

# Best Practices in Up-Selling and Cross-Selling

By

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## Introduction

How do you turn a costly service-focused call center into a profitable sales center without alienating your currently successful call center agents?

“You cannot depend on your eyes when your imagination is out of focus,” Mark Twain once said. In business vernacular, this means that it’s impossible to know if you are succeeding if you don’t have a clearly defined, focused operations blueprint. Indeed, in order to build a successful up-sell and/or cross-sell call center (henceforth up/cross-sell), three topics must be addressed: a) business model issues, b) training and staffing issues and c) technology issues.

From our database of thousands of call centers, we recruited a group of ten “Best-In-Class” companies representing major industries to participate in a study to determine what a successful up/cross-sell call center is based on. The participants are all inbound call centers with at least 100 seats that have the opportunity to up/cross-sell on at least 40 percent of their inbound calls. This article is based on findings from that study.

## Business Model Issues

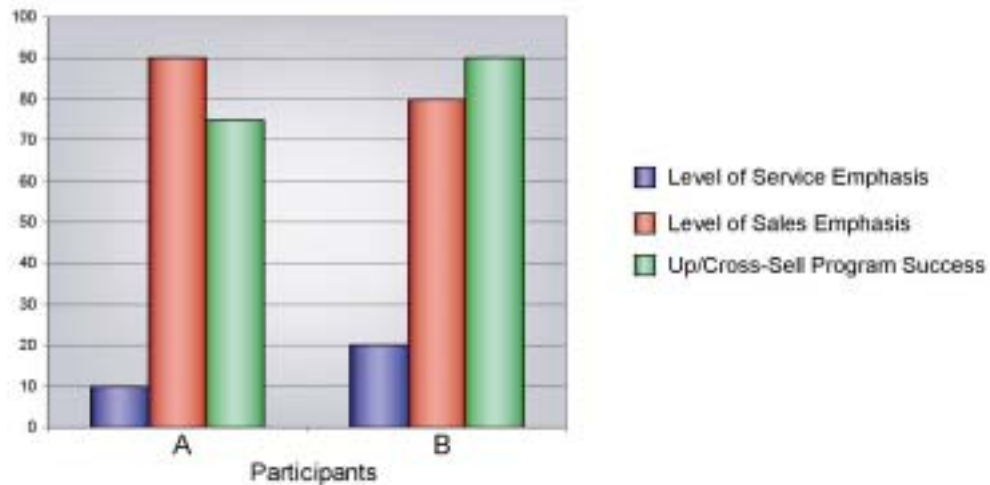
The business model for the successful implementation of an up/cross-sell program must focus on the migration from cost center status to profit center status through the value of incremental sales. The paradigm shift is critical to the success of the program, and profit center status allows call centers to document their value to the company’s bottom line.

To implement such a paradigm shift, call centers might execute a formalized “culture campaign” to shift the department’s focus from strictly “service” to an environment focused on both service and sales. Running a pilot program that includes using a needs-based, or “soft-sell,” selling approach, and training customer service representatives (CSRs) on selling skills before fully

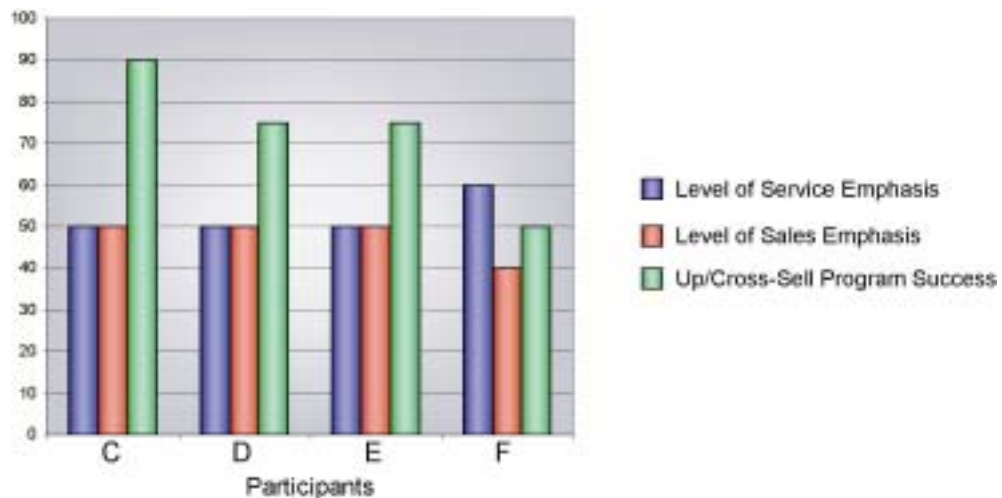
rolling out an up/cross-sell program can also assist an organization in adjusting to the shift.

This is not to say sales should be the singular focus of the CSR. Because customer retention is critical to the success of up/cross-sell programs, the main focus of CSRs should be to both satisfy customer needs and build long-term relationships rather than “getting the incremental sale.” In fact, the success of a call center’s up/cross-sell business model is not measurably influenced by the level of emphasis they placed on sales versus customer service, as depicted in the graph below.

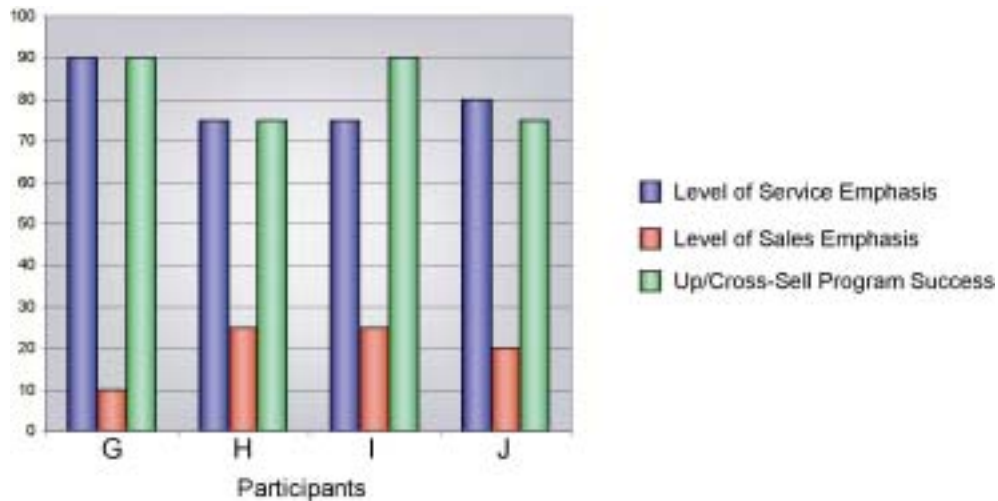
**Up-Sell/Cross sell Program Success with Level of Emphasis on Sales vs. Customer Service**



**Figure 1. Participants with a low level of service emphasis**



**Figure 2. Participants with an almost equal service and sales emphasis.**

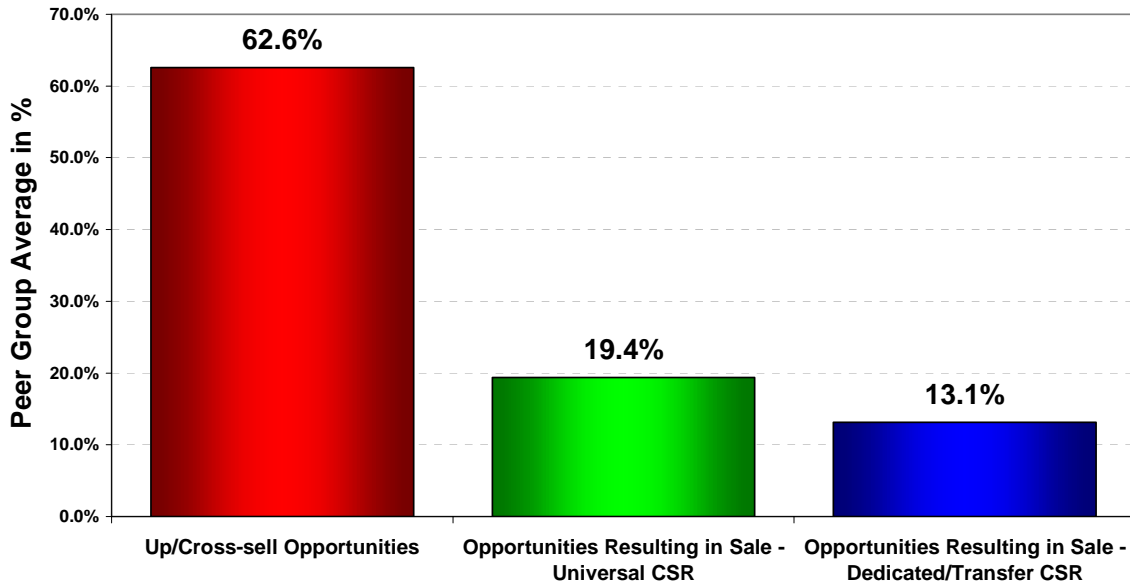


**Figure 3. Participants with a low level of sales emphasis**

Furthermore, business may actually be better served in achieving up/cross-sell success by placing emphasis upon factors other than customer service or sales, including product training, operational efficiency and CSR effectiveness.

Solid executive sponsorship from all levels of the leadership team supporting the call center is of critical importance to a successful up/cross-sell program business model. Executives should show long-term commitment to the program's success by providing adequate budgets for staffing and technology. Additionally, executive level goals and incentives should be tied to up-/cross-sell results.

The agent model is also a critical component of a successful up/cross-sell program. Both the universal CSR model, in which the CSR handles the up/cross-sell, and the dedicated sales representative model, in which up/cross-sell calls are transferred to dedicated sales representatives, can be effective depending on the complexity and price points of the products. For low-priced products (under \$500), the universal CSR model is more effective, as shown in the graph below.



**Figure 4. Comparison: Up/Cross-Sell Opportunity Conversions: Universal CSR Sales vs. Dedicated/Transfer CSR Sales**

Developing performance-tracking metrics is important in determining the success of a newly implemented up/cross-sell program. Key metrics for tracking individual CSR sales performance include: the number of offers, percentage of up-sells, overall quality of service provided, and calls per hour. Key metrics reflecting the level of success of the business model include: call quality, cost per contact and annual revenue. Other metrics to be considered include: average handle time, call-to-sale ratios, repeat sales, orders per call, margin per call, and number of contacts per customer.

Several models exist for compensating CSRs, the most common being that a CSR's compensation include a base salary at least 70% of the total compensation plan. Other elements of a total sales compensation package include sliding scale commission accelerators, gift certificates, cash prizes and team incentives or bonuses.

Incentives are used to motivate positive behaviors and boost morale. Call centers that compensate CSRs through gifts, prizes, certificates or other giveaways on "attempts" or sales rather than through commissions, or those that offer rewards for fun and motivational purposes, make the up/cross-sell effort fun and interesting for the CSR as well as ensure the proper result is achieved: namely, providing excellent customer service first and then attempting to make the sale.

Determining how to set and track goals is an important step in setting up the up/cross-sell program. First, a product implementation strategy team should be formed. The team should consist of the call center manager, a marketing

analyst, an IT expert and a third party expert that understands how to formalize the product implementation plan and set goals. This plan must establish how new products will be sold and presented to the CSR, anticipate and set goals for selling the product, and determine how much incentive will be given to the CSRs. Back-end tracking reports must be devised to accurately present the findings, including number of sales, cost of sales and profit margin, to the CSR and management staff. Finally, one should design a formal review process that allows validation of the sales goals, and assures that the incentive plan is correctly set to drive the desired results.

### **Staffing And Training Issues**

Hiring and training practices for CSRs and management can directly impact the success of an up/cross-sell program.

The ideal telesales candidate will possess characteristics that are indicative of CSRs who tend to be high performers with long tenure. Based on the findings of a study done in the early 1990s by industrial-organizational psychologist Dr. Michael Marx, these characteristics include “High Sedentary,” “Low Changeable,” “High Orderly” and “Med-High Sociable.” These characteristics are described below.

<b>High Sedentary</b>	The individual does not mind sitting for long periods, takes some risks as long as they do not entail physical danger, and seeks jobs that provide physical security.
<b>Low Changeable</b>	Does not like much dramatic change, loves routine, accepts self and others, is friendly and confident in social settings.
<b>Low Rebellious</b>	Enjoys structure and finds it normal, prefers to be given clear goals, procedures and instructions.
<b>High Orderly</b>	Develops methods for organizing, scheduling and planning activities, keeps resources and files well organized, and is religious about completing tasks on time.
<b>Med-High Sociable</b>	Approaches telemarketing or service duties in a friendly, congenial fashion, makes efforts to make friends, feels comfortable interacting with others on a spontaneous basis, is a loyal person when treated fairly.

Pre-employment assessment tools can assist management in finding such employees, but they are only effective if utilized properly. The ideal CSR profile used in the assessment should be regularly benchmarked and revised to reflect the desired attributes, characteristics, or skills of the company’s top performers with long tenure.

Additionally, the management team must be committed to the design, standards and overall structure of the selection tool in order to put the right people in the right jobs. Call centers should avoid the pitfall of “making

exceptions” and lowering standards just because they need to put “bodies” in seats.

Call centers that offer more than two levels of career advancement opportunities, along with level-based training, have a higher CSR retention rate and better performance. Career pathing builds stability into an organization and demonstrates commitment to the CSR. Many managers fail to develop and/or implement a tiered career path for CSR development and growth that, in the long term, is advantageous for the call center. By not focusing on CSR development, call centers enhance the risk that their employees will take the skill sets they have learned and go to work for competitors across the street.

The quality of the training those agents receive can make or break the up/cross-sell program. Training programs must be comprehensive, modular (use a building block approach), and instructionally sound. They must address all learning styles and incorporate adult learning theories and techniques. They must include definitive facts (for product knowledge courses) or skill models (for soft skills training) that are taught in short, easily understandable modules or segments. The skill models or facts should be reinforced through the monitoring forms.

The best CSR sales training program consists of a rich mixture of customized classroom, on-the-job, computer-based, and one-on-one training combined with sales-skills coaching by trained supervisors and positive quality assurance (QA) feedback. Nesting, a technique where newly hired CSRs are physically grouped together on the production floor to handle live calls with very close coaching and supervision, is a particularly effective way to build the confidence and skills of new hires in a safe coaching environment.

The management culture in a call center has a dramatic impact on CSR satisfaction and sales results. If supervisors and managers act like authority figures trying to catch CSRs doing something wrong, you will find an environment fraught with CSR dissatisfaction and high turnover. The management team must be development oriented and motivated to use an “ethics-based nurturing coaching style” that motivates the intrinsic values in CSRs to do what is right for the customer, the company and themselves. This management style celebrates victories and supports personal growth. In a call center using an ethics-based, nurturing management concept, the supervisor might be viewed as “one who serves the CSR,” also sometimes called “servant leadership.”

Although positive reinforcement through side-by-side supervisor monitoring and coaching is the most effective method, it is not the most efficient method. It is only the preferred method if the uplift in sales results will justify more supervisory time spent in one-on-one coaching. Still, 60% to 70% of a

supervisor's time should be spent working with their CSRs. Reporting and clerical functions can be offloaded to lower paid personnel.

Lastly, how the selling activity is position to the CSR with the classical customer service "personality" can be of great importance. In a recent study, in which we surveyed callers and asked about their needs, we determined the hierarchy of caller needs. The result was a pyramid of needs starting at the bottom with the most basic, and moving to the most important needs toward the top (see figure below).



**Figure 5. Hierarchy of Caller Needs**

It seems clear that "giving advice" to inbound callers is an essential need of every caller, and ranks very near the top of the pyramid of needs. Callers really "don't know what they don't know," and therefore, greatly appreciate the CSR "educating" them on opportunities (product features and functions and/or add-ons) that are germane to the caller's situation. We found that if the up/cross-sell is position as education and/or advice giving, and not a "hard close" it is much more palatable to the professional service CSR.

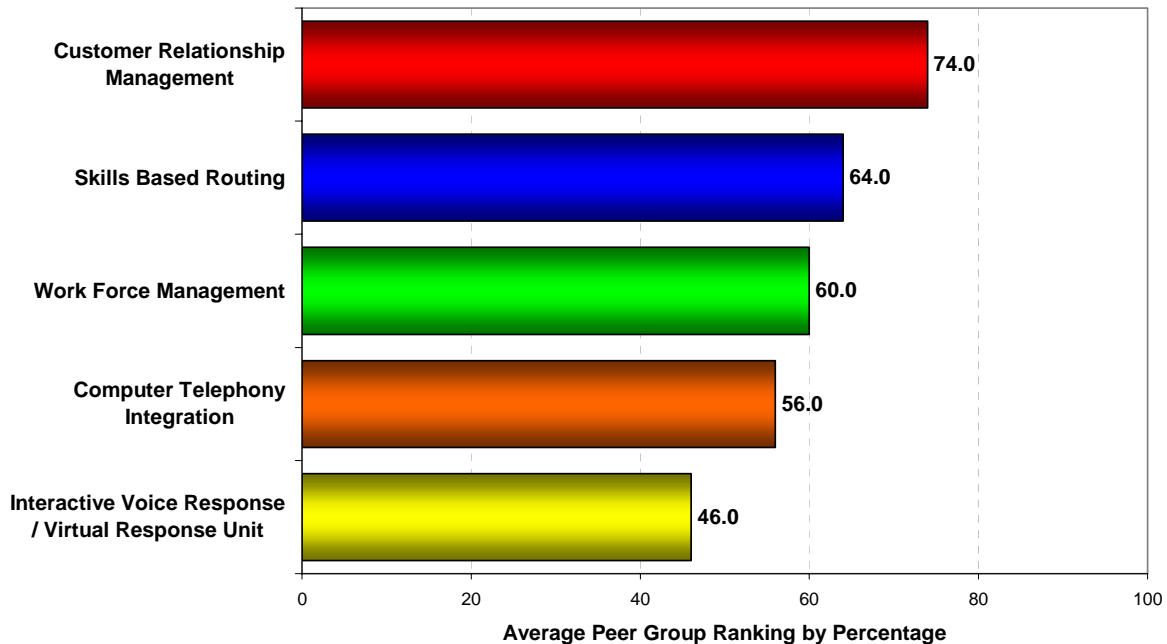
### **Technology Issues**

Technology plays an integral part in the success of the add-on sales opportunity. Customer relationship management (CRM) sales tools are commonly used by call centers. CRM technology can include: scripting, product discount/spiff identifiers, product coupling, and propensity-to-buy indicators.

These CRM sales tools can be used to "trigger" possible up/cross-sell solutions or prompt the CSR to ask for the sale by providing scripts, taking out the

add-on sales guesswork. Performance tracking can also be recorded via the CRM system, providing the management team with information including how often a CSR asks for a sale, how many sales that CSR closes and the dollar amount of each sale. Finally, CRM software often features built-in fraud detection capabilities.

Workforce management tools also directly contribute to the overall up/cross-sell effort. By insuring there is adequate telephone coverage, CSRs not only meet customer satisfaction expectations, they are able to meet the add-on sales commitment requirements as well. In best practices customer service environments, CSRs are held to fairly strict call handle times. By identifying the increase in call length due to selling efforts and entering in the accurate information into the workforce management software, the correct number of CSRs is scheduled and sufficient time is given to handle the up/cross-sell call. Staffing adequately promotes CSR well being and reduces stress levels and allows supervisors to concentrate on other areas besides scheduling CSR time. The bar chart below shows the relative contributions of various standard contact center technology on the up/cross-sell function.



**Figure 6. Technology Ranked by Contribution to Up/Cross-sell Success**

Along with technology, the marketing department plays a significant role in the up/cross-sell model. For example, the marketing department can identify the proper products that are closely aligned with other products, like the cables that bring power to PCs. They also identify the customer’s propensity to purchase other products based on initial products purchased. This type of predictive modeling support can be provided for the call center via the

marketing department and entered into the CRM application. This knowledge, when coupled with the desktop information presented to the CSR, increases the customer's chances of buying and the CSR's chances of selling. It is a critical tool for the up/cross-sell model. It provides the CSR with "triggers" that help the CSRs ask for the sales. Marketing's ability to fine-tune this operation along with the CRM tool increases the sales capabilities enormously.

### **Conclusion**

In order to build a successful up/cross-sell call center, business model issues, training and staffing issues and technology issues must be addressed. With such a clearly defined, focused operations blueprint, call centers can build a successful up/cross-sell call center.

### **About BenchmarkPortal, Inc.**

BenchmarkPortal is the custodian of the Purdue University Center for Customer-Driven Quality database of contact center metrics, the largest in the world. It provides reports, products and services for contact centers in the areas of operational metrics, customer satisfaction measurement and agent satisfaction measurement. For more information about BenchmarkPortal, call 805.614.0123 or visit our Web site at: [www.BenchmarkPortal.com](http://www.BenchmarkPortal.com).

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