your customer know all the great things you sell? Do they know what other customers buy from you? Educating your customer on your products can save them time by buying from you instead of going other places. A lawyer simply

asked every one of his customers the question is your will up to date? and increased weekly revenues by \$4000.00

5. Bundles? What could you bundle together that would get your customer buying more and really create value for that customer. Travel agents who went to all inclusive offerings of lodging, entertainment, and travel, found their average sale jumped substantially. What could you do that would give your customer what they are looking for that you might bundle together?
6. Know how your product is used. My friend Dennis Bonagaura bought into a software company that was doing a couple hundred thousand in business and had an average sale of \$23,000. By figuring out how his customers were using the product and what their challenges were, he determined that he could best help them by offering them additional support. His average sale grew to \$45,000 and he took the company to over \$10 million in sales in a short few years!

There is nothing average about your average sale. Understanding the value of the average sale and working on increasing it can make a significant difference to your bottom line. By educating your staff, measuring your progress and celebrating your success, you can increase your average sale and grow your sales in ways you haven't even imagined.

Dave Fuller, MBA, is the author of the book Profit Yourself Healthy, he might be average but he isn't normal. Email dave@profityourselfhealthy.com if you need help raising your average sale.