
Software Marketing

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Cross-sell, Up-sell, Boost Your Software Sales

I'll start with a classic example that I'm sure everyone relates to: Amazon.com. If you've bought something from Amazon you probably noticed that when you add a product to the shopping cart, several other products are being recommended: "Customers that bought X, also bought Y...." or "May we recommend the following add-ons?"

Well, this is cross-selling, a selling technique that brings up to the customers' attention products or services complementary to the ones they intended to buy in the first place. In a wider sense, cross-selling includes also selling products with higher profit margins or higher value - this would be called up-selling.

Cross-selling and Up-selling Software

Let's suppose you sell a "Keyword Generator" software used for aiding search engine optimization campaigns and during the selling process you offer another product for measuring keyword density.

The two products work perfectly together. Your customers like the idea; they buy them both. This means you sell the second product using a cross-selling technique. The same situation is when a back-up CD is added to the shopping cart. If you offer a two-year license instead of a one year license, or a premium version for a slightly higher price, then we are talking about up-selling.

Besides the standard product offer, you can obtain higher revenue from other up-selling options such as:

- Upgrades (when a new functionality is added)
- Maintenance/ support contracts and consultancy
- Add-ons (extension products written either in house or by third parties)
- Lateral developments (modifying a product for new markets) and custom made developments (specialist developments)
- Licensing Deals

What Factors Increase Cross-Sales

First is the price (this is obvious). Also, how well the additional product or service fits their needs and wants, how much the customers appreciate the main product they want to buy (applicable to upgrades or adds-on).

Another factor is testimonials. Well, yes. What is the first thing people usually do when they want to buy something? They ask a friend. On the internet this translates into testimonials; somebody else's unbiased opinion about the product they intend to buy. For increasing the success rate of cross-selling, add testimonials to the description of the additional product presented in the shopping cart.

7 Cross-selling tips

1. Choose correctly complementary products.
2. Use an automated recommendation system based on past purchases.
3. List best-sold products.
4. Target your clients; Estimate which clients are suitable candidates for the cross-selling process, create clients' behavior profiles and models.
5. Provide your clients with good customer service. This will help repeat sales, when you have higher chances of cross-selling and especially up-selling.
6. Inform your clients correctly about the opportunity to buy an additional product without forcing them to wonder or search.
7. Keep track of refusals to accept cross-selling or up-selling offers.

Cross-selling online - things to keep in mind

Suggest additional products and include a direct "add to cart" checkbox under the main product picture. The function of the "add to cart" checkbox is to allow the promoted [cross-selling](#) products to be added to the shopping cart simultaneously with the main product.

Also, the additional products should be familiar to the buyer. Because it is advisable not to have an additional page for the cross-selling product description, choose products that can be added directly to

the shopping cart without links to other pages.

It is very useful then to provide pictures and useful information in the cross-selling page. The additional product pictures should be bigger than "thumbnails" but smaller than the main product picture. Try cross-selling directly in the shopping cart page but also in other pages of the site where you can help clients find more about your products. To see which product association is bringing you best results try as many product combinations as you can.

In the product's presentation page add no more than three cross-selling elements; the additional products should be cheaper than the one chosen initially for purchase. Also you can use a "Before you Check out" technique, including the additional products before the order process is finalized. This technique is a good way to cross-sell add-ons for your software products.

Up-selling tips

Based on the definition of up-selling, the additional product offered should be more expensive than the main product. Carefully keep track of customer's behavior and needs because this technique is more risky than the cross selling technique since you are trying to sell something more expensive.

Underline the added value of the expensive product, for example "Buy a two-year license and save." The up-selling offer should be recommended in the product presentation page, before adding the product to the shopping cart.

Don't forget to use new releases. Point out against the suggested additional product (for instance on the product's picture) that is "Just released" or "New version." Add a link on the product image to a page with details; don't simply add it into the cart. The client must understand the benefits of choosing the up-selling offer. Offer discounts and special promotions.

Another important aspect is helping the client decide to buy as a result of a pleasant experience. The website should be intuitive and easy to use, should inspire trust and confidence, should be functional (no dead links, fast loading pages) and provide enough product details.

Turn unprofitable customers into profitable ones

The cross-selling and up-selling techniques can certainly be used successfully for increasing revenue

and loyalty from your existing clients. Why is this? Simply because you know them better and know what and when to offer them. Certain clients have potential to generate more profit than others.

The question is of course how do you know which ones they are. To answer this it is necessary to obtain data about customers' buying behavior, their needs and preferences and predict their future behavior using this information.

How to collect data?

Track how often clients return and visit your site, which are the products they respond better to, which communication or sales channels they prefer. What kind of products should be promoted and to what kind of prospects? Which is the next product the client will search for? What products can be promoted together in a shopping cart (this is a "market basket analysis")?

In a small company you can use common sense and past experience to increase your understanding of these issues. Big companies with many clients use "data mining" techniques for understanding buying behavior and establishing the right offer to the right client or group of clients.

You can also utilize a login-system and analyze the demographic data collected when creating an account, together with order history and client preferences. Another option is to do a survey on your client data base, by phone or email to a certain sample, say to 200 customers, to find out the degree of interest for an additional product. You can develop a targeting model using the survey results and use this model within your cross-selling strategy.

You can also conduct an online survey, directly on your website. Finding an answer to these questions can provide you with profitable crossselling opportunities and can help you create attractive product or service package offers. If you already have an onlineshop or you intent to build one, specify the data you need to collect with your provider.

And finally, some conclusions

Why are cross-selling and up-selling useful for your company? For three main reasons: they generate more profit, they create increased customer loyalty and improve customer value. The most important aspect in cross selling is customer satisfaction with the first software product they purchase, alongside with price and how well additional products fit their needs.

In order for cross selling to work, the focus should be on the customer, not on pushing a certain software program. Before talking about additional products or services, the customer's problems must be solved. Also, the customer needs to know how useful is the product you're trying to buy in the first place.

You can add this selling technique on your website by using "data mining techniques" with simple SQL queries for generating recommendations or by using an e-commerce platform which has this function already integrated like Avangate.

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