



The DTC Handbooks

# Cross-Selling & Upselling



ReCharge



From Our  
Partner  
Agencies

# **Cross selling & upselling is an extremely fine line to walk with your customers. Too much pushing into a direction of adding more, they may back-off.**

But finding the right mix of supporting them along their buyer's journey while enticing them to explore more of your offerings allows for a positive relationship that results in higher average order value (AOV) and customer lifetime value (LTV).

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Subscription businesses are in the unique position where customers have committed to the brand for a specific period. Given this level of trust, brands can use cross-sells and upsells to increase their AOV for the short term, and potentially for the long term.

For example, if a personal care brand for men can upsell a moisturizer for one month, and provide skincare tips with the purchase, this then offers the opportunity for making the moisturizer a regular addition to the subscription.



**Adam Pearce**  
CEO at Blend Commerce

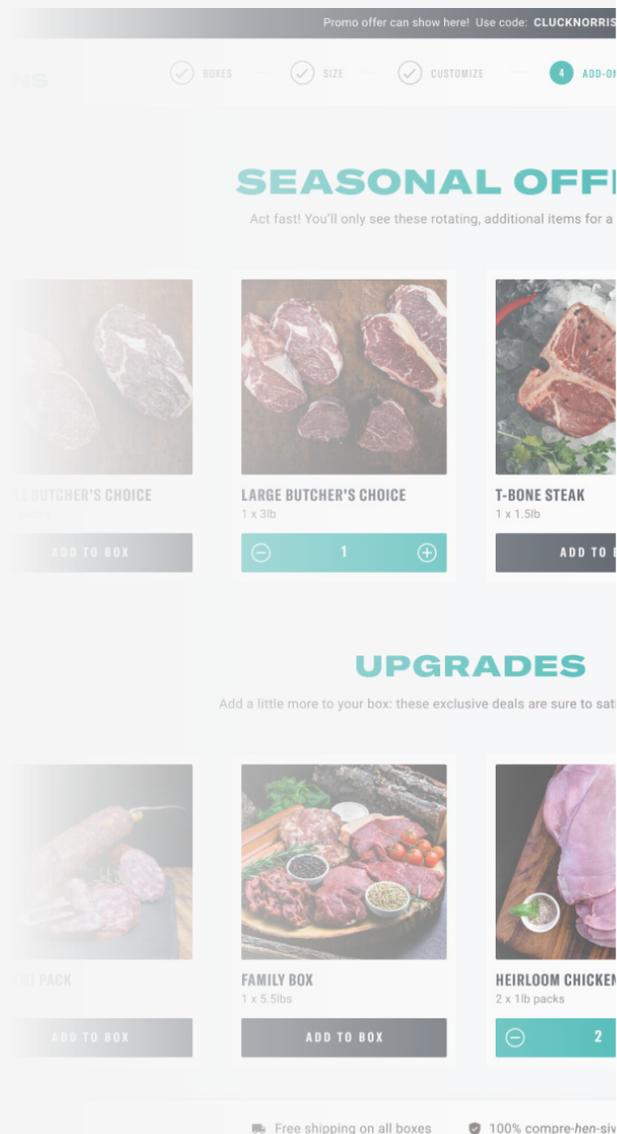
A subscription onboarding strategy is a perfect place to offer the customer complimentary add-ons that add value to the customer and increase average order value.

Create a subscription flow that offers a few core subscription products and then offer related products that enhance the subscription products and experience as a final step. This presents an incredible opportunity to introduce new products to customers. These add-on products can be added as one time or subscription; although we prefer one time.

**Consider offering discounts for add-ons products even if being added as one time because the order includes a subscription product. Don't be afraid to offer a lower priced subscription product - you can always leverage add-ons as a way to increase the AOV.**



**Thomas McCutchen**  
Founder & CEO at Scoutside



Cross-sells and upsells are an easy win for subscription merchants. At the cart or post-purchase stage, apps and also custom code can be easily leveraged to increase the cart value once the user has already made up their mind to make a purchase. Customers have a different relationship with subscriptions products than one-time purchases. Subscription products are consumed over and over by customers unlike standard product purchases.

Upsells as a one-time purchase can be an opportunity to enhance the value of the subscription product. If you're a coffee company, consider offering a Hario Kettle or a V60 at checkout. Ideally you can add a blurb to explain the value proposition of the upsell so it doesn't seem like too hard of a sell. Upsell apps are easy to come by and cheap to install so there's nothing to lose!



**Jonathan Osborn**

Partner & Co-Founder at Presidio Creative

Cross-sells and upsells can help you maximize your subscription program, bringing in higher revenue each month. However, be careful! Unlike single-purchase buyers, longer-term subscriptions are sensitive to how you manage the customer relationship, making it essential to be very thoughtful about how you persuade customers to spend more so that you don't cause churn.

For all customers, but particularly subscribers, an upsell or cross-sell needs to be highly relevant and perceived as providing value. Therefore, it's important to leverage analytics and personalization tools to ensure you're promoting the right products at the right price point at the right time.

Note that subscription sign-up might not always be the optimal time to up- or cross-sell—but you'll have plenty of opportunities as you build the customer relationship over time.

Some key touch points include delivery reminders (suggest complementary product add-ons, new flavors or models), and post-purchase/marketing emails featuring recipes or workouts that suggest additional products available for purchase.



**Aaron Quinn**

Founder & CEO at eHouse Studio

With acquisition costs and CPMs (Cost Per Mile) rising daily, it's important for brands to max out the first AOV their customers take and upsells/cross-sells do just that. If you're not profitable on the first sale, the goal is to at least break even or operate at a slight loss on the first purchase. You can easily make up for it by driving repeat purchases, cross sells and so on.



**Adena Merabi**

Strategic Partnerships at MuteSix

You've done the hard part already by convincing a customer that they want your product on a regular basis. The good news is that existing customers are 50% more likely to try new products and 30% more likely to spend more, with little to no increase in your customer acquisition cost.

If you want your customers to spend more however, it still needs to be easy for the customer. With one-time products in the ReCharge checkout you can upsell items to your subscribers without them feeling the pinch for extra delivery costs (product dependent, of course). You can also add upsell apps to your Shopify store which learn from customer purchasing behavior, so they recommend products that are naturally and regularly bought together. Relevance is key here, so make sure the application you choose is intelligent and worth the investment.

The up and cross sell journey doesn't need to be restricted to the onsite experience either. If you integrate your cross and upsell email flows with your subscription platform and experiment with the timing (being led by data), you can easily spike the interest of your customers at the right time as they manage their order for that month.



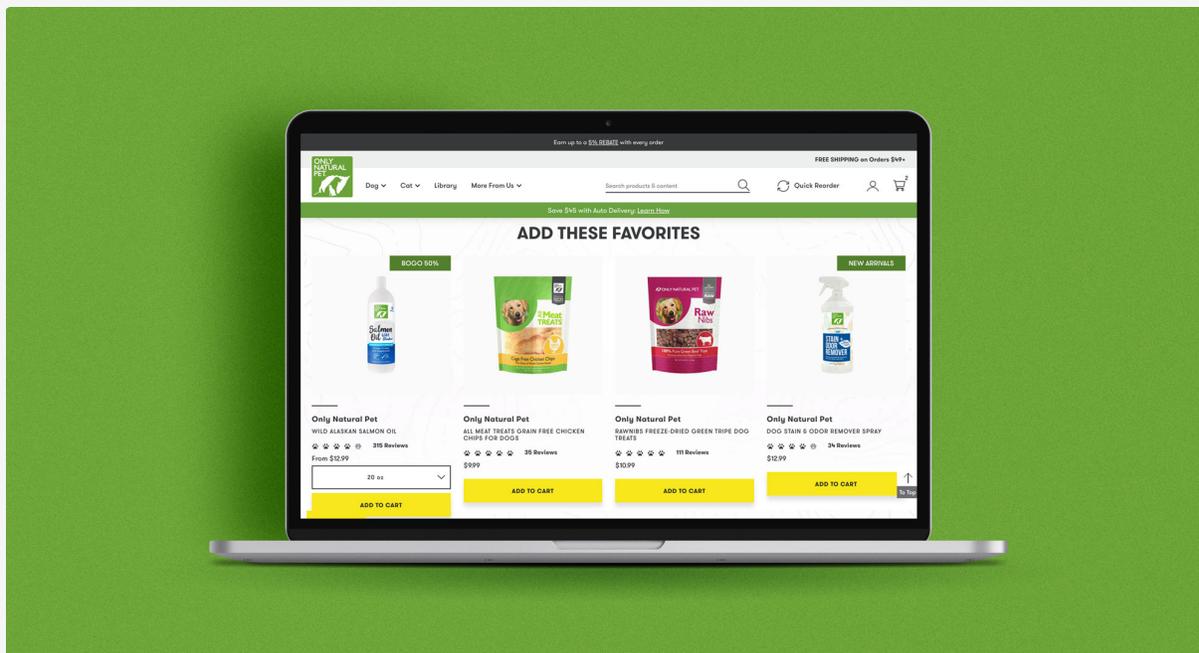
**Matt Abbott**  
Head of Growth at Swanky



**Suzannah Cranwell**  
New Build Service Team Lead at Swanky

Leveraging cross-sells and upsells are a great way to help users discover products they'll love and encourage product exploration. Pairing complementary products based on existing consumer behavior and brand loyalty is a great way to increase AOV.

Our client, Only Natural Pet, for example, offers users brand loyal products they can add to their order. In this example, Only Natural Pet provides its customers with an easy-to-use personalized shopping experience that shows customers relevant products based on their browsing behavior.



## **Another component of upselling is giving a user more value through an exclusive price or a product that increases their product's lifespan.**

Our client, American Hat Makers, increased their products' value through an extended care option and added upsells like a hatbox, hat stand, and rush order option, which has been hugely successful.

Cross-sells and upsells should remain lifestyle specific. We recommend identifying a particular problem your consumer needs to solve and then recommending a custom solution.



**Mick McCarthy**  
Chief Design Officer at Zehner

Depending on the nature of the product and/or type of subscription model, there's a chance that the relationship between customer and product may become stale over time. It is predictable and perhaps useful, but not exciting or particularly noteworthy. When the customer relationship stagnates like this, the risk for cancellation is high.

Replenishment models face this challenge more often than curation or access models, but it can be countered! Just as with any relationship, you gotta work to keep things spicy.

Create cross-sells and upsells within the customer portal or on the cart page that change frequently and offer something:

- ✓ unique (exclusive products)
  - ✓ highly valuable (deeper discounts)
  - ✓ limited (in quantity or availability duration)
- and/or
- ✓ personalized

Personalized recommendations are key. You wouldn't want to recommend meat products to a customer that's subscribed to your vegan box, would you? To return to our relationship metaphor, in this way cross-sells and upsells can function as love notes: I know you, I'm thinking of you, and I want you to have all the things. They keep customers engaged with your brand, making them less likely to want to quit you.



Z  
Founder at Tako Agency

Subscriptions should not only be about convenience, which was the first thing they were meant to solve. Subscriptions should also be about flexibility - for merchants and subscribers. Cross-sells and upsells for subscriptions are a great tool to make sure that the subscriber has absolutely everything they may need to maximize their subscription experience. We work with a handful of amazing subscription brands and we have maximized this a few ways for them.

Let's take DoggieLawn.com as an example. Doggie Lawn is a dog potty grass subscription that is a superior alternative to potty pads, fake grass, etc. When someone goes through the subscription funnel, they are subscribing to only the grass. However, accessories like a tray to hold the grass are not part of the subscription. But, through the sign-up funnel, it is an upsell steps that many subscribers take advantage of.



HOW IT WORKS

OUR GRASS

SHOP

GIFT

PICK YOUR PLAN



YOUR PLAN:



Medium  
DoggieLawn  
24" x 20"  
[Change Size](#)



Delivered  
Every 2 weeks  
[Change Frequency](#)

### Do You Need a Tray?



**Yes Please**

I'd like a \$4 reusable tray to hold my DoggieLawn grass.

**No Thank You**

I will use my own tray. I'll just receive the DoggieLawn grass.

*Plans renew automatically. You can cancel anytime. Tray sold separately.*

*Sales tax applies to: CA, CO, CT, DC, GA, IA, ID, IL, IN, KY, LA, MD, MI, MN, NC, ND, NE, NJ, NV, NY, OK, PA, SD, UT, VA, WA, WI, WV*

Another opportunity for an upsell or a cross-sell is at the very last step of the checkout process. This is very similar to checking out at a brick and mortar and grabbing a pack of gum or a bottle of soda at the last second. An impulse buy.

#### BILLING AND PAYMENT

YES! ADD MYSTERY BOX TO MY ORDER \$39.99



ADD A MYSTERY BOX TO MY FIRST ORDER CONTAINING ITEMS FROM PAST MISSIONS. VALUE OF MYSTERY BOX WILL BE BETWEEN \$55-\$120.

MYSTERY BOX WILL SHIP SEPARATELY AND WILL OFTEN ARRIVE BEFORE YOUR SUBSCRIPTION BOX ORDER.

We've worked with Battlbox.com to implement a very sleek and effective upsell at ReCharge checkout. This small implementation had an impact of increasing the Average Order Value (AOV) by 16%.



**Amer Grozdanic**  
Co-founder & CEO at Praella

Let's circle back on the difference between selling a product versus creating a brand. When you build a brand you're becoming a part of a consumer's lifestyle, values, and routines rather than just addressing a short-term desire or need. Cross-sells and upsells help your brand integrate more holistically with their lives and routines. We want to strengthen the connection with our subscribers and ensure they're getting the most out of a brand's product catalog.

When customers turn into subscribers most marketers typically take one of the following approaches:

1 - "They love us! They must want to hear from us all the time, let's email them."

2 - "We got em! Let's stop communicating with them so they don't get annoyed and unsubscribe."

**The right answer is somewhere in the middle. Look at your product catalog and figure out the cross-sell opportunities that make the most sense. You'll want to wait until someone is receiving their second order to push other products as you'll then know they're happy with their first order.**

If you don't have obvious cross-sell products on your site, think about merch that compliments or fits into your product line for upsell and bundle opportunities.

Subscribers (or high LTV) are your most loyal customers. They love having exclusive access to new or limited release products.

By exclusively releasing a limited amount of accessories, or a new flavor of an existing product, etc. to them, subscribers feel like they're getting more out of their membership without the brand having to give out free products or discounts. Consider some limited product runs that can be seasonal or only available at certain customer tiers.

Here are a few additional tips for how cross-sells and upsells can be used effectively:

- They can be critical to introducing customers to new innovations that have arrived after they initially subscribed.
- You can introduce product lines that a customer hasn't been exposed to yet.
- They can keep things fresh for customers that have been subscribing for a while if they're good complimentary products, new flavors, etc.
- Complimentary products can increase the usage, for example, selling an electric whisk alongside Matcha powder.

To conclude, we're all trying to make some money at the end of the day. If done appropriately, cross-sells and upsells will boost AOV and LTV, which should improve your bottom line.



**Pierson Krass**

Founder & Managing Partner at Lunar Solar

For any online business—especially those that rely on subscriptions—the focus on growing your AOV (average order value) should be a high priority. This is because subscription-based businesses don't always have the same ongoing opportunities to remarket to existing subscribers. After all, they have already subscribed. Instead, the focus should be on growing the value of that ongoing subscription by tactics such as cross-sells and upsells.

Cross-selling is when you share a product or service that works in tandem with the product they purchased. e.g. coffee filters with a coffee subscription or dog treats with a dog food subscription. Upsells on the other hand, would be having customers purchase something comparable (but better) than the product they are considering e.g. 24oz bag of coffee instead of 12oz or Extra Premium dog food instead of just Premium. Both methods have advantages and can be deployed on any ecommerce platform (either by a developer or through many available plugins).

The trick here is to establish the rules and hierarchy for your products and reveal upsell or cross-sell options to the RIGHT customers based on what they have in their cart, or their order history.

A popular upsell tactic is to offer free shipping on orders over \$xx. This may cause customers to add additional items, or purchase higher value items to meet that threshold. The word free often tends to increase conversions. Designing progress bars and/or timely popups are a great way to showcase offerings to customers.

The screenshot displays a checkout page with several product recommendations and a summary table. The first recommendation is an iPhone 12 Pro Case in Coral Pink, priced at \$79, with a quantity of 1. Below it is a 'Limited Edition Gift' of Exclusive MAISON de SABRÉ holiday socks in Sky Blue, offered for free (original price \$19). Under the heading 'You'll also love', there are two more Coral Pink items: a Card Case for \$109 and another case. At the bottom, a summary table shows a discount of \$19, free shipping, and a total of \$158 USD, with a prominent 'CHECKOUT' button.

Discount	SAVE \$19
Shipping	FREE
<b>Total</b>	<b>\$158 USD</b>

**CHECKOUT**

You're just **\$45.02** away from **free U.S. Shipping!**

\$0  \$80

[Click here to browse our best sellers](#)

For existing subscribers, the cross-sell or upsell process would be slightly different because of the need to update their subscriptions. In these cases, clear benefit messaging can incentivize an existing customer to add on to their existing subscription.

In addition, it is crucial to making the customer portal user friendly and painless to navigate. Doing as much work as possible for the user by adding simple checkboxes or a button to upgrade will eliminate friction.



**Tate Lucas**  
CEO at DotDash.io

## Here's the gist

Offering the flexibility of product swapping or one-time purchases creates an opportunity for run-of-the-mill customers to become raving fans. Perhaps they tried a product they never would have, or purchased something one-off that became a recurring subscription. Offering options and educating them on opportunities continues the conversation and increases your overall AOV and LTV.



Explore the rest of the Powerful & Profitable Subscriptions series to gain insights from 12 different agencies on a variety of topics: from building a community, to scalability, and everything in between.

# Thank you to our partners

We're thrilled to collaborate with the most successful and fastest-growing agencies in commerce to create this playbook. If you're interested in contacting one of our partner agencies, please use the links below.



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