

Difference Between Cross-selling & Up-selling



CROSS-SELLING

INTRODUCTION:

The Term cross-selling refers to Banks, Non-banking financial institutions (NBFC) that offer or sale of more than one product or service to promote the customers with different products & services according to their needs. It encourages the customers to buy a related or complementary product.

MEANING:

Cross-selling is a wide range of products to an existing customer is one of the corner stones of customer strategy in most financial institutions or banks that provide the financial services. It offering the right product to the right customer at a right time. Cross selling earning the confidence of customers as best retailer to satisfy a particular need of customers. The success of cross-selling program depends on various components such as well-defined business strategy, effective execution, regular monitoring & effective targeting strategy. It has proved itself to be effective or defining strategy for profitable growth in various sectors.

BENEFITS:

Cross selling builds up the relationship between customers & financial organization. cross selling offers benefit to both to customer & firm.

For the customer:

- Offers the right product at a right place.
- Give maximum satisfaction.
- Better services & Multiples choices of product & services.
- Get effective product at lower prices.
- Reduce the Acquiring cost.

For the Firm:

- Growth of new & existing customers.
- Enhance customer profitability & build the customer equity.
- Promotes diversification & innovation of a new product.
- Entries into new & competitive markets.
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PROCESS OF CROSS SELLING:

- Identify the opportunity
- Eligibility
- Business strategy
- Decision on analytics approach
- Next best product to buy recommendation
- Strategy implementation
- Tracking of cross-sell campaigns.

UP SELLING

INTRODUCTION:

← Cross-selling and upselling are similar in that they both focus on providing additional value to customers by providing products & services. upselling is a practice to persuade customers to purchase a higher end product, an upgrade or innovative in order to make a more rewarding sale.

MEANING:

Upselling offers the higher end products to the customer to full fill their needs. it helps in the customers visualize the value they will get by ordering a higher price item. upselling is a method commonly used in retail businesses to offering best product or services.

Difference between Cross-selling & Upselling:

- Cross selling
- Upselling

a. Basis

It involves sale of multiple products/services offered by single product. It involves in selling the higher value products/services to an existing customer.

b. Similarity

It is similar with upselling both providing maximum value to customer. It also similar with cross-selling to mutually benefits to customers by offering products/services according to their needs.

c. Benefits

Cross selling provides the benefits to its new customer & financial institutions.

Upselling provides the benefits to existing customers providing right product at comparable higher end product.

d. Revenue

Cross selling helps in increasing the revenue without any recurring cost. Upselling helps also boost the revenue by offering the products/services by customer value.

e. Example

If you are selling a computer you can offer a mouse, keyboard, Anti virus & Headphones.

If you are selling a computer you can offer with additional 4 GB RAM or with 500 GB hard drive.

BENEFITS: Upselling benefits to its existing & new customers.

For the customer:

- Selling higher end product/services.
- Offers the right product at a right place.
- Increase the consumer confidence.
- Give maximum satisfaction.
- Better services & Multiples choices of product & services.
- Get effective product at lower prices.
- Reduce the Acquiring cost.

Six Steps strategy to intelligent cross-sell & up-sell.

1. Customer profiling: deliver the best service & cater the needs of highest value customers both existing & new customers.
2. Cross-selling & up-selling is a big opportunity to the best agent.
3. Set the business rules to automatically respond to change via diversification & innovation.
4. Apply new business market & competitive strategies.
5. Link inbound channels with business analytics & customer database.
6. keep technology nimble and systems agnostic.