

# The Bucks Start Here

CROSS-SELLING CAN INCREASE YOUR BOTTOM LINE | BY JIM HIGGINS

José walks into Southside Check Cashing to cash his paycheck. The teller greets him by name in Spanish, his preferred language, pulls up his account on the POS system, verifies the check and cashes it. She asks if he needs to pay any bills, purchase any money orders or load any of the funds onto his debit card. Then she takes a moment to mention that his debit card has a savings feature that pays an interest rate of nearly twice that earned at a bank. The funds are secure and easy to access from any ATM in an emergency. Would he like to add \$20 to that card today?

If this type of cross-selling is not occurring in your stores, then you are missing out on a significant opportunity to better serve your customers and to grow your revenue. In these times of focus on increasing consumer empowerment, it is difficult to effectively

empower your consumers unless they have enough information about the options available to them to make an informed choice. Many financial service center operators still concentrate their efforts on the primary services offered, like cashing checks or making loans, and not enough on featuring the full range of services available in their stores. It is often these other services that are really valued by the consumer and create the customer “stickiness” that results in better loyalty and long-term profits.

Recognizing that good customer service requires moving customers in and out of the stores quickly, this type of cross-selling may often be abandoned for a trade-off of fast service. To manage this delicate balance, it is important that front-line employees are directed to feature a single service for a fixed period of time. A brief script to follow

also ensures that the message is delivered efficiently and consistently. It only requires an additional ten to twenty seconds to communicate the benefits of a product or service to improve consumer awareness. After all, a typical TV spot only lasts thirty seconds, and look at the amount of information that can be conveyed during that brief message.

The key to success in any retail business lies in building a relationship with its customers and providing value beyond the price of the product or service offered. The key to increased profits resulting from cross-selling isn't necessarily from the direct sales of small-ticket items like bill payments and money orders; it is from the increased loyalty that results from better meeting the needs of your core customers. A quick analysis of your current transaction data would reveal that the majority of your business likely comes from a relatively small percentage of your customers – it's the old 80/20 rule. This being the case, a small improvement in customer loyalty can result in a disproportionate increase in revenue simply by focusing on properly servicing your customers. Let's say that 35 percent of your customer base only cashed one check with you in the past year – a reasonably realistic statistic. If you could just get ten percent of those customers to come in one or two more times, you would increase your check fees from 3.5 percent to 7 percent a year!

Here are five tips to help improve the customer experience and loyalty through cross-selling.

## Want to Polish the Image of Your Payday Loan Business?

### Help Teach Your Customers to Love You.

The image of payday and subprime lenders is under attack. You need allies, and your strongest support can come from your customers—especially if they're educated, satisfied borrowers.

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## FRONT LINE TELLERS NEED TO COMMUNICATE WITH CUSTOMERS... THIS IS THE KEY TO ANY SUCCESSFUL CROSS-SELLING EFFORT.

screen. Using the customer's name upon greeting, during the transaction and at the end makes them feel recognized and will help to open their minds to other product suggestions.

Cross-selling to customers should not be a negative experience. It isn't about pressuring a consumer to purchase something they don't want; it's about enhancing the valuable services that we provide to better assist them in meeting the needs of their daily lives. As the financial services industry places more emphasis on financial education and empowering our customers, you and your front-line employees hold the key to making this happen with every transaction. The outcome of an intelligent cross-selling strategy will lead to better informed consumers purchasing more from your

business and remaining loyal customers as long as they continue to receive value from you. Now that's how to really start the bucks flowing. ■

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### •Communicate.

Front-line tellers need to communicate with customers, both about the transactions processed and the other needs the customer faces. This is the key to any successful cross-selling effort.

- **Customer Service.** Most retail experiences today leave a lot to be desired. Therefore, good customer service is easily remembered – and appreciated – long after the transaction is completed. If you want your customers to come back, treat them well.
- **Employee Training.** It's foolish to expect that all employees will automatically adopt cross-selling behavior. If you really want a desired result, you must equip your team with the proper tools to achieve it. Establish regular training sessions as part of their routine job descriptions. These do not need to be lengthy or formal, but an hour every two weeks could do wonders for their product knowledge, communications skills and understanding of your expectations.
- **Be Flexible.** Try to address customer complaints positively and with a specific result. Excuses such as "That's our policy" will lose more customers than setting the store on fire. Empower employees to make decisions or give them a defined chain of command to get one.
- **Use Their Names.** There is no reason why we shouldn't use a customer's name at least three times during a transaction. It's usually on a document provided at the window and comes up on the POS

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