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
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: 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?
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?
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?