

## **Bundling Increases Sales**

Business owners always are looking for ways to increase sales.

“I have yet to talk to a business owner who is not interested in increasing his or her revenue stream by selling more to customers,” says (Insert name and title) of (Insert county). “Business owners always are interested in how they can get customers to include one more item in their bag.”

Marketing has looked at a variety of ways to do just that. Items such as end-aisle displays, visual marketing and checkout displays are just some of the ways that business owners use.

Another common method is the idea of cross-selling, or offering a product or service related to what the customer is planning on buying or already has purchased. An example is putting the peanut butter by the jelly.

“One effective way of cross-selling that works is called bundling,” says Glenn Muske, the North Dakota State University Extension Service’s rural and agribusiness enterprise development specialist. “Bundling encourages the customer to buy not only one item but a group of items together.

“Think of the last few times you purchased a fast-food meal,” he adds. “How often were you asked if you wanted to make it a meal versus the single item you ordered?”

Bundling can be effective for various reasons. One reason is that people may not realize what else they may need to complete a project. That’s why you will see bundling in craft and home improvement stores.

A second reason bundling is effective is the opportunity to offer discounts. Those discounts may come with various tiers: a basic, mid-level and complete package. Now the customer has the ability to pick the price point he or she wants.

Free shipping is a simple example of bundling that often is seen in e-commerce. When buying from a nonlocal store in the past, the buyer nearly always paid shipping costs. Today, companies often include shipping in the cost of an item, thus providing the customer with perceived savings. Sometimes the offer of free shipping is based upon the customer reaching a certain sales amount, which might encourage another sale to reach that amount.

“Customers generally respond favorably to bundling offers,” says (Insert last name). “And the technique works for product and service items alike, as well as a combination of both items.”

Bundling can be a useful sales technique for your business. Give it a try. Remember, though, that the customer must feel the bundle makes sense for him or her and that it increases the perceived value of the transaction.

For more information, contact your local Extension Service office at [insert phone number and email address]. Also visit NDSU's small-business support website at [www.ag.ndsu.edu/smallbusiness](http://www.ag.ndsu.edu/smallbusiness) and sign up for the monthly newsletter. Or check out Facebook at [www.facebook.com/NDSUextsmallbiz](https://www.facebook.com/NDSUextsmallbiz) or Twitter at @gmuske. Another online resource is [www.eXtension.org/entrepreneurship](http://www.eXtension.org/entrepreneurship).

You also can get help from your local chamber of commerce, as well as the Small Business Administration and its related organizations, such as the Small Business Development Centers and SCORE.

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