

The background of the entire page is a close-up photograph of a wooden surface. Overlaid on this wood is a vibrant blue spiral pattern that starts from the center and winds outwards, creating a sense of movement and depth. The wood grain is clearly visible, and the blue paint has a slightly textured, hand-painted appearance.

**A new POS system generates measurable sales increases during checkouts.**

By Jerry Soverinsky

# THE POWER OF Sugg

**As a kid in the 1970s,** I hated shopping at one particular clothing store. No matter the size of my mom's purchase, the store owner, Mr. Fiddler, would always pepper her with suggestive add-ons:

"How about a belt today, I'll knock off 40 percent?"

"Our brown socks are on sale, would you like two or three?"

"Our gumball machine now has prizes!"

I never liked the guy, but you know what? My mom would typically leave with a belt. And at least two pairs of brown socks. And I would leave with a gumball — or prize — an equitable reward for my trying on corduroys, Hush Puppies and sweater vests.

To be sure, the concept of upselling has undergone some transition today, with refinements to the primitive Mr. Fiddler system. For example, a restaurant server wheeling around a dessert cart asks, "Would you care for some dessert?" Some systems are completely automated: After swiping a credit card at the pump,

the screen reads, "Add a car wash for \$4.99?"

And some systems are somewhere in the middle, leveraging the sophistication of cutting-edge technology and combining them with the powerful persuasiveness only the human element can deliver. Enter the LIFT Station.

### Would You Like Fries With That?

The LIFT Station, a basket-based suggestive selling point-of-sale solution from Atlanta-based LIFT Retail Marketing Technology Inc., integrates seamlessly with checkout hardware and software, displaying upsell offers customized to a purchaser's selections. This goes a step beyond the indiscriminate offering — "Would you like fries with that?" — and considers product compatibility, a distinct reflection of each customer's basket.

The concept plays out simply and quickly for customers, with sophisticated, behind-the-scenes POS technology that incorporates store-specific sales data. As a cashier processes a cus-

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tomer’s basket, the retailer’s marketing calendar promotions, daypart patterns, purchasing dynamics and item margins combine to produce alerts for shoppers — LIFT refers to these as “smart suggestions” — based on each basket’s contents.

For instance, if a basket contains a bottle of Coke, as that item is scanned, a message appears on a digital screen facing the customer that Coke is running a current three for two promotion. Simultaneously, LIFT prompts the cashier to ask the customer whether he would like to accept the offer — “Would you like to purchase an additional bottle of Coke and receive one free?” If the customer agrees, the cashier adds that promotion to the basket total, and after the checkout process is completed, the customer proceeds to take his add-on item.

The entire episode is a swift upsell that integrates a retailer’s specific marketing calendar and coordinates it between checkout screen and cashier, a differentiation from existing POS promotions and something that LIFT’s founder insists generates maximum sales lift.

“Conventional POS programs force a cashier to do the impossible: [Remember] multiple product-price combinations and numerous marketing promotions and how to communicate them,” said LIFT’s founder and CEO Doug Kruep, a convenience store industry veteran whose father opened his first store in the 1970s. “Our technology bridges that gap. It allows the cashier to focus on customer service, and the technology provides a concise sales pitch when an item is scanned.”

The technology incorporates real-time offers that complement a shopper’s intended purchases, eschewing the go-for-broke style favored by the Mr. Fiddlers of retailing. So rather than suggest to a customer whose basket contains just soft drinks and cereal whether he would like to buy a box of dishwasher detergent, the

suggestive upsell is refined.

“The customization works two ways, either with a retailer’s monthly marketing calendar or with natural affinities,” Kruep explained. “There are natural pairings of items that go together. Soft drinks and chocolates are a commonly purchased pair, another is soft drinks and chips. So if someone walks up with one and not the other, the system will prompt with the suggestion, even if it’s not on special.”

Kruep said LIFT is the culmination of six years of research and development, “all born from c-store insights” and what he saw as an industry shortcoming. “Every time you go to McDonald’s, there’s not a time you don’t get upsold, that’s the gold standard. The people are disciplined and it’s part of the culture. We wanted to close that gap for c-stores.”

### Success Story

The monthly cost for implementing and operating LIFT is customized for each retailer and reflects the number of terminals needed, whether a marketing program is established, as well as other details.

For Savannah, Georgia-based Parker’s Convenience Stores, one of LIFT’s unofficial mentors during the development and testing phase, “their processes were all buttoned up,” Kruep said, “so it was a straight uploading of his marketing calendar. Depending on the configuration and customization, a retailer is looking at a cost of \$300 to \$500 per store per month as we create templates and cashier scripts.”

To date, Kruep said the results have far exceeded a retailer’s monthly costs, with retailers “seeing a four- and five-fold return on that fee.” So for a \$500 monthly LIFT fee, Kruep said an average retailer can generate an extra \$1,500 in gross profit per store per month.

In Parker's case, his company tested LIFT at three stores during June and July of this past year, with the LIFT Station system tracking upsell conversions as well as changes in units sold and dollar sales. On average, the LIFT stores realized a 5.5 percent lift in dollar sales for the test period compared to Parker's all-store average, a bottom-line boost that convinced him of the system's merits.

"In our company, we've tried for years to look for opportunities [to] educate and train our CSRs (customer service representatives) for suggestive selling," said Parker. "It's been really interesting for us. We've experienced a lift in our suggestive selling and we are able to marry it with our promotional calendar."

### An Easy Lift

Implementing LIFT at a store is relatively painless, Kruep said, "because we require zero configuration and we're a plug-and-play technology...We put together a plan and schedule the training, and from the time you contact us until it's installed in stores, it's about 30 to 45 days turnaround."

As for staff training, Kruep estimated that it takes only "a couple of hours per shift" to get things started, and his company then checks back with the store to

confirm their understanding.

For retailers, the real benefit to LIFT is in the month-end report that it receives, detailing everything from cashier effectiveness (showing which cashiers are the most successful salespeople) to baseline reports detailing product incidence and affinity by daypart and location, to promotional effectiveness details (the conversion rate for your promotions).

Having worked with LIFT for about a year as the company refined its system, Parker summed up his experience with three key learnings:

- "We have seen an overall increase in our gross in-store sales by about 5 percent."
- "We can evaluate [our CSRs] from best to worst on who is actually closing on the suggestive sell...we can see who the best people are and hopefully put them on the shifts where there are the most opportunities."
- "We've come to the realization that there is [a] huge opportunity to use technology to help us do a better job of suggestive selling in our stores."

That is, if you don't have your own Mr. Fiddler. **NACS**

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## CAVEAT EMPTOR

Implementation of LIFT requires the consumer to go back on the store floor after the checkout process is complete to retrieve his add-on purchases, a necessary step for ensuring an uninterrupted checkout procession. Such a move would seem to increase theft opportunities, though Parker downplays such a concern:

"[T]oo often retailers get caught up in trying to preclude theft at the expense of the customer experience. Whenever you please the customer, we usually win as retailers. Can shrink increase? Yes. However, the increase in sales will far outweigh the losses...We will determine who is right over time."



## Upselling at Work in Other Channels

A March 2010 article at QSRWeb.com reveals that according to U.S. Small Business Administration data, "digital signage with purchase recommendations can result in sales uplifts from 15 to 150 percent," with customized promotions that leverage weather, daypart, season and purchasing history "enabling QSRs to experience returns closer to the 150-percent range."

And customer service strategist Jeff Mowatt pegs the restaurant upsell as a significant revenue booster, as much as doubling the amount of a guest check. "Thus, there are serious implications of lost revenue potential for restaurateurs whose staff don't engage in the practice."