# Revenue Accelerators White Paper

## Account Management: the Art of the XSell and Up Sell

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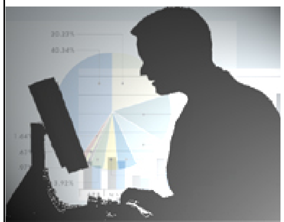

# Account Management: The Art of the XSell - Up sell

*"Instead of thinking about value-added think about knowledge-added. What knowledge can you add to your service, or communicate about your service, that will make you more attractive to…business partners and customers?"*

Harry Beckwith in The invisible Touch

## *Introduction*

Current comprehensive Account Management programs focus on using technology to track customer behaviors, position the XSell and up sell, and work hard at improving the post-sale revenue position. **And they should.** No one doubts the importance of these factors in fitting the right message to the right customer and hopefully getting that person to make more purchases and stay with the company. **But**, there is still something missing from this approach, and it is the cause for the less than desirable results of Account Management.

Take a look again at the list of things most companies include in their Account Management programs: CRM technology, repurchase rates, test campaigns, discount programs (concessions for poor results) etc. Yet, while these factors are important, and they include activities and processes that are very customer-focused, they still provide companies with less than desirable end-results.

## *A Paradigm Shift*

**Have you figured out yet what is missing?** What the typical approach leaves out is attention to the **PERSON, the Individual, and the CUSTOMER.** In order for **Account Management** to truly work and be totally effective, we must first focus on the person. Instead of sending out "customized messages" providing introductions, incentives to stay with the company, or forcing the up sell on a post-sales environment, we must look closely at what the customer needs, wants and expects from a relationship with an Ad service provider. After all, how can you "create" a relationship with someone by trying to influence and change everything around the customer without working directly on or with the person?

We must pay close attention to everything the person brings to the situation: motivations, emotions, desires, interests, intentions, knowledge, behaviors and attitudes. It is all these things combined that will help determine how well every Account Management program will work and serve the customer.

## *Shedding the Traditional Approach*

When you look at it this way, the traditional approach to Account Management (i.e., sales focused) seems somewhat lacking, doesn't it? It also seems somewhat mechanical and company oriented vs. centering on the customer.

*"The traditional self-focused selling approach is no longer effective because today's new buyers are unwilling to follow you. They don't want to be 'sold'. The want to make educated buying decisions. To make a sale, you must join them on a buying path."*

Kevin Davis in *Getting Into Your Customer's Head*

Think about what is traditionally looked at as part of your company's Account Management program or system. It begins with the post-sales process.

1. You identify a customer who makes a purchase.
2. Gather as much information (Web site) as possible about that customer.
3. Begin to build your campaign based on "experience" and "gut-feel".
4. Link the customer's account with your company through your CRM.
5. Deliver immediate XSell and up sell messages to this new relationship.

If Account Management is supposed to help companies get to know their customers better and to establish a true "trusting" relationship with them, then we must first focus on the customer instead of all the campaign details, corporate and environmental "entities" that we now include in the post-sales process.

## *People buy from People They Like*

We must take our lessons from the **personal relationships** we establish as individuals. What is it we want in a relationship with someone? How do we know when we have truly established a relationship? What makes a relationship continue on a positive growth path and what makes it break apart (yes campaigns fail but customer confidence can be built). Unfortunately, most Account Managers never ask these questions; despite their heavy investment in technology, staff, and time, and they continue to still lose customers.

In each personal relationship that we have, both participants bring a set of behaviors, attitudes, beliefs, values and emotions to the relationship. <u>When those factors are compatible, and we agree on mutual goals for the relationship</u>, it starts to grow. Over time, we make adjustments to the relationship based on our needs at the time.

## *What Constitutes Building a Relationship?*

The relationship continues to grow as long as we do the following:

- *Trust* each other
- *Communicate openly* with each other
- Give each *other what we truly want* and leave out what we don't want
- *Support* each other

- *Listen to each other*
- *Empathize with each other*
- *Grow* with each other

I'm sure there are other things you can think of to add to this list about how relationships grow and prosper. Yet, nowhere on this list is a computer, software, a technology-based system, unsolicited communications, special offers, … Yet, this opposite approach to relationship development is what we're currently doing in business. **In business, there is often a tendency to focus on the technical and data-based aspects of customer relationships and neglect its emotional aspects and behavioral tendencies**. Yet, we all know that it is the attitude and motivation a person brings to the company they choose to do business with that is one determinant of how satisfied they will be with the deal.

Other things that affect that satisfaction include their contact with employees (Website), the delivery of the Ad product as promised and on time, the utility of the product or service, and how they are made to feel about the interaction. In fact, I will go so far as to say that it is how the customer feels more than anything else that determines satisfaction and the intention to do future business.

If you accept that premise, then why aren't companies spending more time on developing true relationships with customers? Why do the larger companies that have invested so much capital in CRM and Account Management technology change providers, abandon their efforts all together, or simply relegate CRM to a lower level of importance when they know customer relationships are the backbone of their business? The reason is because the CRM it supports can never take the place of getting inside the customer's head and heart.

Companies must first understand what customers are thinking and feeling, and then work with those thoughts and feelings to build relationships. To coin an old cliché, customers don't care how much you know (even about them) until they know how much you care. If you want your Account Management efforts to be extremely successful, and generate the returns on investment you need, then you must get back in touch with the customer, personally.

## *Touching the Customer Personally*

Companies must pay attention to the emotions and beliefs of a customer that motivates them to engage in a relationship with a company. When we focus on these factors, we can account for repurchase behaviors and lack of loyalty. We can identify why they continue to come back and why they may go away. We can also work to strengthen the emotional bonds we have with customers so that they stay with us longer.

We must know the following about the customer with whom we want to establish a long-term, mutually beneficial relationship:

- **Initial mindset related to the initial purchase**
- Desired levels of customer service and future communications
- **Behavioral preferences, beliefs and values of the customer**
- **Motivational tendencies regarding future purchases**
- Information requested by the customer, how it is sent and when
- Level of relationship the customer desires with the service provider
- **Performance gaps between expected service and service received**
- Relationship between the customer's goals and the company's goals regarding future interactions (up sell -XSell).
- **Emotional and motivational fit between the customer's needs and the company's abilities to fulfill those needs**
- Measurement systems that will be used to inform the company of the customer's behaviors and used to support future customer contacts

*"Companies that nurture their intangibles (their reputation, talent and knowledge) rather than their tangibles (their physical plant, their hardware) will emerge in the new world as shapers. These companies will shape the market while the others will become reactors."*

Lowell L. Bryan, Jeremy Oppenheim, Wilhelm and Jane Fraser in *Race for the World*

## *The 3 phases of Account Management*

When we have this information, we can expand the standard models of **Account Management**. Think of Account Management as a three-legged stool. This expanded view still allows us to account for the **(leg 1)** customer's company itself and the **(leg 2)** service delivery environment. But now we add the **(leg 3)** customer's personal characteristics. These characteristics include the customer's emotions, beliefs, values, behaviors, desired level of service, and how close a relationship they truly want with a company.

## *What Can I Specifically Do to Improve the Relationship?*

Understanding that the client is first contacted by a sales person, and in customary fashion, pressured to "do a deal"; especially in the online media market, there is a re-alignment needed to help prepare the shift towards Account Management. **Why?** Because the majority of the sales people in the country fail to bond emotionally with the customer, and though the business is written, there is a lack of deeper understanding from the customer regarding the how, why, and what of the "customer's" deal.

What I suggest is a series of actions and "questions" to re-align the customer's expectations and desires (goals) with the buy and the advertising company. The following will help build the trust with the Account Manager and the new client.

1. **Introduction phone call**: to facilitate a one-one dialog. Use persistence and demand the customer speak with you this one time, a must if they want to get started. Make a “phone appointment”.
2. **Introduction email**: summarize your conversation, stress the “customer’s goals”, emphasize what they said, and list ALL items in the order they said it. Tell them what you will do, and what they need to do!
3. **Sell the value early** on: from good questioning, you determined the client’s threshold for risk. Sell your ability to manage this as you have done for MANY clients previously. Stress your willingness to “help” them.
4. **Communicate in their terms**: commonly using email, ask questions that require more than a simple yes, no. Ask the “why” and “what happens” questions to at least get better feedback and responses.

**Use SPIN®** Selling[1] questioning to delight the customer, help understand their business model, goals, concerns, and most of all the emotional buying issues.

***Specific Tools***: Account development questioning techniques

**“S”ituation questions:** are backgrounds on customers and bore people, use them sparingly.

1. Tell me about your company?
2. How long have you been in business?
3. Is this your first online company?

**“I”mplication questions:** are about the consequences of a customer's problems: **CRUCIAL questions**.

1. Just asking, what happens if you do NOT advertise?
2. Do you think you are losing sales if you do NOT brand yourself?
3. What does it cost you to “lose” new customers?
4. What’s the lifetime value (LTV) you’re your customers?
5. How long does it take to find new customers?

**“P”roblem questions:** are prospects PAINS, use them sparingly as well.

1. Is it frustrating when campaigns do not produce?
2. How do you measure a great campaign?
3. How do you decide what marketing programs to fund?

**“N”eed questions:** Questions about the value and usefulness that the customer perceives in the Ad solution.

1. How would a successful search/Ad campaign help this month?
2. Do you see the value in ensuring a more successful “testing”?
3. Would it help to drive new customers before the winter?

[1] Neil Rackham with Huthwaite's sales performance solutions own **SPIN®** Selling strategies

## *Conclusion*

Here is an approach to follow when you next analyze your Account Management program or system, and how well it is working. Review the focus of the system, its performance requirements and measurement standards. If they are mostly company focused, then they are focused wrong. You will hear many companies say that they have captured a tremendous amount of data on their customers, yet they still have difficulty getting these same customers to increase their frequency of purchases or volume of purchases. All the data in the world is meaningless if it can't be used to help build a better relationship with your customers.

Then, focus on the customer. Remember that Account Management is more than great customer service, more than satisfaction, and more than customer retention programs. Account Management is about establishing a true relationship with customers so that they feel loyal, committed and dedicated to your company. Account Management is about using technology to support the people approach to building customer relationships, not to replace it.

And finally, Account Management is about giving customers exactly what they want in a relationship. Sometimes, it is a close, tight, long-lasting relationship and sometimes it is a relationship that is at arm's distance. It requires you to use your Account Management program in the right way, for the right reasons. You must use it from the customer's perspective, not the company's perspective.

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