

Upselling and Upservicing

In the face of increased competition, decreased profit margins and a shortage of workers, more companies are expecting customer service employees to proactively SELL in addition to providing good service. But many CSRs resist proactive selling because they're uncomfortable with the sales role.

QUICK TIPS

Put yourself in the customer's shoes. At the time of purchase, what other products or services would be relevant to their needs?

Don't limit your thinking to current products or services – maybe this is an opportunity to develop something new, based on your knowledge of the customer's needs.

Make your upselling at the point when a customer is ready to complete a transaction.

The price of the upselling offer should be no more than 60% of the cost for the initial product.

The cost of finding and acquiring new customers or clients is a big expense for most businesses. Encouraging your customer service representatives (CSRs) to "Upsell" those new customers maximizes your return on that expense. It's a simple, common sense approach any business can implement quickly for immediate results. What would it do to your revenue if 5 percent of your customers began to purchase two items instead of one each time they ordered?

Upselling is a procedure designed to get more money at the point of sale. You implement it by offering your customers or clients an upgraded product or related item at the time they are making their purchase.

Many businesses avoid upselling because they're concerned that the customer may feel irritated or pressured, and many CSRs resist upselling because they're uncomfortable with a "selling" role. They're service-oriented, not sales-oriented which they perceive as being high-pressured and focused on the salesperson, not the customer. But research shows that most customers appreciate upselling when they are offered additional benefits that are *relevant* to their needs. And customer service employees *can* learn to upsell effectively when they begin to think of it as *upservicing* not selling.

Think about your business. What else can you offer customers or clients while they're making their first transaction with you? Can you offer them:

- A discount on a related product or service?
- A volume discount if they buy more now?
- A special priced combination package including the initial product or service?

With some creative thought you should be able to come up with numerous possible upselling scenarios by matching your customer knowledge with what you know about your products and how customers purchase and use them.

Remember though, the key is to make the upselling/upservicing effort relevant to what you know about the customers needs.

An offer that seems “off the wall” to a customer, or appears to come “out of the blue” with no rhyme or reason WILL irritate some customers, and be ignored by the rest.

Your upselling offer should include preferential special pricing. Most customers will accept your offer when it's a good value and the price is no higher than 60% of the cost for the initial product. Upselling is really nothing more than offering customers additional recommendations when they are placing their orders. If it's done in an informative way, customers appreciate the personalized service.

CSR: THE NEW ROLE

In a recent restructuring, the technology firm SoftMart Corporation transferred its customer service function from operations to the sales department. It then grouped telemarketers and CSRs into teams.

Telemarketing and Customer Service Managers together introduced new sales responsibilities for CSRs. These new roles were supported by extensive training in technology as well as role-playing. Eventually, the CSRs recognized that offering additional products to existing customers was performing a customer service function, not a sales function.

“But it was a good six months before our people felt comfortable being proactive,” says Ron Burton, Softmart’s VP of Sales and Marketing.

Upservicing

Done graciously, without the CSR being pushy or seeming too eager to foist unwanted items on the customer, upselling is an extremely effective way to increase revenue. But to get CSRs into a sales mindset requires some flexibility on the part of managers and trainers. It involves training CSRs to think differently about selling, and the key to doing this is to get them to focus on proactive service and think about suggesting other products as simply offering better service.

An “Upservicing” attitude can go a long way toward breaking down a CSR’s resistance to sales. At the beginning of any upservicing-related training program, when asked if they see themselves as salespeople, few CSRs will answer “yes.” But after a day of training that focuses on the concept of additional service, almost all the reps involved are likely to say that they do see themselves as salespeople after all. Most will start upselling/upservicing right after they return to the phones.

How to present an upservicing offer.

Upservicing has almost none of the characteristics usually associated with traditional selling. It's so simple and straightforward that even relatively unskilled order takers can achieve high acceptance rates. Upservicing is simply offering a suggestion to an already receptive buyer to enhance the value of his or her purchase. Present your upservicing offer casually, as almost an afterthought. For example, if you were speaking with your customer in person or by phone you might say:

“Your customized letterhead will be ready in 48 hours. If you'd like, we can also print custom note cards, business cards and envelopes. The regular price for all of this would be an additional \$400, but we can offer a package discount with your letterhead order for just an additional \$275 if you order it today.”

Most businesses report acceptance rates between 40% and 60% for their upservicing offers. This is a big increase for so little effort. Plus, the profit from the upservicing portion often exceeds the profit on the initial product or service because there are no additional expenses involved.

If you're not making upservicing offers to every new customer or client, start doing it now. It's an easy way to boost your profits fast with little effort and no expense.