

“Cross- selling a Total Solutions culture within the marketing & customer growth strategy of the organisation”

By: Max Franchitto

Cross-selling and its now more politically correct term “Related-sales” have been the missing link in the sales and marketing process for the lifetime of marketing, as we know it.

It would, therefore, be safe to say that just about every Services organisation has allocated extensive resources in developing effective cross-sell strategies.

Unfortunately success has been limited by a variety of factors not the least of which has been the expectations of the evermore demanding “customer”. They ask that they be sold the core product or service to satisfaction before they will even consider you for the related sales.

The Banking industry allows for an interesting example, in that the customer is saying;

“if you cannot service my basic banking needs to my satisfaction, why should I consider you for all my other financial services needs”.

Generalising aside, it has now finally dawned on many service organisations, that if your core activity with the customer lacks credibility there is no way that the Related-sales relationship is ever going to develop. So the challenge remains at ground zero, “do it right first time” (DIRFT) and we will consider you for an opportunity to “doing it right second time” (DIRST).

Research in Services has shown that only 25% of customers will even consider you for a second offering if you don't do it right the first time.

So, how does an organisation go about creating a DIRFT culture that will allow for a Related -sales strategy to succeed?

Critical success factors

There are no magic steps to this development except to say that we must go back to mastering the basics of all marketing principles.

“Know your customer well enough to share their same priorities when it comes to your products and services”.

Customer knowledge must rule in the Related-sales strategy of the organisation and Customer value and economics will then evolve to benefit all parties in the relationship. This means the total value of the customer will increase significantly

Developing products based on Customer knowledge needs to be at the forefront, rather than the approach of making sure that only profitable customers are offered

extended services. Analysing carefully whether the Product or Services meet the expectation of the customer, are resources well spent.

So, what is needed for related -sales in Customer management strategies;

- In-depth Customer knowledge.
- Understanding of the Value proposition from the customers viewpoint.
- Understanding of market segment buying priorities.
- Understanding the value (price) tolerance the customer has for the product / service.
- Understanding of credibility drivers in the relationship with the customer.
- Understanding the image of the organisation in the eyes of the customer.

Implementing the strategy

What does the transition from a single product offering to a Total solution look like and what must we do to achieve it at every given opportunity of interface with the customer.

Generically organisations sell to customers with a high focus on what is considered their Core competency.

So the offer becomes one of “Core product” to a wide open market audience, which will by definition have multiple choice and not deem any one provider as a specialist in that product or service. It is up to the marketing and sales team of the organisation to refine that offering to one which is more closely aligned with the multiple needs of the client.

From this position the organisation has begun implementing a Cross-sell strategy for its other products. It is now telling the client that it can cater for his/her needs at a number of levels. Offering affiliated products and services without losing any of the quality of customer service.

The Value of the Customer relationship is maximised when the organisation is able to present to the customer a suite of product offerings (Total Solutions) which are at the same time refined to the “Individual needs” of the customer. Then we have a scenario where cross-sell meets the all important aspiration of being able to provide to the client, the closest possible offering to a “Total Solution” . Typically expressed in the “Customer Value Expansion “ diagram below.

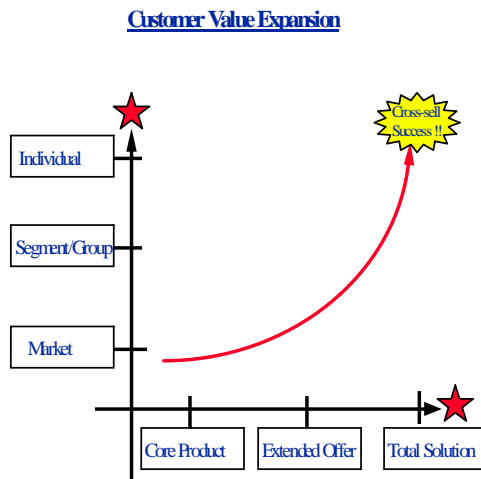


Diagram 1.0
(Source: Wayland & Cole- Customer Connections).

How effectively this is achieved is highly dependent on the processes in place with the business development function of the organisation, where the customer interface is critical in creating the perception of product and service capability.

Cultural change

A total cultural change is the key to ensuring that employees become switched on to the cross-sell opportunities available in everyday transactions. The cultural change comes from incentive and reward in completing related sales, giving the staff the recognition for having identified the extended needs of the customer.

There are organisations which have successfully sold across all barriers simply by providing the customer with a simpler solution than any of their competitors. The classic would have to be the Virgin Group (Richard Branson).

Who would have thought that a single organisation could cross-sell on such a heterogeneous set of products and not only survive but experience extraordinary growth in the process.

The secret to this organisations success is in the removal of stayed industry obstacles, which have been created over time by traditionalist players.

What Virgin has developed is a Service ethic which works effectively across a number of industries, because it packages Product and Service in an innovative way which gives the client a "Totally pleasant buying experience".

Long-Term success

How does the organisation maintain the drive and culture, is it a myth ?
Indeed it isn't , most organisations have the basic tools for creating a workable Product & Service marketing ethic.

The tools are the "people and their ability to extend relationship marketing and service" way beyond the

expectations of the customer. This is what comes with allowing the front-line staff to develop a corporate plan which reflects a practical application to what we have always known as cross-selling (Related Sales).

The implementation of cross-sell strategies happens at the market face. Albeit it may have its beginnings in a head office marketing department, it will surely meet its end in the branches and regional offices unless the front-line staff have embraced the cross-sell ethic.

Reference: "Customer Connections"- *New Strategies for Growth*, by R E. Wayland, Paul M. Cole. (HBS Press 1996).

Max Franchitto is a business advisor and speaks to organizations about maximizing opportunities to grow their customer base in ways that positively impact growth and bottom line profits.

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