



Cross-sell to increase your prices

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Table of contents

- 3** Introduction
 - Cross-selling explained
 - How to cross-sell
- 4** Develop a cross-selling checklist
- 8** More ways to maximise cross-selling opportunities
- 10** Key points summarised
 - Action plan
 - See also



Cross-sell to increase your prices

Introduction

Inside this Strategy Guide you'll discover what cross-selling is and how it can significantly increase your profits without costing you any more in time or money to implement. You'll also:

- Learn a systemised way to ensure cross-selling happens effortlessly and consistently
- Learn how to excite your team about cross-selling
- Discover different ways to cross-sell
- Learn dialogue techniques to encourage customers to say "yes"

Cross-selling explained

"Master this technique and watch your sales increase by 10% or more overnight."

Cross-selling is such a powerful yet easy way of increasing your average transaction value, and in turn, increasing your profits.

The most commonly known example is "McDonalds". The cashier at Maccas always asks, "Would you like fries with that?"

Or - maybe you've walked in to a ladies fashion store before to buy a dress and you've walked out with a dress, cardigan, earrings and shoes - all because the salesperson did a fantastic job of recommending other products to you.

Cross-selling means recommending other items from "across" your range to a new customer as they purchase.

It doesn't cost you anything to implement and it takes absolutely no time to get going. All you need to do is train your sales people and you can start profiting from this strategy immediately.

For instance, if you sell silver jewellery you might also cross-sell a jewellery cleaning cloth.

If you are a restaurant you might recommend extra side dishes with the main meal.

If you are a mechanical repair workshop you might recommend a wheel alignment when people come in for a quick service on their vehicle.

Most business professionals spend most of their time generating leads for their business.

Very little effort is spent on getting the most from the leads and customers they already have. Employing this "cross-selling" strategy will have a dramatic effect on your business.

How to cross-sell

Before you start cross-selling, it's important to know what the starting point is. In other words, know what an average sale is worth to your business.

One of the most beneficial things about this strategy is that you're actually doing your customers a great service by implementing cross-selling measures.

You see, people visit your business because they want a certain result. They select a product or service because they believe that this product will give them the results they're looking for. They often aren't aware of all the different options of which they can take advantage to achieve their desired outcome.

You and your salespeople obviously have a lot of expertise in recommending all the solutions that are likely to best meet a customer's needs. Correct?

Well, it makes sense to give these customers the advice that helps achieve these results in the best way possible for them. And in doing so, recommend the add-on products that will help them do that.

Make sense?

After all, customers come to you for help. If you don't give it to them and recommend the all of the options and additional items that can achieve that for them, you're actually doing them a disservice.

And every time you fail to do that, it's another sales opportunity you have missed!

Think of it like this ...

You paid a lot of money to get that customer contact you. Doesn't it make sense to make the most of that money invested in acquiring that customer?

Before you work on ways to do that, take a few minutes to consider where you are right now. In other words, how much is the average customer spending with you right now? What's the average transaction value?

You can work that out by dividing your weekly revenue by the number of customers. Assuming those customers only come in once during that week, that figure becomes your average transaction value.

If they do come in more than once a week, simply divide that number by the average number of times a customer visits you in a week.

Here's an example ...

Let's say last week's sales totalled \$47,547. After checking your records you notice that you sold to 257 customers.

Your average transaction value is the \$47,547 in weekly revenue divided by the 257 customers, which equals \$185.

Then – by cross-selling additional products you can easily increase that figure dramatically. Let's say you adopted some of the ideas inside this Strategy Guide and as a result of your efforts your average transaction value went up to \$200. That's an increase of just \$15 per sale



Cross-sell to increase your prices

or an increase of less than 10%. Extrapolate that across all transactions and your weekly revenue increases to \$51,400 or an increase of \$3,853 per week. Great isn't, especially when you consider that it didn't cost you a cent to implement.

And think about how much this adds to your revenue over a year. \$3,853 x 52 weeks is a very healthy \$200,356.

So take some time now to work out what your average transaction value currently is.

And how much would a 10% increase add to your revenue over a 12 month period?

First, let's consider what you can cross-sell.

Let's take a look.

First, let's once again get clear on what cross-selling is. Cross-selling happens when you recommend an additional product or service over and above what the customer is purchasing.

Cross-selling is also known as suggestive selling or add-on selling.

To work out the best items to recommend to your customer, ask yourself these questions:

- 'What else can we offer the customer to go with this purchase?'
- 'What else could we offer that would add value and make the use of this product or service better?'
- 'What else, when coupled with this product or service, would help them get the most out of it?'
- Or write a list of popular sale items, and then brainstorm a list of companion items you could sell with these products or services.

Example:

Item purchased	Big Mac
Cross-sell item #1	Fries
Cross-sell item #2	Drinks
Cross-sell item #3	Ice cream

Two important rules:

1. Only recommend products that complement the original product purchased. In other words, products that help the customer further enhance the results they're looking for.

For instance, if you sell electrical appliances and a customer comes in to buy a stereo you're not going to have a lot of success if you try and cross-sell a steam iron, are you? But if you suggest additional speakers, CDs, a DVD player or something similar, the customer is going to be a lot more receptive.

2. Don't cross-sell a complimentary product that's more

expensive than the original product purchased.

You'll get better results if you ask the customer to spend just a little more rather than a truckload more.

Develop a cross-selling checklist

The biggest challenge that businesses face is that they don't have a consistent way to ensure cross-selling happens consistently, with every single customer.

We've found that the best way to ensure consistency is with the use of a cross-selling checklist. This is a checklist that salespeople complete in front of the customer. It doubles as a customer needs analysis which helps identify the customers' needs. But - in doing that, it also identifies other products/services that may be of benefit to the customer.

Remember – your salespeople are doing your customers a favour by going through this process and making the recommendations that will deliver the best results for the customer.

And – you're reaping the rewards of a higher average transaction value.

Everyone wins.

The best way to go about creating a Cross-Selling Checklist is to get your team involved. Have them come up with cross-selling ideas and questioning techniques. When you do that you'll find they'll be much keener to use this form because they were involved in the creation of it.

You could have your team members present the checklist to customers after they've decided on their purchase.

"So that we can help you best, is it okay if we run through a quick checklist just to make sure we've covered everything you need?"

There are a variety of different styles of cross-selling checklists that you can use. Here's one of them...



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It's a simple cross referencing tool. Look down the left hand column to find the item purchased and then see which products or services have been recommended as a cross-sell (items marked with an X).

	Widget #1	Widget #2	Widget #3	Widget #4	Widget #5	Widget #6	Widget #7	Widget #8	Widget #9
Item A	✓					✓	✓	✓	
Item B	✓		✓		✓		✓	✓	✓
Item C		✓	✓	✓					
Item D	✓	✓	✓	✓	✓	✓	✓	✓	✓
Item E	✓		✓	✓		✓			
Item F	✓		✓		✓		✓	✓	✓
Item G			✓	✓	✓	✓	✓		
Item H	✓	✓	✓	✓					
Item I	✓			✓	✓	✓		✓	



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Here's another cross-selling Checklist format which is more based on a customer needs analysis.

Example Needs Analysis Checklist

Date of consultation:	Time:	With:
Full Name:		
Address:		P/code:
Telephone no:		DOB:
Occupation:	Married/Single/Divorced	Children: YES/NO

Original reason for getting tattoo:

- ◆ Peer pressure
- ◆ Liked the thought of a tattoo
- ◆ Other
- ◆ Fitted my lifestyle then

Reason for tattoo removal:

- ◆ Disadvantages me at work
- ◆ Makes me feel self conscious
- ◆ Get prejudged in social and/or professional situations
- ◆ Doesn't suit current lifestyle
- ◆ I feel it looks ugly
- ◆ Other (please explain)
- ◆ Embarrasses my family
- ◆ Get stares of disapproval

How do you feel having your tattoo removed would change your life?

- ◆ Improve my confidence levels
- ◆ Increase my income
- ◆ Improve my ability to meet new people
- ◆ Make me generally a lot happier
- ◆ Advance my career
- ◆ Other (please explain)
- ◆ Help me make more friends
- ◆ Improve my personal relationships

If you could put a finger on what your tattoo removal could mean to you in financial terms, what would that figure be eg. If you currently feel that your tattoo is disadvantaging you at work either through lack of promotion or losing sales, how much do you feel your income would increase by if you had your tattoo removed?

On a scale of one to ten, how happy do you feel at this point in your life?

And, on a scale of one to ten, how happy would you feel if you had your tattoo removed?

On a scale of one to ten, how important is it for you to have your tattoo removed?

Have you tried any tattoo removal treatments before?

YES/NO

What method was used?

And how did it work?

What have you heard about Laser Tattoo Removal?

	Location	Size	Colours	Type	Age
Tattoo #1					
Tattoo #2					
Tattoo #3					
Tattoo #4					
Tattoo #5					
Tattoo #6					



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It's a tool that helps you uncover the best solutions for your customer. So pull out your checklist and ask the customer ...

“So I can best help you with that can I just ask you a few questions that will help me determine the best XYZ for your needs?”

What do you think the customer will say when you ask them this question?

Of course, they'll say “yes” because you have positioned the request in such a way that it means your aim is to help

For example:



Customers Who Bought Fodor's China, 5th Edition (Fodor's Gold Guides) Also Bought



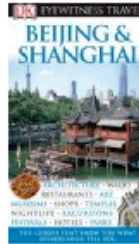
Lonely Planet China

by Damian Harper

Price: \$21.11 ★★★★★ (13)

Used & new from \$19.77

Add to Cart



Beijing and Shanghai (Eyewitness Travel Guides)

by DK Publishing

Price: \$15.64 ★★★★★ (10)

Used & new from \$12.17

Add to Cart

This is a fantastic way of doing a favour for the customer. After all, if they're looking for books on dog training there's a very good chance they'll appreciate learning about the dog training books that other customers are purchasing. Yes?

And chances are, they'll buy one of those additional books.

This is a fantastic way of bumping up the average order value.

Even though you may not have an online store, you can still implement this strategy manually.

“Great choice, [name]. It's a very popular with [young professionals/young mums etc.] In fact, we've found that other [young mums] who have bought xx also usually buy xxx. Would you like one of those as well, [name]?”

identify the solution that is best for them (which you are doing).

An excellent example of cross-selling can be seen at Amazon.com. If you have ever bought a book off that site you will know that the website remembers your preferences. When you add a book to your shopping cart you'll find some copy at the bottom of the page that says “Customers who have purchased “X book” have also purchased: Y book, Z book, A book etc”



Cross-sell to increase your prices

More ways to maximise cross-selling opportunities

1. Make cross-selling a performance standard within your company

In other words, it's listed in each team member's job description as a "must do" activity for each and every sale. Cross-selling is vital in maximising your profits. Every time one of your team members doesn't cross-sell they're losing you money so enforce it. Make it a condition of employment that salespeople and order takers must cross-sell with each and every sale. If they don't, they're cautioned, retrained or maybe even dismissed.

2. Special of the week or month

This is an easy, one size fits all way of cross-selling. Each week or month, identify a product that you can offer at a great price. Make sure it's a product that has universal appeal though.

Your team will feel comfortable offering the product because they're doing customers a favour by helping the customer save money.

So – arrange for your team to recommend it to absolutely everyone who purchases right at the time of purchase.

If the customer says "no", it doesn't matter. You've already made a sale with the initial product. Not only that, by recommending that product of the week, you also know that you've done the customer a better service by offering them an opportunity to save some money.

Here's what you could say to cross-sell a Product of the Month ...

"Just before you go, there's something that might interest you. This month's special is [product or service type]. It's great for [include benefits] and best of all, we're offering it at \$xxx off retail. Shall I include that for you, too?"

If that "product of the month" is a small cost item in comparison with the main product purchase, you'll find that most people will say "yes", if for no other reason than it's easier to say "yes".

As mentioned in the example before, your average transaction value doesn't need to increase by much for it to dramatically affect your profits.

The best time to suggest the "product of the month" is once you have rung up their purchases on the cash register and put all their items in a bag. Just before you total it, suggest the item (using the script above). Do that while you are grasping the bag in one hand and the low dollar "Product of the month" in the other hand (holding it over the bag itself, of course).

As you can see, this is even more inviting for the customer to say "yes".

What's more, if you believe in the product and the price point, you can feel confident knowing that it's adding value.

3. Educate your team about the importance of cross-selling

Some people think that suggestively selling other products to add on to the sale is a little aggressive or pushy.

If you feel this way too, think about it in this way.

Your customers have a need they want fulfilled or a problem they want to solve. They come to you for a product or service that will help them achieve that goal. With that they draw on your expertise to recommend the solutions that will help them get what they want.

So- it's your responsibility then, to recommend ALL the solutions that will help them achieve their goals in the best possible way.

That means, if there are add-on products that will further enhance their results, it's important to mention them. That also means if there's a more sophisticated product or service that will be even better than the one they're purchasing, it's your responsibility to recommend that too (see "Upselling" Strategy Guide).

On the other hand, if you don't recommend other "suitable" add-ons you're actually NOT doing the right thing by the customer.

See the significance of that?

So – anything less than cross-selling other solutions is doing your customer a disservice!

Here's an example of that ...

Let's say that you walk into a hairdressing salon for a haircut. Your hair is all dry and lifeless and you have a ton of split ends. The hairdresser asks them what shampoo you're using and you tell them that you're using a cheap supermarket-bought variety. She just said, "oh, okay" and left it at that.

The hairdresser could have helped you by recommending their range of shampoos and conditioners that would add shine and condition to your hair. They could have also recommended a hair treatment which would make an even bigger difference and stop those split ends from recurring.

Can you see how the hairdresser actually did you a disservice, in this situation?

So – educating your team members that, by informing customers of the other products/services that will help them, they're offering customers a great service. If they DON'T inform them, they're NOT doing the right thing by the customer.



Cross-sell to increase your prices

The key to maximise cross-selling in your business is to educate your team members about how important it is for your customer and for your business. It's also about getting them involved in developing cross-selling checklists and other systems to systemise the process.

4. Give your team incentives

A sure-fire way to get more cross-selling happening is to give your team incentives.

Perhaps the biggest cross-seller of the week could win a prize. To make it fun and competitive, you could list everyone's names on a chart on the wall and ask them to record details of all items cross-sold during the week. At the end of the week the winner wins a prize.

Here's a sample of a form you could use ...

Team Member	John Farmer	Ken Hodges
Items Cross-Sold	Shampoo and conditioner	Hair treatment
Value \$	\$37.00	\$34.00

This incentive structure is also a great way of seeing who have the best rapport-building and crossselling skills in your business.

5. Identify the best and train the rest

You'll find that one or two of your people will outsell your other people by a factor of 2 to 1.

The reason why they do that isn't because of any specific training. It's simply because they have discovered the most effective way to interact with people; a better way of helping customers find what they need.

Here's an example that illustrates a couple of different approaches with varying results.

A customer walks into the very large cosmetics section of a major department store and asks a sales assistant where to find a specific brand of foundation.

Assistant A points to the aisle where the foundation can be found and she says something like ...

"Sure. I'm not sure if we stock that item but if we do it's over there the second aisle on your right, past the lipsticks."

So you're left to your own devices to follow those instructions and find that foundation yourself, if they do have it in stock, that is.

Instead, picture this scenario ...

(same scene) A customer walks into the very large cosmetics section of a major department store and asks a sales assistant where to find a specific brand of foundation.

"Great, thanks for dropping in. I can take you right to it if you'd just like to come with me."

The assistant comes out from behind her counter and talks the customer right to the shelf where that particular brand of foundation is.

The salesperson may also carry on the conversation:

Salesperson: "Do you wear a sunscreen with that foundation or would you prefer one that has sunscreen built into it?"

Customer: "No, actually. I prefer to wear them separately but that reminds me, I'm out of sunscreen."

The salesperson then goes on to recommend a suitable sunscreen.

Salesperson: "And can I just ask, what kind of concealer do you use with the foundation?"

Customer: "Brand Y."

Salesperson: "Have you tried the Brand X Concealer with that? I just love it. And we get a lot of rave reviews from customers as well. Would you like to see how it works on your face? I can show you now if you like. It will only take a minute."

The customer tries it on her face and says, "Great. I'll take that. Thanks."

See the difference between the two scenarios? The assistant in the 2nd example offers just a little help and has sold two extra items.

Imagine what would happen if you had a system in place that ensured that this happened every time a customer walks in.

The first step is to discover the secrets that your most successful salespeople are using, document them and arrange for them to train your other people.

And to make sure that cross-selling happens each and every time, use a cross-selling checklist, a sign hanging from the ceiling or a "shelf talker".



Cross-sell to increase your prices

Key points summarised

- Use cross-selling checklists
- Have team incentives for cross-selling
- Educate your team about the importance of cross-selling
- Cross-sell items that are a fairly low-priced item in comparison with the original item.
- Make cross-selling easy for sales assistants and easy for your team members by having a “product of the month”.

Action plan

What	Why	Who	When
Do the calculations in this guide to see the impact that cross-selling can have on your business.	Know what’s possible for your business.	You	
Calculate your current average sale.	Identify what your benchmark is that you want to beat.	You	
Educate your team about the importance of cross-selling	Dissolves any pushiness fears and maximises cooperation	You and your team	
Create a list of items to cross-sell	Increase your average sale dramatically	You and your team	
From these items develop checklists and scripts	Helps facilitate the crossselling so it happens more easily and effortlessly	You and your team	
Identify some “products of the month”	Increase your average sale further and make it easy for your people to cross-sell	You and your team	
Ask your 10x Coach for assistance	Ensure the cross-selling systems you have in place are workable and that your team are embracing the systems	You and your 10x Coach	

See also

- Cross-selling
- Down-selling
- 7 Ways to Improve Profitabilitythat you’ve done the customer a better service by offering them an opportunity to save some money