

Add-on and Upselling Techniques

Unit: Business of Textiles

Problem Area: Salesmanship

Lesson: Add-on and Upselling Techniques

- **Student Learning Objectives.** Instruction in this lesson should result in students achieving the following objectives:

- 1 Select complementary items based on a customer purchase.**
- 2 Initiate customer follow-up.**

- **Resources.** The following resources may be useful in teaching this lesson:

E-unit(s) corresponding to this lesson plan. CAERT, Inc. <http://www.mycaert.com>.

Friedman, Harry J. *No Thanks, I'm Just Looking: Sales Techniques for Turning Shoppers into Buyers*. Wiley, 2012.

Grenier, Louis. "Three Little Known Selling Techniques for Retail That Will Boost Your Revenues," *Text Republic*. Accessed Feb. 26, 2015. <http://blog.textrepublic.com/3-selling-techniques-retail-boost-revenues/>.

"How to Upsell," *wikiHow*. Accessed Feb. 26, 2015. <http://www.wikihow.com/Upsell>.

Ray, Linda. "How to Master Upselling Techniques," *eHow*. Accessed Feb. 26, 2015. http://www.ehow.com/how_4485716_master-upselling-techniques.html.

"Retail Sales Training Tip: How to Add-On to Any Sale," *BobPhibbs®: The Retail Doctor*. Accessed Feb. 26, 2015. <http://www.retaildoc.com/blog/retail-sales-tip-how-add-on-sale>.

"Sales Techniques: The Dos and Don'ts of Upselling," *businessBee™*. Accessed Feb. 26, 2015. <http://www.businessbee.com/resources/sales/account-management/sales-techniques-dos-donts-selling/>.



■ **Equipment, Tools, Supplies, and Facilities**

- ✓ Overhead or PowerPoint projector
- ✓ Visual(s) from accompanying master(s)
- ✓ Copies of sample test, lab sheet(s), and/or other items designed for duplication
- ✓ Materials listed on duplicated items
- ✓ Computers with printers and Internet access
- ✓ Classroom resource and reference materials

■ **Key Terms.** The following terms are presented in this lesson (shown in bold italics):

- ▶ accessories
- ▶ add-on sales (AOS)
- ▶ complementary items
- ▶ customer database
- ▶ customer loyalty
- ▶ customer loyalty program
- ▶ customer relationship management (CRM) software
- ▶ fashion trend
- ▶ fitting room selling
- ▶ haberdasher
- ▶ men's furnishings
- ▶ open-ended questions
- ▶ sales associate
- ▶ upselling

■ **Interest Approach.** Use an interest approach that will prepare the students for the lesson. Teachers often develop approaches for their unique class and student situations. A possible approach is included here.

Ask students to think and talk about their apparel shopping experiences. Based on their experiences as retail shoppers, ask them to tell you what they consider to be excellent salespersonship. Record the characteristics on a board or projection device. Then provide other examples of sales associate techniques they might encounter at different stores. For example, BOGO (buy one, get one), discounts, displays (how to accessorize a winter coat), free shipping, and buy one item, get the second for 50 percent off.

CONTENT SUMMARY AND TEACHING STRATEGIES

Objective 1: Select complementary items based on a customer purchase.

Anticipated Problem: How are complementary items marketed and selected?

I. Complementary item sales

- A. **Add-on sales (AOS)** are the purchase of additional items at the point of purchase. For example, a customer purchases shoes and the associate offers footpad inserts, shoe travel bags, and hosiery. Some point-of-sales (POS) registers alert the sales associate to add on products available to complement the customer purchase.
- B. **Upselling** is a sales technique in which the seller offers additional or more expensive products or services related to an item the customer has already agreed to purchase.
1. A customer has agreed to purchase a wool sweater at a price point of \$100. The sales associate shows her the cashmere sweaters at a price point of \$200, and the customer decides to purchase the cashmere sweater instead of the lower priced wool sweater. The sales associate who helps the customer connect reasons “why” a person would want the extra or more expensive item, which is essential in upselling.
 2. The seller may show the same customer a scarf and/or a hat that complements the cashmere sweater. To ensure that a customer leaves the store “happy and with needs fulfilled,” a **sales associate**—a person employed to sell merchandise and services—should identify the needs of the customer before suggesting complementary and higher priced items. Upselling requires sales associates to be more than order takers; they must become active sellers.
- C. **Complementary items** are goods or services used in conjunction with other items that the customer has already purchased or intends to purchase. A product is considered a complement when it shares a beneficial relationship with another product. A good (product) or service tends to have more value when paired with a complementary item. The goal of every business is to sell services or products. Obviously, the store profit increases when additional items are sold. To increase sales and customer satisfaction, sales associates should use some of the following techniques:
1. **Open-ended questions** are queries that demand a description; they cannot be answered with a simple “yes” or a “no.”
 - a. What brings you to the store today?
 - b. What are you shopping for? Please describe the type of shoes you want.

- c. What is the occasion for the dressy shoe purchase?
 - d. What is your preferred price point?
 - e. How would you describe the suit you are seeking?
2. Sales associates who know the inventory stock are better able to provide customers with complementary item suggestions. It is important to identify complementary items that go well with the product purchased and/or are commonly bought together.
- a. A customer buys a business suit for a job interview. The sales associate may show the customer a shoe to accompany the outfit and/or a blouse, scarf, and handbag that would accompany the suit. The customer often appreciates the knowledge and expertise of a sales associate who is a true consultant.
 - b. A customer purchases a winter coat. The sales associate suggests a complementary handbag, shoes, blouse and/or slacks in the season's color, and perhaps jewelry.
 - c. A customer purchases a jersey wrap dress. The sales associate suggests complementary shape-wear undergarments, a lightweight sweater, jewelry, and hosiery.
 - d. A customer purchases a formal business suit and a button-down shirt. The sales associate may suggest a polo shirt, a second spread-collar dress shirt and tie, cufflinks, and pocket square to provide more potential uses for the suit.
 - e. A young woman purchases a swimsuit and sunglasses for a trip to Hawaii. The sales associate may suggest a beach bag, sun hat, flip-flops, and cover-up.
3. **Fitting room selling** is a sales associate bringing additional complementary items to the customer to touch, feel, and try on while the customer is trying on the original garment.
- a. A customer picks out a few blouses to try on. The sales associate who is conducting add-on selling techniques may bring a complementary jacket or slacks for the customer's consideration. Then the sales associate would be available to provide the customer with different sizes and/or garments.
 - b. A customer tries on a special occasion dress. The sales associate who is upselling would bring the customer complementary undergarments and shoes to try as well.
 - c. A male customer is trying on jeans, and the sales associate brings him a few shirts to go with the jeans.
4. A **fashion trend** is a fad (a craze) often highly marketed as well as short-lived. A trend often follows a three-step pattern: sought after (usually a distinctive hat, dress, or shoe from one designer or fashion house), emulation (by many designers or houses), and saturation (wide availability).
- a. Sales associates must know and identify current trends for the target customer. Much of the American population splurges here and there or for

a special occasion and tends not to follow each fashion trend. Typically, a customer does not purchase a complete new wardrobe each season.

- b. **Accessories** are items worn to complement a wardrobe staple (e.g., a suit or a dress) and include scarves, handbags, jewelry, hats, and hosiery. Accessories are a common way to update a wardrobe at a lower cost than purchasing a new “trendy” wardrobe piece. Accessories can be updated easily from season to season to reflect the current trends. A customer who is trying on dress shirts could be shown the current trendy ties, cuff links, and belts or suspenders.
 - c. **Men’s furnishings** are dry goods—handkerchiefs, pocket squares, ties, cufflinks, belts, gloves, sleepwear, and wallets and briefcases—that tend to “complete” the look of a clothing staple, such as a business suit or sport coat and slacks. A **haberdasher** is a dealer (seller) in small articles, men’s furnishings, and accessories such as gloves, hats, ties, cufflinks, and watches.
5. Marketing complementary items
- a. Marketing may be successful by placing complementary items close together on shelves or racks.
 - b. It may be wise to create “kits” or re-package items that complement each other (e.g., a pair of shorts, an athletic shirt, a pair of gym shoes and socks, a waist pack, and a brimmed hat for runners). The “kit” may be offered at a slight discount when items are purchased together rather than individually.
 - c. Marketing may include setting up a display that shows customers how to tie and drape the scarves they sell. Then the scarves can be shown with complementary coats, sweaters, and blouses. Helping customers “see” the potential for a garment and its complementary items often means the customer will buy more merchandise.

Teaching Strategy: Many techniques can be used to help students master this objective. Use VM–A through VM–J to review.

Objective 2: Initiate customer follow-up.

Anticipated Problem: How do sales associates provide customers with follow-up to their purchases?

II. Customer relationships

- A. Individual attention by a sales associate is recommended for each customer upon entering a store or online shopping site. It is in the best interest of the sales associate and the store/Web site to build a relationship with each customer; individualized attention is more apt to produce a sale. Studies show that a customer wants knowledgeable assistance and guidance initiated by the store

employee. Waiting for the customer to ask for assistance does not produce as many sales as individual, proactive attention.

B. Sales associate strategies

1. The appropriate time to begin the customer-sales associate relationship is when the customer walks in the door or enters the Web site. Many customers begin their shopping experience by browsing, looking around, and discovering items on their own.
2. Unless the customer is known by first name, it is best for the sales associate to greet the customer and obtain some initial information about the reason for the visit (e.g., “What brings you in today?”). If the customer automatically asks for the associate’s direction, he or she assists the customer immediately. Otherwise, the sales associate may allow the customer to browse to pick up on cues based on customer interest in certain items. For example, the customer may pause and look at a specific outfit or feel a fabric. At this point, the keen sales associate would offer information about the items he or she just looked at.
3. By the time the customer reaches the dressing room, the sales associate should already know the customer’s name and should have given the customer his or her name. The exchange of names personalizes the shopping experience. During fitting room selling, the associate may find items the client would enjoy having but is not shopping for today. This information is an opportunity to offer to contact the client when those items go on sale.
4. If a sales associate recognizes that a certain customer comes in every few weeks, it is an opportunity to begin a long-term relationship. For example, if a new line is coming into the store, knowing customer sizes and preferences allows the associate to hold the new items for 24 hours to ensure the client has first selection.

C. Customer loyalty and programs

1. **Customer loyalty** is the likelihood that a customer returns to a specific store or Web site for another purchase rather than buying from a competitor. Building customer loyalty usually requires a sales associate to be engaging, friendly, and conversational. Building a customer relationship is the first step in obtaining the needed information to initiate a customer follow-up later.
2. **Customer loyalty programs** are incentives for shoppers to return to the store or business Web site. Repeat business is the goal of a customer loyalty program. Loyalty rewards come in two main types:
 - a. Vouchers: double or triple coupons
 - b. Targeted shopper coupons: tailor-made coupons for an individual shopper based on past purchases

D. Customer follow-up strategies

1. There are many ways to initiate customer follow-up. A purchase is not necessary to initiate a customer follow-up. When there is a purchase of small monetary value, a follow-up email or text is appropriate. When there is a purchase of

a large monetary value, a more personal communication is appropriate. The following are examples of customer follow-up strategies:

- a. Personal handwritten notes
 - b. Thank-you cards
 - c. Email messages
 - d. Text messages
 - e. Phone calls
2. **Customer relationship management (CRM) software** is an integrated database that provides a structured way to contact and inform customers. Customer loyalty is the goal of CRM software. The CRM **customer database** is a computerized program that stores client information, such as:
- a. Name
 - b. Birth date
 - c. Shipping address
 - d. Clothing and shoe sizes
 - e. Personal brand or designer preferences
 - f. Purchase history
 - g. Wants and needs
3. CRM database skills include the knowledge and application of basic computer skills:
- a. Word processing
 - b. Database input and management
 - c. Spreadsheet input and management
 - d. Program navigation
4. Client databases make it possible to establish a relationship with the customer in at least two ways:
- a. Alerting customers of requested information by sending electronic (phone, email, and/or text) messages to clients of new merchandise arrival, including the new season's line of shoes, handbags, etc.
 - b. Automatically alerting customers of sales, specials, and promotions based on prior purchases

Teaching Strategy: Many techniques can be used to help students master this objective. Use VM–K to review. Assign LS–A.

■ **Review/Summary.** Use the student learning objectives to summarize the lesson. Have students explain the content associated with each objective. Student responses can be used in determining which objectives need to be reviewed or taught from a different angle. If a textbook is being used, questions at the ends of chapters may be included in the Review/Summary.

■ **Application.** Use the included visual master(s) and lab sheet(s) to apply the information presented in the lesson.

- **Evaluation.** Evaluation should focus on student achievement of the objectives for the lesson. Various techniques can be used, such as student performance on the application activities. A sample written test is provided.

- **Answers to Sample Test:**

Part One: Matching

1. h
2. i
3. f
4. e
5. a
6. b
7. c
8. d
9. g
10. j

Part Two: True/False

1. F
2. T
3. F
4. F
5. T
6. T
7. T
8. F
9. T

Part Three: Short Answer

1. A female customer buys a business suit for a job interview. Answers will vary but should include five of the following complementary items: shoes, a blouse or shirt, scarf, jewelry, handbag, briefcase, hosiery, and belt.
2. A male customer buys a winter coat. Answers will vary but should include five of the following complementary items: shirt, turtleneck sweater, shoes or boots, slacks in a seasonal color, scarf, gloves, and hat.

Add-on and Upselling Techniques

► Part One: Matching

Instructions: Match the term with the correct definition.

- | | |
|--|-------------------------|
| a. accessories | f. fitting room selling |
| b. add-on sales (AOS) | g. men's furnishings |
| c. complementary items | h. open-ended questions |
| d. customer loyalty program | i. sales associate |
| e. customer relationship management (CRM) software | j. upselling |

- ____ 1. Queries that demand a description; they cannot be answered with a simple “yes” or a “no”
- ____ 2. A person employed to sell merchandise and services
- ____ 3. A sales associate bringing additional complementary items to the customer to touch, feel, and try on while the customer is trying on the original garment
- ____ 4. An integrated database that provides a structured way to contact and inform customers
- ____ 5. Items worn to complement a wardrobe staple (e.g., a suit or a dress) and include scarves, handbags, jewelry, hats, and hosiery
- ____ 6. The purchase of additional items at the point of purchase
- ____ 7. Goods or services used in conjunction with other items that the customer has already purchased or intends to purchase
- ____ 8. Incentives for shoppers to return to the store or business Web site
- ____ 9. Dry goods—handkerchiefs, pocket squares, ties, cufflinks, belts, gloves, sleepwear, and wallets and briefcases—that tend to “complete” the look of a clothing staple, such as a business suit or sport coat and slacks
- ____ 10. A sales technique in which the seller offers additional or more expensive products or services related to an item the customer has already agreed to purchase



ACCESSORIES: WOMEN'S JEWELRY, SCARVES, AND SHOES



Accessories are items that complement a wardrobe staple, such as a suit or a dress and include scarves, handbags, jewelry, hats, shoes, and hosiery. Accessories are a common way to update a wardrobe at a lower cost than purchasing a new “trendy” wardrobe piece.

ACCESSORIES: WOMEN'S HATS AND HANDBAGS



The selection of hats and handbags depends on the outfit they would accompany. The driving hat shown here is a good complement to the sporty outfit, and the fascinator hat is an excellent choice for the upscale fashion outfit.

MEN'S FURNISHINGS AND ACCESSORIES: NECKTIES AND BOWTIES



Men's furnishings are dry goods—handkerchiefs, pocket squares, ties, cufflinks, belts, gloves, sleepwear, wallets, and briefcases—that tend to “complete” a man's clothing staple, such as a business suit.

MEN'S FURNISHINGS AND ACCESSORIES: MEN'S SHOES, BELTS, AND WATCHES



HABERDASHER



A haberdasher sells men's small goods, furnishings, and accessories. A haberdasher is a dealer in small articles (e.g., gloves, hats, ties, cufflinks, and watches) that complement a suit, sport coat, overcoat, etc.



ADD-ON AND COMPLEMENTARY PRODUCTS EXAMPLE

Add-on sales (AOS) are the purchase of additional items by the customer at the point of purchase. The red handbag and the bracelets are examples of add-on purchases to complement the sweater and slacks. The handbag's stitching complements the sweater ribs and adds a pop of color. The bracelets add visual interest and help tie the outfit together.



ADD-ON AND COMPLEMENTARY PRODUCT CASE STUDY 1

Complementary items are goods or services used in conjunction with other goods or services. A product is considered a complement when it shares a beneficial relationship with another product. The customer who purchased this black suit is the head of the accounting department at a major manufacturer. What add-on item would you suggest she consider purchasing to complement the suit?



ADD-ON AND COMPLEMENTARY PRODUCT CASE STUDY 2

The customer who purchased this black suit is a salesperson for a retail department store. What would you add on or suggest he consider purchasing to complement the suit?



UPSELLING: “HOW TO” DISPLAYS

Upselling is a sales technique in which the seller offers additional or more expensive products or services related to an item the customer has already agreed to purchase. One upselling marketing technique is a “How to” display, such as these for a scarf and a necktie.



How to Tie a Scarf

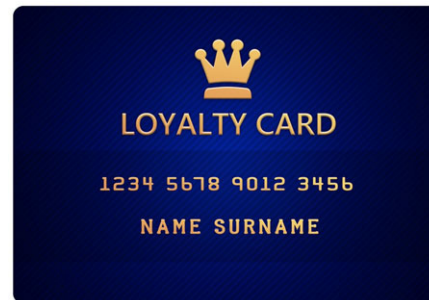


UPSELLING: FLOOR DISPLAYS

Placing complementary items close together on shelves or racks is a marketing technique. Here men's clothing items that would complement a major purchase are grouped together. A floor display shows women potential complementary items—hats, jewelry, and scarves—for coat and sweater purchases. Helping the customer visualize an outfit is an old sales technique.



CUSTOMER FOLLOW-UP



A thank-you note is the most personal way to follow up with customers and thank them for recent purchases. Customer loyalty programs are designed to create repeat business, and CRM databases provide electronic messaging to customers about new items, sales, specials, and discounts.

Selecting Complementary Items

Purpose

The purpose of this activity is to select complementary add-on and upselling items for specific customer purchases.

Objectives

1. Review your class notes.
2. Research the customer purchase items using your text, magazines, catalogs, and electronic devices.
3. Select complementary items for each customer purchase.
4. Share your selections with the class.

Materials

- ◆ paper
- ◆ writing utensil
- ◆ class notes
- ◆ research resources (e.g., text, magazines, catalogs, and electronic devices)

Procedure

1. Review your class notes.
2. Independently complete the chart. Your goal is to serve as a sales associate who would select items to complement a customer purchase.
3. Record the complementary items in the chart. Your instructor would provide details about the chart content.



Add-on and Upselling Chart

Customer Purchase	Complementary Items You Would Suggest
Women's business suit (skirt and slacks)	
Women's blouse	
Women's earrings	
Men's business suit	
Men's dress slacks	
Men's sport coat and jeans	
Shoes	
Swimsuit or swim trunks	

4. Based on your research, write a short description of each complementary item selected for either the women's or the men's business suit. Include color and fabric descriptions as well as accessory descriptions.

5. Share your add-on and upselling selections with the class.
6. Turn in your completed lab sheet to your instructor.

Selecting Complementary Items

1. Answers will vary; please use your judgment in evaluating this lab sheet.
2. You may wish to set a minimum number of responses in the “Complementary Items You Would Suggest” column. A minimum of four selections is suggested for all items, and a minimum of seven items is suggested for the women’s and men’s business suit purchase.
3. Potential responses for each customer purchase are shown below.

Customer Purchase	Complementary Items You Would Suggest
Women’s business suit (skirt and slacks)	Blouse or collared shirt Belt Shoes Hat Handbag Briefcase Underwear, slip, and camisole Hosiery Scarf Jewelry Gloves
Women’s blouse	Camisole Sweater Scarf Jewelry
Women’s earrings	Necklace Ring Bracelet Scarf

Customer Purchase	Complementary Items You Would Suggest
Men's business suit	Collared shirt Tie Shoes Underwear Handkerchief Pocket square Hat Shoes Hosiery (socks) Wallet Briefcase Gloves
Men's dress slacks	Dress shirt Belt Shoes Hosiery (socks)
Men's sport coat and jeans	Polo and dress shirt Belt Shoes Hosiery (socks) Handkerchief Hat Scarf
Shoes	Anti-slip pads Cushion inserts Polish or water-resistant spray
Swimsuit or swim trunks	Sunglasses Cover-up Hat Flip flops or sandals Sunscreen