

Upsell vs Cross-Sell: What's the Difference?

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Upsell vs Cross-sell: which is the best strategy for your business?

The reality is you don't really need to choose between one or the other. Both upselling and cross-selling will help you to increase potential revenue, customer lifetime value, and loyalty.

However, upselling and cross-selling are slightly different practices, which serve unique purposes. Before you implement either option into your sales strategy, it's important to know the difference between cross-selling and upselling.

By defining these two tactics carefully, you can ensure you're using the most effective strategies throughout the customer journey, to boost your sales results.

What is Cross-Selling?

Let's start with a definition of cross-selling.

Cross-selling is a sales methodology that involves identifying additional products a customer might want to purchase to satisfy needs unmet by the original item. While both cross-selling and upselling focus on increasing average order value, cross-selling relies heavily on product recommendations.

The idea is to convince customers to purchase complementary products on top of the existing item they already want to buy. For instance, a customer buying a computer keyboard could be encouraged to purchase a mouse or mouse mat at the same time.

In the ecommerce world, cross-selling is usually used on product pages, with recommended products presented to customers based on what other consumers typically buy.

The Pros and Cons of Cross-Selling

Cross-selling can be an effective strategy for increasing sales. Existing customers are more likely to purchase products that relate to their needs and what they already want to purchase. However, cross-selling can also seem like a pushy sales tactic in some cases.

Cross-selling to the wrong type of customer can also be counterproductive, making it harder for companies to effectively serve their audience.

Pros:

- Excellent for increasing revenue and sales quantities

- May increase brand loyalty if customers are exposed to more goods
- Can help to fulfil a customer's specific needs

Cons:

- May result in increased service-related costs
- Could negatively impact relationships if the sale is too pushy
- May result in negative public perception

What is Upselling?

Upselling is a slightly different sales technique, used to increase revenue. Rather than trying to sell customers additional products, successful upselling tactics involve encouraging customers to purchase a higher priced, more expensive version of a product.

Effective upselling can help a business achieve increased customer lifetime value with its clients, and improve revenue. The goal of upselling is to encourage customers to buy more premium products straight away. This not only increases your initial purchase value, but it can also deliver more value to your customers if they receive a higher-quality product.

For example, using the computer sales strategy from above, rather than encouraging a customer to buy complementary products when they look for a keyboard, your sales team would suggest a higher-priced product, with more advanced features.

The Pros and Cons of Upselling

Like cross-selling, upselling can be a fantastic way to improve the profits and performance of a business. However, the sales strategy needs to be implemented carefully to deliver the right results.

According to HubSpot, [around 88% of salespeople](#) regularly try to upsell their customers, but 49% say that understanding the needs and goals of their clients is crucial to success. Upselling relies on your ability as a salesperson to convince a customer to spend more money on a different product, which offers similar features to the item they already wanted to buy.

Pros:

- Can increase customer lifetime value
- Strengthens relationships with customers if the product is high quality
- Improves revenue and sales instantly

Cons:

- Increased pressure on sales representatives
- Can lead to customer dissatisfaction if the wrong products are suggested

- May not be suitable for some customers

The Difference Between Cross-selling and Upselling

The difference between cross-selling and up-selling can be seen in the names of the two sales strategies. Both methods involve connecting with existing customers, or customers who are already intending to make a purchase, with strategies to increase revenue.

However, with cross-selling, your focus is on selling additional, complementary products to the item your customer already wants to buy. You increase your revenue by building on an existing product or service with more solutions.

With Upselling, on the other hand, the strategy revolves around convincing a customer to spend more on a higher-end version of a product or service. Salespeople will outline the benefits of the more expensive version of the item, to increase initial order value.

Tips for Upselling and Cross-Selling

Cross-selling and upselling can be valuable tools throughout the buyer journey. Implemented correctly, they can help sales representatives to reach their revenue goals, and ensure businesses grow at a faster rate. However, both strategies require careful planning and implementation.

For cross-selling and upselling to work, companies need to focus on establishing trust and rapport with customers, and suggesting products or services relevant to their needs.

Here are some quick tips to help you master upselling and cross-selling:

- **Get to know your audience:** You probably have a reasonably good idea of who your target audience is already. However, if you're going to try and sell existing customers additional products or more expensive services, you need to understand their individual needs. Make sure you have a clear view of the pain points, goals, and expectations of your customers.
- **Map the customer journey:** Cross-selling and upselling can take place at various points in the customer journey. Mapping the customer journey gives you an insight into how clients will use your product, and benefit from it. This will give you a way to determine the right time to cross-sell or upsell, and it should ensure you know which tactic to use.
- **Don't be pushy:** Both upselling and cross-selling can be an excellent way to improve the customer experience, and enhance loyalty. However, it only works if the customer believes they're getting a good deal, rather than being pushed into a sale. Be cautious about when you choose to upsell and cross-sell, and how you approach your customers.
- **Map products to problems:** Before you attempt to sell more products, or more expensive items to an existing customer, take the time to get to know your solutions. Find out what kind of problems they can solve, and map your suggestions to what you know about your customer's needs. This will enhance the

experience for everyone.

- **Practice active listening:** Make sure you home in on your active listening and reading skills when connecting with customers through email, messaging, and phone calls. This will ensure you can fully understand what they're looking for, and provide relevant recommendations.

Upsell vs Cross-Sell: Which is Best?

Cross-selling and upselling are both powerful tools in a salesperson's arsenal. Used correctly, they can increase revenue and customer lifetime value, boost loyalty, and generate great results. However, upselling and cross-selling aren't always as straightforward as they seem.

For both strategies to work, companies need to generate a good understanding of their target audience, their needs, problems, and pain points. Take a personalized approach to these sales strategies, and you'll be more likely to achieve the right results.

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HSE Team