

UP-SELLING AND CROSS-SELLING: CRM STRATEGIES THAT REALLY WORK



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Don't leave money on the table; use predictive sales support to fully realise sales opportunities.

You may be familiar with the term Zero Moment of Truth. A concept established by Jim Lecinski at Google, the Zero Moment of Truth is about being there when it matters, when your customers choose to commit, to buy. Though focused more on B2C than B2B, the thinking still applies to business sales. The principle remains: it's about getting closer to your customers, and in a CRM context this is particularly relevant when it comes to effective up-selling and cross-selling.



The discovery phase is now so much richer. Touchpoints are numerous, with the internet offering significant opportunities.



They will seek insightful reviews and ratings - **88% of consumers research before they buy, consulting an average of 10.4 sources.**



Your customers are constantly using a variety of devices to help in their **decision making.**



Your customers are under increasing pressure to source the very best value possible: **the best products and the best prices.**

And if you're not there when it matters with the right information, the right options and the right pricing, not only will you miss out on the initial sales opportunity - you'll not have the chance to up-sell or cross-sell while you're in front of them. Double bad.



QUESTION:

WHEN IS A FUNNEL NOT A FUNNEL?



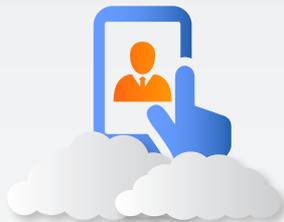
ANSWER:

WHEN IT'S A FLIGHT MAP.

As Google says: “the shopper’s journey looks less like a funnel and more like a flight map.” Not everyone would completely agree; **Smart Insights**, for example, contest that rather than being anything radically new, the Zero Moment Of Truth (ZMOT) is in itself a sales funnel. Either way, their analysis highlights four key clear and relevant takeaways, insights that themselves draw attention to the priorities of modern sales teams and how CRM can play a vital role in positioning you in front of your clients when it matters:



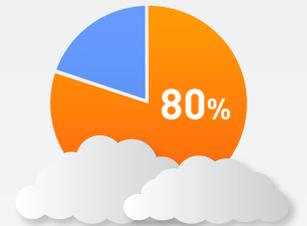
Every customer is unique.



Customers are multi-channel and multi-device.



Advertising is no longer the primary effective tool.



80% of success is showing up.

When it comes to identifying effective CRM strategies for up-selling and cross-selling we need to look closely at points 1 and 4 to see where the real opportunities lie. While some of the strategies may seem obvious, it’s amazing how few organisations appreciate the full potential of their CRM.

EVERY CUSTOMER IS UNIQUE

It's likely your sales force will have an intimate knowledge of your product range. But how much do they know about your customers? Are you collecting sufficient, relevant customer data? How is this data held and how are you using it to inform your selling? Do you have a complete and detailed picture of each customer? Is it up to date?

Effective CRM systems not only deliver a detailed analysis of your customers but also a clear and coherent understanding of your interactions with them. Deep data that has integrity, is readily accessible, and clearly reflects your customer interactions are essential.

Armed with the right insights you can apply a range of product association rules to drive your up-selling and cross-selling.

RULES IS RULES

Your product association rules define the sales relationship between products. They can be applied globally, on a targeted group basis or by individual profile.

1

Cross-selling rules define which products are offered under which conditions instead of other products. A differentiation is made between leading and dependent products.

2

Up-/down-selling rules define which products are offered under which conditions instead of other products.

3

Up-selling and down-selling rules are based on the relationships between different products. The ranking value for the products determines whether they are proposed as up-selling or as down-selling products.

[Source: [SAP](#)]

Online especially, product association rules are an extremely productive way of presenting valuable recommendations based on predicted customer behavior - with Amazon's recommendation engine an obvious example.

Colloca defines confidence, level of support and lift as the three evaluation criteria of association rule discovery:



Confidence is the strength of association measured by the percentage of cases that occur given a predecessor event that also occurs.

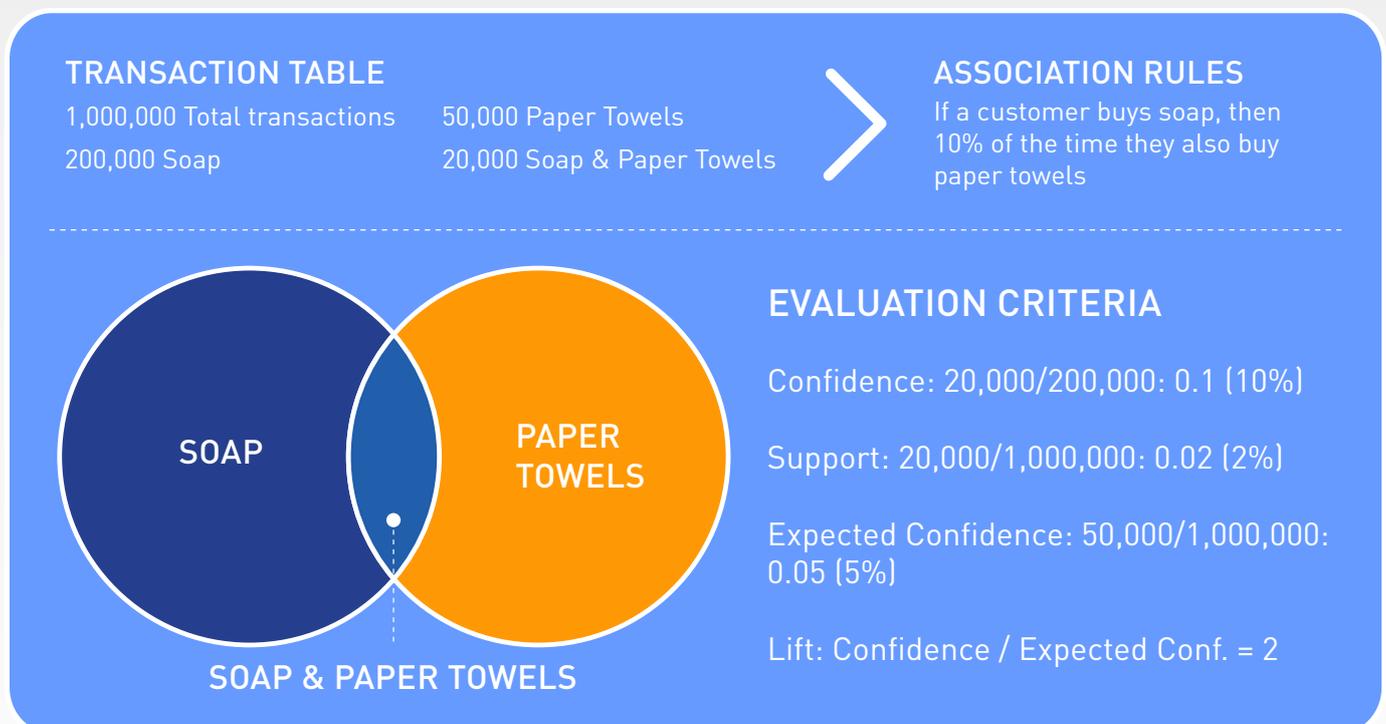


Support is how frequently the combination occurs in the market basket.



Lift is the confidence factor divided by the expected confidence - the factor by which a resulting event would take place as a result of a predecessor event.

The figure below demonstrates their relationship:



Association rules with high support and confidence are worthy of note. Rules with high confidence and low support should be treated with caution.

80% OF SUCCESS IS SHOWING UP

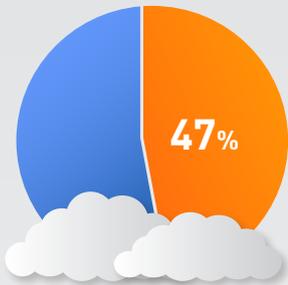


Companies that automate lead management see a 10% or greater increase in revenue in 6-9 months. (Gartner)

But what constitutes 'showing up'? In the CRM context, the following marketing activities are used to identify and establish insight, proximity and improved performance. All help to position you directly in front of your customers when it matters and are prerequisites to effective up and cross-selling.

- **Lead activity tracking** - managing day-to-day activities through functions such as call reports.
- **Marketing campaign management** - campaign components such as brands, leads, lists and segments.
- **Multi-channel tracking** - various performance data measurements such as clicks, impressions, conversions, revenue and ROI of all relevant channels.
- **Offline lead generation** (trade shows, seminars and training, direct mail).
- **Lead scoring and qualification** - defining qualified leads and how best to handle them .
- **Cloud based lead-generation** (email, website, social media).
- **Automated lead nurturing** - prospect behaviour that auto qualifies.

Get it right and the benefits are obvious.



Nurtured leads make 47% larger purchases than non-nurtured leads. (Annuitas Group)

Get it wrong - or don't apply CRM at all - and watch the competition head off into the sunset with business that you've let slip through your fingers.

PRESSURE WITHIN, PRESSURE WITHOUT

Business is a battle. A battle to win new clients, to delight them and - perhaps most importantly - to retain them long term and profitably.

You may not always be able to win on price, and you may not always be able to win on range, but inspiring customers through smart, informed up-selling and cross-selling can bring them that essential step closer. Having quick and easy access to the kind of detailed information that gives you the opportunity to create opportunity - your CRM enabled ZMOT - is surely the key.

Increase your profits with the right CRM strategy. Download your free eGuide now:

CALCULATING THE ROI OF CRM - A BUSINESS LEADER'S GUIDE

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