



Up-Selling To Your Customers

Financial/Commercial/Accounting Conference

Texas State Telephone Cooperatives, Inc.

July 10-12, 2013





Definitions

- Up-Selling

- Selling more of a similar service
 - Bundle of features instead of just one feature
 - Moving from one plan to another more expensive with more features



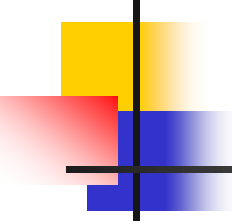
Definitions

- Up-Selling is sharing with the customer a need now or in the future.
- In the best sense, it is Shopping, or sharing with the customer to prompt consideration of an additional service or value that may not be known.



Up-Selling: Does it Come Naturally?

- Easy for the natural-born salesperson
- For many, Don't want to be pushy
- Don't know what to do
- Just want to be left alone and help the customer
- Not my job



Up-Selling is a Two-Way Street

- Informing customers of services and options they are not aware of.
- Learning that customer circumstances changed – for example, the household may include more family members and have more or different needs

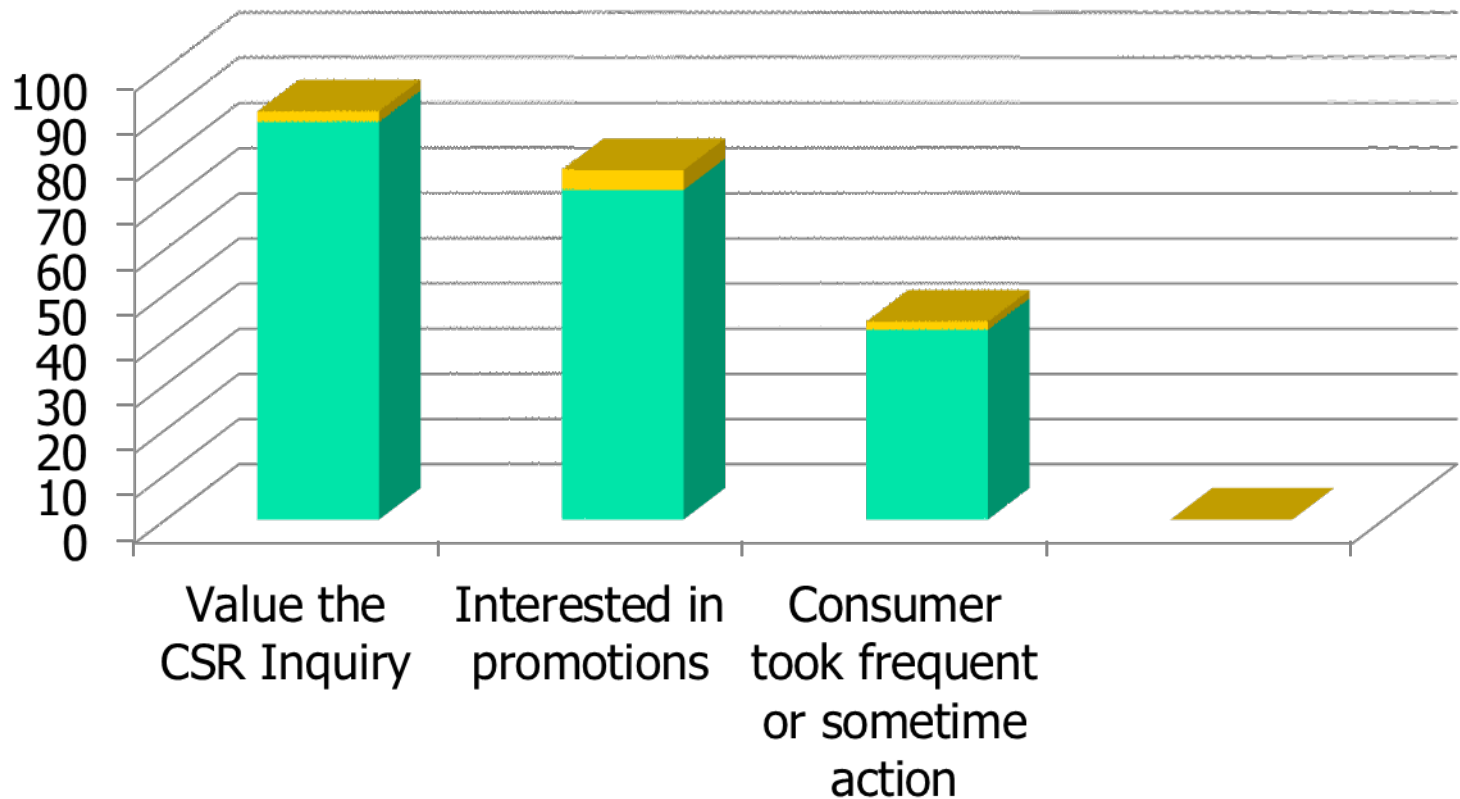


You may be surprised to know . . .

- 88% of consumers value the CSR that suggests alternative services that meet their needs,
- 73% were interested in learning more about promotions, and
- 42% of consumers took action, purchasing services “sometimes” and “frequently”.

(The Forum Consumer Survey)

With Up-Selling, Consumers . .





Most Customers are Interested!





Let's Look at Examples

- Household Has Expanded
- Household is Mobile, Commuting
 - Introduce your Security Alarm Product
- Household Demographic Changed



Selling

Part Personality – Part Skill



Ph.D. in Product Knowledge

- Have a passion about the services you are offering!
 - Know how to use them
 - Know pros and cons about them
 - Know how customers use them and how they have benefited
 - Convenience
 - Financial savings
 - Higher quality
- Willingness to consider selling



Process of Selling

- Build rapport with customers
- Probe
- Listen
- Invite



Establishing Rapport

“The magic in sales is when you stop thinking of yourself as a salesperson of merchandise and services. Think of yourself as being in the business of meeting the needs of the customer.”

Dr. Wolf J. Rinke



Establish Rapport

If you know their name, use it.

“Hi Martin, my name is John. If you have any questions, I’ll be right over there, and I’ll be glad to assist you.”



Establish Rapport

Provides balance between engaging the customer and respecting the visitor's wish to be alone.

Hint: take one step back after greeting. This physical signals that you are allowing the customer some physical space and will alleviate any feeling that you are being pushy.



Start With a Question

- Probe – find out what the customers are using, and why.
 - Identify the customers' needs.
 - How are you using the services you have from us?
 - What services do you need but can't find?
 - You might try considering . . .



Use Positive Language

- Never apologize for your services – unless it is warranted.
- Response - We don't have that option, but we do have something very similar.
...
 - Sell the products benefits, not its features
 - Benefits are the value



Actively Listen

- In the business office, make eye contact with customer
- Treat them as though they are the (current) center of your universe
- Paraphrase their message
- Empathize with them
- Locate the real objection



Invite

- Did you know that we are having a promotion this week on calling features?
- Do you need a lower priced long distance service?
- Have you considered a second line?
- We have a tremendous selection of
The key word is ask, you don't know that they are finished with their purchasing decisions.



“Tag ons”

- The rep can tag on a statement or question about other issues, products, or services at the end of the conversation, whether the rep called the customer or answered an inbound call.



Tag on Statements

- “by the way”
- “you might not be aware”
- “this will help you prevent ... from happening again”
- “you might want to know about ...”
- One of our other customers used to ... but now they use . . . and are very happy.

What Can You Do (Differently) Today?

- Create a philosophy/culture that reps must listen for service cues first, sales cues second.
- Think of related up-sell or cross-sell possibilities at the very beginning of the conversation. So they must know what some are. Develop them!
- Coach yourself and the reps



Legal and Regulatory Issues



What Can I Do... Legally?

Are there State or Federal Laws or Regulations that address Up-Selling or Cross-Selling of Services?

Specifically, what about affiliate cross-selling for an affiliate company?



State Regulations

Incumbent LECs are allowed to resell and/or market the services of its deregulated affiliate company.



State Regulations

- Texas PUC Substantive Rule 26.228(d)(2), regarding Pricing Standards:
 - “The price of a package that combines regulated products or services with unregulated products or services shall recover the cost to the ILEC of acquiring and providing the unregulated products or services.”



State Regulations

- Texas PUC Sub. Rule 26.228(d)(2), regarding Pricing Standards:
 - "...A group of products or services that are jointly marketed by an ILEC in conjunction with one or more of its affiliates shall be priced in a manner consistent with FCC requirements..."



State Regulations

What does all of this mean?

- Texas PUC Sub. Rule 26.228(d)(2)(F) sums up the Commissions concern:
 - “Consistent with PURA 52.051(1)(C), an ILEC shall not use revenues from regulated monopoly services to subsidize services subject to competition.”



State Regulations

ILECs and their affiliates may not engage in:

- Predatory pricing (PURA 52.107)
- Preferential or Discriminatory Practices
(PURA 52.108)
- Rate Discrimination (PURA 53.003)



Preferential Treatment

A Public Utility May Not:

- “Discriminate against a person who sells...or performs services in competition with the public utility.”
- “Engage in a practice that tends to restrict or impair that competition.”

(PURA, Section 55.006 regarding Discrimination and Restriction on Competition)



Federal Regulations

Title 47 of the Code of Federal Regulations (CFR), Part 51, Section 601 (51.601) require that ILECs offer services to requesting carriers on a reasonable, non-discriminatory, equal in quality, and subject to the same conditions.



Federal Regulations

47 CFR, Section 51.613 states that a state commission can allow an ILEC to not offer to a requesting carrier a service that the ILEC only offers to a particular type of customer.



Federal Regulations

- 47 CFR, Section 64.1903 references Separate Affiliate Requirements for ILECs and lists obligations of ILECs with affiliate transactions.



Questions?
