

The Ultimate Guide to
Website Optimisation:

Upselling and cross- selling



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What is upselling?

Upselling techniques

What is upselling?

Upselling is a sales technique that encourages customers to purchase additional or more expensive versions of a product.

Upselling products often involves suggesting add-ons, larger sizes of a product or products with higher specifications. Upselling can also be beneficial for the customer experience, as encouraging a customer to purchase a larger product, for example, could help them to save money in the long-term which can improve their trust in your brand.

Upselling is often combined with cross-selling techniques. Cross-selling involves suggesting related or complementary products to your customer based on items they are viewing or have previously purchased. Combining these two methods can contribute to increasing sales and average order value.



Benefits of upselling

There are several advantages to businesses of upselling products. These can include;

A

Improving customer experience



The nature of upselling gives customers the opportunity to view more products, allowing them to explore and compare their options. This opportunity for comparison can make customers feel as though they have bagged a better deal and that the business is considering their needs as a consumer.

B

Encouraging loyalty



Successful upselling can also improve relationships between business and customer. If a customer had a positive experience previously shopping on your site, they attach value to your products or services and will continue to come back for the same convenient experience.

C

Improving the average order value



One of the main purposes of upselling is to increase average order value (AOV). Higher AOV means more revenue for your business from fewer customers. Presenting customers with more expensive versions of a product that have additional features or come in larger quantities is an easy way to encourage customers to spend more in each transaction.

Despite these advantages, it is important to keep the customer experience at the forefront when implementing upselling tactics. Poorly executed upselling can make the customer feel pressured to spend more, or overwhelmed by too many options, which can cause them to lose trust in your brand.

Providing incentives

Presenting your customer with other product options will not guarantee that they will buy them. Using incentives can increase the success of your upselling tactics.

Incentives could include offering bundle deals, discounts for higher-priced products, or offering free shipping over a certain threshold. Incentivising upselling can increase the likelihood of a sale and higher AOV, and also make the customer feel as though they are getting the best possible deal on their purchase. In turn, this can lead to customer loyalty and boost your conversion rate.

The propensity model

The propensity model is used to predict the purchasing behaviour of a customer in the future. This model is based on information about products a customer has previously bought. This data can be analysed to determine which products may appeal to that customer next.

This predictive model can be used to support upselling tactics, as it allows you to present and upsell more relevant products to that customer. The propensity model determines a score to predict the probability that a customer will purchase a certain product or perform a certain action.

Using this information effectively can allow for a better understanding of your customer's behaviours and allow you to improve your business's methods of upselling.

Don't be pushy

It is important to avoid using upselling strategies that could be perceived as pushy or aggressive. Upselling at the wrong time or suggesting irrelevant products to your customer puts you at risk of being perceived as overly pushy.

Commonly, eCommerce stores only present customers with upselling options when they have already decided to make a purchase. This way, the customer feels as though they are being presented with better, cost-effective and relevant products which are offering them an opportunity to see improved value in their purchase.

Conclusion

Using upselling techniques effectively can be highly beneficial for your business and your customers. Upselling offers the opportunity for you to sell more profitable products and can give your customer a tailored and more valuable experience.



What is cross-selling?

Cross-selling (and upselling) are common methods used by online retailers to increase revenue from existing customers.

Cross-selling involves encouraging a customer to make a purchase in addition to the primary product. A classic example of this would be offering customers to add a pack of batteries to their basket alongside their new electronic purchase. Adjacent to this, upselling offers customers an upgrade of the primary product. For instance, offering customers a larger size version of the same product is a common example of upselling.

These strategies help companies retain customers and increase prospects of making sales. To utilise cross-selling and upselling strategies, data on existing customers is crucial – from their bought items information to their product browsing history.

Where do we see cross-selling?

In eCommerce sites, cross-selling can be seen regularly on product pages, and during the checkout process in particular. Effective cross-selling satisfies the customer's needs by alerting the person about additional products that may be relevant to the purchase they are looking to make.

We see cross-selling in everyday examples, whether this is online or offline. For instance, when purchasing a pair of shoes, you may be offered shoelaces or shoe care products. Or if you are buying a new phone, additional items like a screen guard, phone case and headphones might be offered. Online, cross-selling is commonly seen during the checkout process where there are recommendations for items "frequently bought together".



When running an online business, cross-selling can be implemented in a number of different ways:



‘Customers also bought’

By using purchase data from previous customers, products which are often purchased at the same time can be displayed on the product page, therefore nudging the customer towards purchasing an additional item that they may have forgotten before completing checkout.



Accessories and additional items

With some items, cross-selling can be naturally implemented without feeling intrusive, by offering the accessories or attachments which are sold separately - for example, batteries for an electronic device, or care products for a new pair of shoes.



‘Complete the look’

When a product is part of a collection, whether it be clothing, furniture or otherwise, a sensible cross-sell would be to offer the other items from within that same collection as a potential product the customer may wish to add to their basket - to ‘complete the look’.



Follow-up emails

Following up on previous purchases with email recommendations of additional complementary products or offers that may interest your customer based on their purchase history. This is an easy way to test the implementation of cross-selling techniques for your business as it requires little investment and does not require any changes to the format of your eCommerce platform.



Offers on related items

Add nudges or messages to encourage your customers to purchase a related item in order to complete an offer or allow them to reach a free delivery threshold. If your customer feels as though they would be getting a good deal, it can make them more likely to purchase the additional item.



Benefits of cross-selling

Customers often cherish customer service which feels personalised to them. The cross-selling tactic increases customer satisfaction, retention of previous customers and the average customer lifetime value.

The main goal of cross-selling is to increase the average order value which in turn, translates into higher revenues for your online business. Increasing average order value can encourage increased customer loyalty and allow your business to generate increased revenue from the same amount of traffic.

Online shops can benefit from using this strategy by taking advantage of historic customer purchase data, thereby making relevant product suggestions, creating bundle packages and ultimately giving customers a better purchasing experience.

Conclusion

Whether your cross-selling strategy involves showing bundle packages or individual product recommendations - it creates a greater customer experience and increases value for the customer.

In the long-term, this makes for more effective campaigns with higher returns. Thereby, cross-selling is an important marketing tactic that can be used to increase the average order value by persuading existing customers to purchase ancillary products.

The Ultimate Guide to Website Optimisation



A **FREE** and complete guide to help you get the most out of your business' eCommerce website. Includes everything you need to know about:

- **The checkout process**
- **Website design**
- **Optimise your website speed**
- **Website optimisation for mobile**
- **Sales**
- **Upselling and cross-selling**
- **What is a good conversion rate?**



Speak to an advisor today:

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