

Understanding Cross Sells and UpSells

Cross-selling and upselling can be mutually beneficial to you and your customer if done correctly. Both techniques provide maximum value to the buyer whilst bumping up your revenue simultaneously. What's more, there's no marketing spend necessary, and the two techniques are easy to learn and can be immediately implemented into the daily functioning of your business.

But what is cross selling and upselling and how do the two differ from each other?

Upselling

To upsell a product or service, you simply promote the benefits of a higher end alternative (a premium product) or an upgrade to whatever it is your customer is looking to purchase. For example, if you go to a restaurant and order a bottle of wine from the bar, the bartender may persuade you to try a slightly better and more expensive alternative because he feels it'll go better with your meal. You gladly accept, and you're both happy as a result.

Using this same technique in your business serves two main purposes. First, it helps your customer to visualise a superior product or service to the one they were initially tempted by. This not only excites them, but makes them feel looked after. Secondly, it bumps up your average order value and customer lifetime value, which, as you know, is essential for growing your business. Furthermore, upselling to your existing customers is easier than selling to new ones, so it's a critical skill to learn if you'd like to expand.

Cross-Selling

Not too dissimilar from upselling, cross-selling also focuses on promoting another product or service to a customer that's ready to buy. But instead of persuading them towards a superior alternative, you draw their attention towards add-ons that compliment the purchase they want to make. For example, if you enter a beauty store and buy a face cleanser, it's likely the sales staff will also promote the accompanying toner and moisturiser too. Cross-selling builds on the positive customer experience and adds value when done well, ultimately creating a deeper relationship. This too increases customer lifetime value and helps your business to grow.

There's an art to upselling and cross-selling, and that's where Sales On A Daily Basis can help.

Handing Your Customer To Someone Else

A healthy business owner / customer relationship is a two-way street and there will come a time when certain customers simply aren't benefitting you (or benefiting from you) anymore.

For example, let's say you're a gym owner and a customer's payment keeps bouncing or they're attending an advanced class against your advice and then complaining about it. These sorts of customers aren't happy because the product or service doesn't suit them, and you can't be happy because they're causing your staff extra admin and a lot of ear ache.

So what can you do?

Obviously the first step is to double check there's no alternative product or service within your business that's a better fit. If there's not, it's time to think about moving them on to an affiliate business.

Handing your customer to someone else is good practise. Rather than dumping them or enduring their unprofitability, you simply direct them to another business that has a product or service that fits their needs.

Thinking back to our gym example, the unprofitable customer might be better suited to a cheaper gym, or a gym with classes the customer can safely enjoy.

But how does giving another business more customers benefit you?

The answer is three-fold:

1. You're strengthening your business by ensuring your customer base is profitable and reducing the need for unnecessary admin tasks.
2. You're maintaining an excellent relationship with affiliate businesses, who in turn will repay you by sending their unsuitable customers to you (should you be a better fit). This only works, of course, if you're handing the right customers to the right businesses, rather than passing on the same problems. Don't forget, there's also the option of charging your affiliate a referral fee. This is usually a one-off payment per customer made towards your business.
3. The customer feels grateful that they've found a more suitable product or service elsewhere thanks to your actions and is more likely to give you a good testimonial.

If you're having problems spotting unprofitable customers within your business, you can unlock more advice in Sales On A Daily Basis.

Asking For A Testimonial

Testimonials (also known as reviews or feedback) are critical to driving sales. Why? They show your prospects that you really are as good as you claim.

If you own a mature business, the likelihood is you already have testimonials to work with. But they're no good to you if they're buried at the bottom of your email inbox. A great testimonial should be proudly displayed in customer view (for example, on your website), not kept to yourself.

There's also no need to wait for testimonials to happen on their own. The majority of your new and existing customers will be happy to sing your praises. They just need a nudge.

Here's what you can do:

1. Set up a form on your website that allows customers to input feedback. They may need prompting via email shortly after their purchase. Customise the form so that it persuades the customer to be specific about how the product or service helped them. This will allow you to make public claims such as '94 per cent of our customers said *this product* gave them *this result*'. A word of warning – don't overcomplicate the form or you'll have a high abandonment rate and fewer testimonials to work with.
2. Ask a new customer for a testimonial right away while they're still excited about the product or service they've purchased.
3. Contact existing customers and ask them why they've stayed loyal to you. Then ask if you can use that feedback as a public testimonial.

You should also remember to:

1. Shout about great testimonials on social media. Remember to include pictures and details to lend your testimonial more credibility.
2. Promote testimonials that have been written by customers that fit your avatar. You can find out more about avatars and customer profiling when you sign up to Sales On A Daily Basis.
3. Give testimonials to other businesses you use. What goes around, comes around!

There's a lot more to learn about asking for testimonials in Sales On A Daily Basis.

Asking For A Referral

We make referrals all the time in day to day life. Have you ever made a restaurant recommendation to a friend because you received impeccable service there? If so, you referred them. You persuaded them to spend their money at a restaurant you trust, and by doing so, created what we call a 'passive' inbound referral for that business.

And passive referrals are important, especially when 45% of service businesses are chosen by new customers due to recommendations by existing customers.

You might believe that if you continue to offer excellent customer service and flawless products, referrals will happen organically. And you're right. But did you know you can play a more proactive role in generating referrals, and you can start today?

Before we look at how to do this, it's useful to know why referrals are so valuable in the first place.

1. They cut the sales cycle into a shorter time frame because referred customers are quicker to take action than any other new customer.
2. The customer who makes the referral is more likely to become a loyal customer as a result of recommending you to a friend.
3. Instant trust has been established between you and the new customer thanks to the referrer. This makes the selling process more efficient and profitable.

So, how do you ask for a referral? Here's some guidance.

1. Your marketing campaign can do all the hard work for you. Existing customers can be offered incentives for making referrals. One issue with this, of course, is that customers will make the wrong recommendations in pursuit of the incentive. We talk more about combatting this in Sales On A Daily Basis.
2. You can publicise success stories or case studies on your website to get people talking about you.
3. There's also the option to refer your contacts to other businesses in your network so that they feel inclined to do the same for you.

Sales On A Daily Basis provides in-depth guidance on asking for referrals to boost revenue.

Following Up

Sales follow ups are critical. But most salespeople don't implement an effective follow up strategy and so their efforts are futile.

When a customer makes an enquiry, you know they possess some interest in your business. Following up with them can persuade them to convert. Doing nothing (or doing very little) may cause them to eventually lose interest, or, even worse, be picked up by a competitor.

Follow ups can take many forms. You might:

- Call
- Email
- Message on social media
- Send mail by post
- Have a meeting (this applies more to B2B)

And you shouldn't just follow up once. It can take an average of 7 follow ups to convert a prospect.

But this task requires some attention to detail and sales skill. Bombardment won't convert a prospect, neither will hesitation. There's a balance between the two to be found, and Sales On A Daily Basis can help you achieve this.