

# Up-selling and Cross-Selling



## Getting More from Each Customer

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# Selling in General



**Never forget:** your reps ARE YOUR BRAND AND YOUR FIRM as far as the customer is concerned

- ✓ Selling is about understanding and solving
- ✓ Sell customers what they need to address their issues, not what you want them to buy
- ✓ Using good sales technique and good judgment is critical in ALL sales situations
- ✓ Good training, proper preparation and plenty of practice are keys to success



# Selling in General



## Understand the customer

- ✓ Ask good questions & really listen to the answers
- ✓ Know the what and why of customer's situation/needs



## Present solutions

- ✓ Keep the customer first
- ✓ Focus on how you solve their needs



## Objections

- ✓ Understand the what and why of the real objection
- ✓ Then address it



## Close the sale - professionally



## Post sale follow-up; build a long term relationship

# Up-Selling



# Up-Selling



Up-selling: seller seeks to persuade the customer to purchase additional products and/or more expensive products in order to make a larger total sale

- ✓ Usually happens at the time of the original purchase






## Examples:

- ✓ Wendy's asks if you want to supersize your meal
- ✓ Lowe's employee offers an extended warranty on a riding mower at purchase time
- ✓ Chile's server asks if you want dessert after dinner
- ✓ Sales associate at Old Navy suggests a skirt to go with a top you are looking at
- ✓ Best Buy rep introduces you to a more expensive plasma-screen TV while you are shopping


# Up-Selling Considerations

- Up-selling is still selling: same principles apply
- You're "all-in" from marketing investment standpoint
- Focus is on the "now"
  - ✓ Don't forget lifetime customer value
  - ✓ Proactively manage any trade-offs between up-selling and long-term customer relationship
- Respect the customer
  - ✓ Sometimes you need to accept "no"
- When done right, customers actually appreciate it

# Up-Selling Tips

-  **First things first: make the initial sale!**
  - ✓ Use good technique
  - ✓ Use good judgment - don't get greedy
-  **Know your products & how they interact**
  - ✓ Increased product knowledge
  - ✓ Connect customer needs to ALL products and services
-  **Be confident in your up-selling effort**
  - ✓ Timid attempts can backfire
-  **Tie up-selling to current or anticipated needs**
  - ✓ Irrelevant efforts annoy; relevant suggestions are appreciated

# Up-Selling Tips

-  Consider offering samples
  - ✓ A low risk way to help up-selling efforts
-  Consider automatic up-selling
  - ✓ Create bundles that automatically up-sell (McDonald's value meals)
  - ✓ Create promotions that tie complementary goods together (discounts on ties when buying a suit)



# Up-Selling: Barriers to Success

Up-selling things that should be included with the original product

Pushing things the customer doesn't want or need




- ✓ Reduces chance at original sale
- ✓ Damages brand and customer relationship

Pushing too hard

Using canned scripts to up-sell



# Up-Selling: Barriers to Success

-  Time sensitive offers to create artificial urgency
  - ✓ Avoid “offer no longer available if you leave my office” approach.
  - ✓ These limits are not believable but they are unbelievably annoying
-  Trying to up-sell an unhappy customer
-  Failing to up-sell in the first place

# Cross-Selling

# Cross-selling

- 📌 Cross-selling: seller seeks to persuade the customer to buy additional products or services in order to increase share of wallet or strengthen the business relationship
  - ✓ Commonly occurs after the original purchase

- 📌 Examples:

- ✓ CPA doing a firm's audit sells the customer tax planning services
- ✓ Bank with customer's checking account persuades them to re-finance their home
- ✓ Buy plants from a nursery and they then sell you decorative rock, a garden sculptures, etc.

# Cross-Selling Considerations

- ✿ Cross-selling is still selling: same principles apply
- ✿ Cost to acquire revenue is lower
- ✿ Stay alert to opportunities
  - ✓ Often come in post-sale follow-up or while performing originally purchased service
- ✿ Typically more long term, lifetime-value focused
  - ✓ Usually takes longer to accomplish
  - ✓ Builds long term relationship
- ✿ Facilitates move from vendor to partner
  - ✓ Raises client's switching costs
- ✿ Can involve more than one rep

# Cross-Selling: Considerations

-  Great businesses for cross-selling
  - ✓ Any service firm with multiple areas of expertise
    - Law firms
  - ✓ Firms with multiple but related product lines
    - Banks & financial services firms
    - Lowe's: home improvement products and installation services
  - ✓ Firms selling products that require regular service
    - Automobile dealerships
-  Consider cross-selling through partners
  - ✓ Can work well, but requires clear rules and ongoing oversight

# Cross-Selling: Tips



## Make the cross-sell relevant to the client

- ✓ Media buying with ad creative work: very relevant
- ✓ Limo service with a rented tuxedo: probably relevant
- ✓ Refrigerator with a garden hose: irrelevant



## Make sure reps know all the firm's capabilities





- ✓ What areas of expertise do your law partners have?
- ✓ What benefits do the product lines other reps sell provide to clients?



## Cross-sell internally

- ✓ Professional services: make sure all staff members sell themselves internally
- ✓ Product lines: manager of each should train others on basic benefits

# Cross-Selling: Tips

-  Leverage cross-selling capabilities of your web site
  - ✓ Position things on your site to call visitors' attention to additional revenue opportunities
  - ✓ E.g. Amazon
-  Bundle relevant things together
  - ✓ Bundle checking account with savings account, debit/credit card, etc.
  - ✓ Bundles also help web site SEO
-  Look for additional service opportunities that compliment your products
  - ✓ Lawn mowers and tune-up services
-  Reward alertness and leads



# Cross-Selling: Barriers to Success



## Lack of foresight

- ✓ Does firm identify and build cross-selling opportunities?



## Internal silos: by product, practice area, etc.

- ✓ Inhibits knowledge sharing and limits cross-selling opportunities
- ✓ Do reps know enough about rest of the firm to initiate cross-selling opportunities?



## Conflicts within commission structures

- ✓ Are there financial incentives to initiate cross-selling?



## Over-promising

- ✓ Damages long-term relationship; reduces switching costs

Questions?

# Question



What do you currently offer in the way of Up-selling and Cross-selling?

- ✓ What training do you provide your reps in these areas?
- ✓ How do you facilitate the necessary knowledge building or knowledge transfer?

# Question




How do you know **WHAT** and **WHEN** to Up-sell?

✓ What are your people trained to do here?




How do initiate the Up-sell process?

# Question

-  How do you avoid being pushy but not cave at the first hint of “no”?
  - ✓ What do you tell your reps here?

# Question

-  How do you up-sell an extended warranty without casting doubt on the product's durability and/or value?

# Question





How do you compensate Cross-selling success?



How do you facilitate the cross-pollinating of leads within your company?

# Question

-  What other products/services could you offer and then cross-sell?
-  Who could you partner with to cross-sell/cross-pollinate?