INCREASING SALES BY MEASURING UPSELL AND CROSS-SELL EFFECTIVENESS

Increasing basket size through upselling and cross-selling can make a significant positive impact on retail profits. A comprehensive upselling strategy requires the ability to accurately measure the success of the upselling efforts to identify potential improvements and associate training gaps.

Challenges

An American footwear retail chain had established an upsell and cross-sell strategy that included a sock display at the check-out counter along with various other relevant add-on items. The retailer needed a way to measure which items were yielding the best results in terms of both sales and margins. Without sufficient reporting, it was impossible for managers to monitor adoption, measure success, and make improvements to the upselling strategy.

Solution

Utilizing the granular reporting of Agilence's data analytics platform, Operations and Sales executives were able to produce various reports showing the immediate impact of the upsell and cross-sell strategy by showing a significant increase in average order size and margin. Reporting was also easily produced that showed upsell and cross-sell performance by region, location, and associate, leading managers to identify various training opportunities to further improve the strategy's effectiveness.

Benefits By the Numbers

- The retailer saw a 42% increase in average order size when comparing transactions that include upsell items versus those that only included shoes.
- Managers found that 18.3% of transactions included at least one upsell item and hoped to increase this metric to 20% by addressing training issues.
  - Reaching this goal would increase revenue by nearly $850,000 in just 30 days across the enterprise - that's over $10 million annually.

Additional Benefits

- Continued transaction reporting will make it easy to refine sales strategies and detect associate training issues.

Upselling and cross-selling are great tactics for increasing basket size, but measuring the effectiveness of these efforts can prove to be challenging. One American footwear retailer with over a thousand North American locations utilized the reporting functionality of Agilence to measure and optimize their upselling strategy.

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