

# Upselling

## Coaching Questions

### “Is there any opportunity to sell more to your existing customer base?”

#### Topic Introduction

Once you have your relationship and a sense of trust established, you can work in more of a partnership and collaborative fashion with your customers.

#### Discussion Questions

Are there;

- Products or services that complement what you are already selling?
- Other offerings that could enhance your customers’ experience?
- Products or services that your target market is purchasing elsewhere?
- Adjacencies with what you are already doing?
- Other ways to help your existing customer base?

#### Key Learning

The more people and customers that you are genuinely trying to help, the more successful you will be in the long run.

### “What pricing strategy makes sense for your offering?”

#### Topic Introduction

The more that you customers buy, the more profit that you are making. But that doesn’t mean that you have to make exponential money on each upsell or that your profit margin as a percentage has to remain the same. The key is that your total profit collectively should increase.

#### Discussion Questions

- Product and service options?
- Add-ons?
- Bundle pricing?
- Promotional prices?
- Value adding?

#### Key Learning

Pricing can help with conversion of even more profit from each customer. This part of upselling is increasing the size and types of pie you can offer.

### “How to reward employees who upsell?”

#### Topic Introduction

Upselling can end up being a larger part of your business than new business and prospecting. Based on the potential of upselling, you should have a plan to reward employees who do this. If you reward them, you could be surprised by where your upsell profit and revenue is coming from.

#### Discussion Questions

- Are you tracking upsell revenue? Do you have a way to track this?
- Do you have extrinsic rewards for incremental business?
- Are all employees and departments able to benefit from these rewards?
- Have you considered intrinsic rewards for incremental business?

#### Key Learning

What gets measured gets done. Now that we know that upselling can result in a significant amount of income, we should be measuring and reward employee efforts in growing this part of the business.

## Examples

### **Real Life Example: Is there any opportunity to sell more to your existing customer base?**

A website designer had a lot of adhoc business in launching websites. He realized that the cost of a sale was high in relation to the overall value of a customer and that he was getting burnt out from the constant ebb and flow of business. So he thought about how he could increase the value to customers and increase the total value of a customer to himself.

First he realized that it wasn't just the website that his customer wanted, they wanted people to find their websites. So he started offering SEO (Search Engine Optimization) and copy writing so for SEO.

Next he realized that that still was a one-time offering, so he started to offer ongoing SEO and SMM (social media marketing) to his clients. Once he saw the value of going income through the SEO and SMM, he started to look for more similar offerings including the hosting, security of the website, and finally a small retainer for upgrades and maintenance of the website.

The side effect that he didn't expect, every 3-5 years when websites need a rehaul, he was ensured the repeat business!

### **Real Life Example: What pricing strategy makes sense for your offering?**

A woman selling handbags and wallets would rather sell 3 handbags to one person at a discount rather than 3 handbags to 3 different people. Why?

The price for a single handbag is \$12 dollars with the margin for each handbag being \$8. For 3 handbags this would cost the customer \$36 with a margin of \$24 to the business owner. She could have 3 people enter the store and buy the three handbags, but isn't sure that this will happen.

If she has a customer that comes in, especially one she has seen before, she could offer them a bundled price of \$28 for three. The customer is happy as they just saved \$8. And the business owner is making \$16 margin which is twice the margin than if she had only sold one handbag.

### **Real Life Example: How to reward employees who upsell?**

There are hunters and there are farmers. The hunters are the sales people that find new business and close it. The farmers are the ones that follow up with the customers, retain them, and upsell them. In a business, both hunters and farmers are important.

Often hunters are put on a pedestal as being the most important bringing in business. But successful businesses continue to demonstrate that retaining business and upselling them are equally if not more important than new business.

At a photocopier company, they have figured this out and have equal commission structure for customer service representatives (the farmers) as they have in place for sales representatives (the hunters).

The sales representatives get commission on the new sales they bring in (as expected).

The customer service representatives get a share commission with the sales representatives on retention of the client, and get the commission on any additional services or products that they sell.

This is a creative (and important) way to reward your farmers.