



**SKU Relationships – Best Practices for BSA
STANDARD 06-13**

Effective Date: January 1, 2014

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Definition: the terms “cross-sell” and “up-sell” are often used interchangeably. However these terms do represent two different marketing/selling strategies.

- **Up-sell** – a marketing term for the practice of suggesting higher priced products and/or services to a customer who is considering a purchase.
 - For example, if you are purchasing a shredder from an online reseller, you may be shown a list of shredders that may cost more, but have more robust features and specs compared to the one you’ve chosen.
 - Up-sell works best when there is only a small difference in price between the item that you’re suggesting your customer purchase and the actual product they are looking at.
 - When deciding which products to list for up-sell, keep in mind those key features that made your customer consider the item for purchase originally.
 - Up-sell is more successful by keeping consumers within the same brand they were originally looking for purchase versus crossing over to another brand.
- **Cross-sell** – is a marketing term for the practice of suggesting related products and/or services to a customer who is considering a purchase of a particular product.
 - For example, if you are purchasing a shredder from an online reseller, you may be shown a list of shredders that have similar features and specs to the one you’ve chosen and/or shredders purchased by other customers that bought the same shredder you did. A search on an online reseller’s web site for shredders might also bring up listings for shredder oil and shredder waste bags.
 - Cross-sell works best when the recommended items are lower in price than the product being purchased. These items can also be referred to as consumable products – i.e. shredder bags, shredder oil, razor blades, filters for air purifiers, etc.
 - Products that naturally go together work great for cross-sell – i.e. adding a car charger to the purchase of a mobile phone, adding a protective case to the purchase of a new tablet device, etc.

Online resellers today present product recommendations in a number of ways. Common recommendations are:

- Up-sell
 - Also Consider
 - You may also like

- Want to upgrade
- Cross-sell
 - Similar Products
 - Related Products
 - Supplies and Accessories
 - Accessories
 - Frequently bought together
 - Stuff you need
 - Stuff you may want
 - Looks good with
 - Complete the look
- General
 - Customers who bought 'x' also bought
 - Customers who viewed 'x' also viewed
 - More from this (category, brand, etc)
 - Recommended for you
 - We also recommend
 - Great choices
 - Popular products
 - More recommendations

Purpose: The purpose of this standard is to establish a common set of best practices in the use of cross-sell and up-sell strategies creating value and consistency for members of the industry, and clear “shopability” for the end-user.

This standard will help identify which selling strategy to use (up-sell or cross-sell) when merchandising product online, driving awareness of products, and increasing market basket.

Goals and Objectives: This material is intended for those utilizing cross-sell and up-sell strategies in their online marketing efforts.

The goal is to provide:

1. A clear set of examples illustrating the difference between up-sell and cross-sell techniques
2. Provide best practices of proper use of cross-sell and up-sell techniques to encourage consistent use across the industry
3. Create a “shopable” experience for the end-user which will drive increased market basket of both higher asp’s and additional items

Implementation: Implementation of the new SKU Relationships standard will commence on January 1, 2014 with new products being introduced to the market and/or with existing products currently deployed on reseller sites with the intention of all industry members becoming fully versed in the implications and technical specifications at the Fall 2013 BSA Forum in October and thereafter.

Illustrations/Examples:

Up-Sell

- Buying a 42” TV instead of a 40”
- Upgrading from economy to business class for a flight
- Purchasing a cross cut shredder versus a strip cut shredder
- Upgrading from a Black Laser Printer to a Color Laser Printer

Cross-Sell

- Purchasing a DVD player to go with your new TV
- Purchasing paper and ink/toner to go with your new printer

- Adding laminating pouches to your purchase of a new laminator
- Adding an extended warranty to a purchase
- Adding a vase to your purchase of a flower bouquet