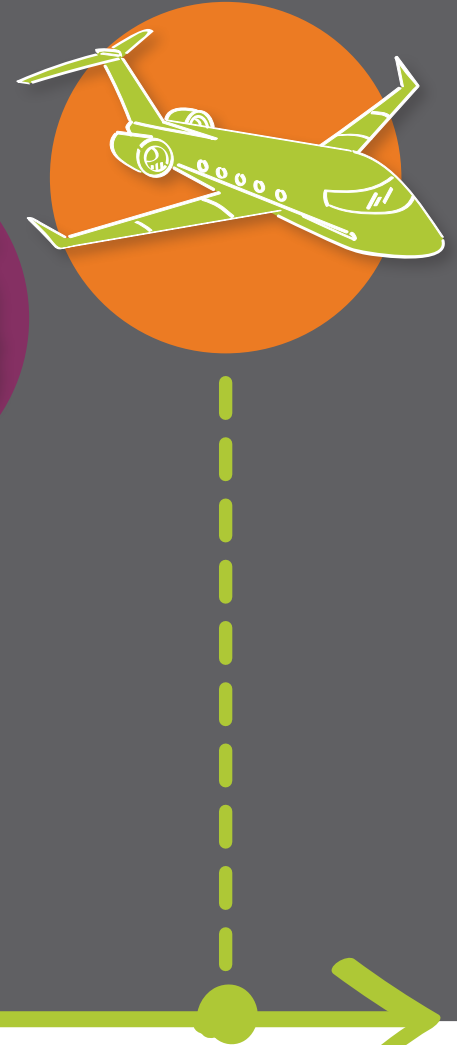
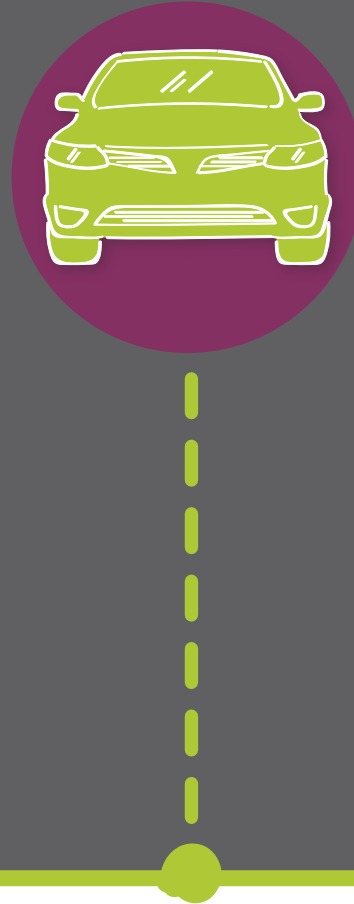
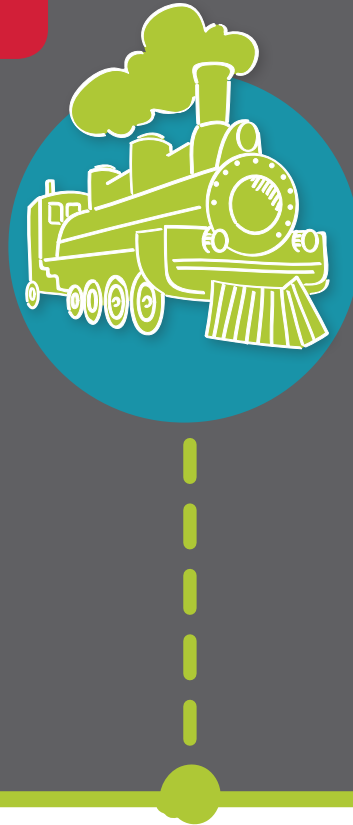


"Why Evolve?"



*Determining the Most Effective Approach
for Upselling Customers to New Solutions*

In partnership with: THE INTERNATIONAL
**Journal of Sales
Transformation**

Overview

The studies we've conducted recently have validated one key idea: Your approach to your customer conversations can't be a one-size-fits-all effort. Different selling situations involve different buyer psychologies. As a result, they demand different messaging techniques and selling skills to get the job done.

Nowhere was this more evident than in our studies exploring **new customer acquisition** (“Why Change?”) and **customer retention** (“Why Stay?”). While provoking and challenging the customer was highly effective in a new customer acquisition scenario, it backfired in a big way in a customer retention context—which requires a message that's essentially the opposite of the disruptive approach that works so well when you're trying to acquire new customers.

While these studies uncovered much about two critical selling situations, there were still gaps in the research. A question we started hearing was this: *How do you sell more to an existing customer?* In other words, how do you best handle what are traditionally known as the upsell or upgrade conversations. These dialogues assume major importance when you need to convince existing customers to migrate to higher-value solutions and services, either in the event of a significant upsell opportunity or due to a material change in a base product.

This report covers a research simulation exploring the most effective message for this situation, which we're calling the “Why Evolve?” moment. Conducted with Dr. Nick Lee, a professor at the Warwick Business School in Coventry, U.K., and in partnership with the International Journal of Sales Transformation, the study reveals a messaging framework designed to give marketers and salespeople an edge in this pivotal moment.

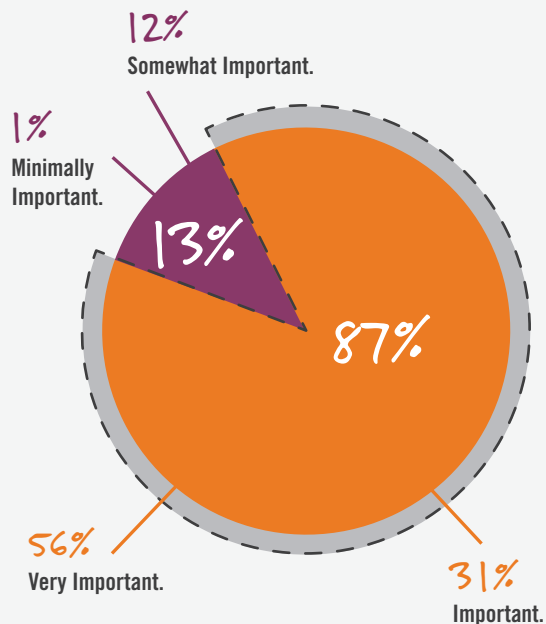


What's at Stake with the "Why Evolve?" Conversation?

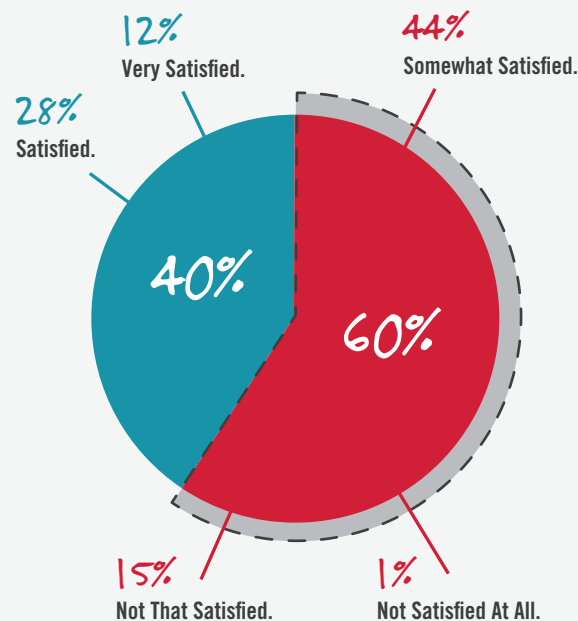
Convincing customers to migrate to upgraded solutions and services seems like it ought to be easy. Too bad it seldom is. That's because a range of hidden challenges and complexities that you might have underestimated at the outset can rise to the fore, potentially scuttling your chance to forge higher-value relationships with customers.

While **87 percent** of respondents to a recent Corporate Visions industry survey said this moment is "important" or "very important" to their revenue success and ability to retain customers, nearly **60 percent** of respondents say they're only somewhat satisfied or worse when it comes to how well they convert customers to new solutions—both in terms of how fast they convert them and how many are converting.

How important is the customer migration/upsell conversation to your revenue success and ability to retain customers?



How satisfied is your company with conversion rates of customers to your new solutions—both in terms of how fast they convert and how many are converting?



Tim Riesterer

Chief Strategy & Research Officer, Corporate Visions



What's On The Line?

If you succeed in the "Why Evolve?" dialogue, you lay the groundwork for better customer experiences and longer-lasting partnerships, allowing your customers to take full advantage of the most impactful solutions you can deliver. If you stumble, your partnerships stagnate. When that happens, plateauing revenues aren't your only problem.

If you aren't supporting customers with your most remarkable experiences, they become vulnerable to inroads from competitors, who can disrupt you out of the equation with promises of something superior. It's not that you don't have the capabilities to deliver those superior experiences. It's that you haven't seized the opportunity to provide them.

The upsell situation is important enough to your growth that your approach to it shouldn't be haphazard, based on untested guesswork instead of research that looks into the buyer psychology of the moment at hand. That research—and the message framework it yielded—is covered in depth in this report.



Joe Collins

Senior Consultant,
Corporate Visions



Provoke and Protect: Finding the Middle Ground

Imagine that you're the incumbent vendor, but you're not in a renewal situation. You're mid-contract but need to sell more.

This is a common situation that many companies find themselves in. So what's the right message for this moment? At first blush, this situation is so challenging because it seems to call for certain elements of two dramatically different message types: the "Why Change?" story best for acquiring new customers, and the "Why Stay?" story ideal for keeping existing ones. So, what exactly does the middle ground look like? How might you reinforce the existing relationship while still expanding the conversation to include other possibilities? How might you keep the competition at bay while still driving a greater desire and likelihood of evolving to your new solution?

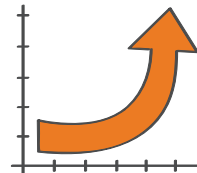
We felt that if salespeople were having conversations with customers that helped them navigate the five key challenges we identified, we'd get closer to answering some of those questions. The excitement for identifying the best "Why Evolve?" message was high because the revenue impact is huge.

Five Key Challenges

Before conducting the research, we wanted to home in on the critical challenges that can threaten success in the "Why Evolve?" situation. We centered on five key ones. They're described below:



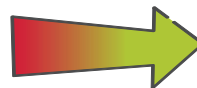
1. Different enough? It's hard to overcome all the noise in the market and be seen as different enough to require action. So how do you create a message that's not what the customer expects—that's unusual enough to pique their interest?



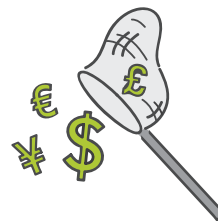
2. Important to success? Part of selling is creating a buying vision in the minds of your prospects. You want to shape their vision of a future in which you and your solutions are pivotal to their success. How do you craft a message that gets them to see your solutions as vitally important to that.



3. Personally convincing? People look out for themselves first. So how do you craft a message that not only shows the value of their business, but also convinces them to become personally invested in doing something to propel it forward?



4. Willingness to change? With many priorities to tend to, buyers need to be willing to see the value of taking a risk that involves moving to a new solution. How do you craft a message that makes that case?



5. Intention to purchase? What ultimately matters in sales is whether customers purchase or not. Even a small uptick in your likelihood of success is welcome. So how do you craft a message that increases the likelihood of your customer buying?



Dr. Nick Lee

Professor of Marketing,
Warwick Business School,
and Corporate Visions
Research Partner



The Study: “Why Evolve?”

For this research we continued our collaboration with Dr. Nick Lee, a Professor at Warwick Business School who has spent nearly 20 years drawing from social psychology, cognitive neuroscience, economics, and philosophy, to develop insights into salespeople and selling.

The aim was to develop a study that yields an optimal message, or messaging framework, for overcoming the most difficult challenges companies face when trying to sell upgraded solutions and services to existing customers.

Here’s how we set it up:

At the outset, participants were randomly assigned to one of a range of different test conditions. They were told to imagine they were decision-makers in a discussion with a sales rep from their long-term software vendor, who is trying to convince them to upgrade from a legacy on-premise version of their business intelligence software to their new cloud-based business analytics solution.

The five test conditions reflected the following message types:



Product as the Hero – This was based on the type of message many companies deploy to announce new solutions. It’s product-oriented and heavily predicated on highlighting the new and improved product features and benefits.



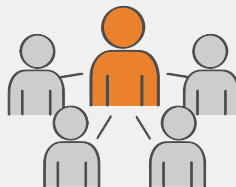
Relationship Reinforcement and Emotion – This message uses emotional language to lean into the idea that the company and vendor are partners. It’s unafraid to have a frank conversation about challenges and opportunities befitting a long-term partnership.



“Why Change?” – This message has already been proven in our past research to be optimal for unseating an incumbent vendor and converting new prospects into customers. It’s provocative, a little edgy, and we wanted to test it in this “Why Evolve?” scenario.



“Why Stay?” – Our previous research confirmed this message is the most effective at convincing existing customers to renew at the end of a contract. We wanted to see how it would hold up in the middle of an existing customer contract, with an upsell hanging in the balance.



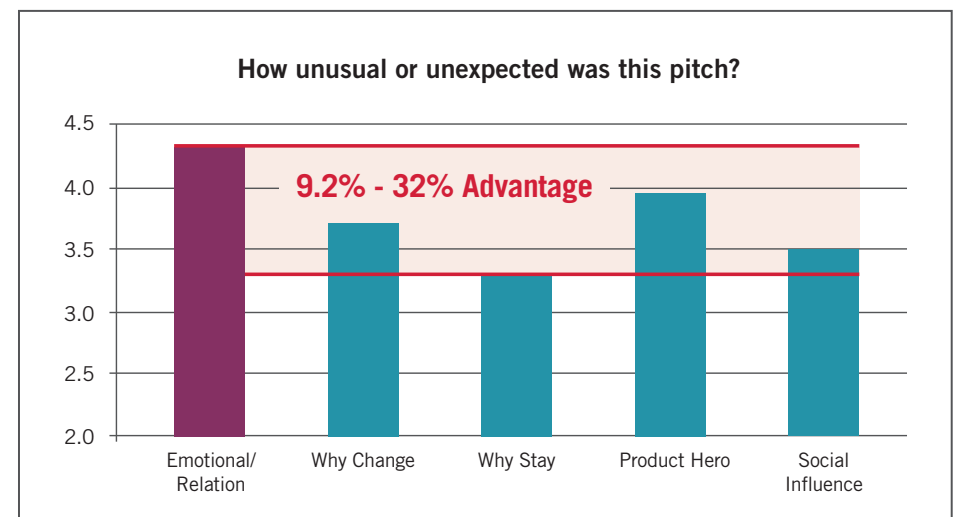
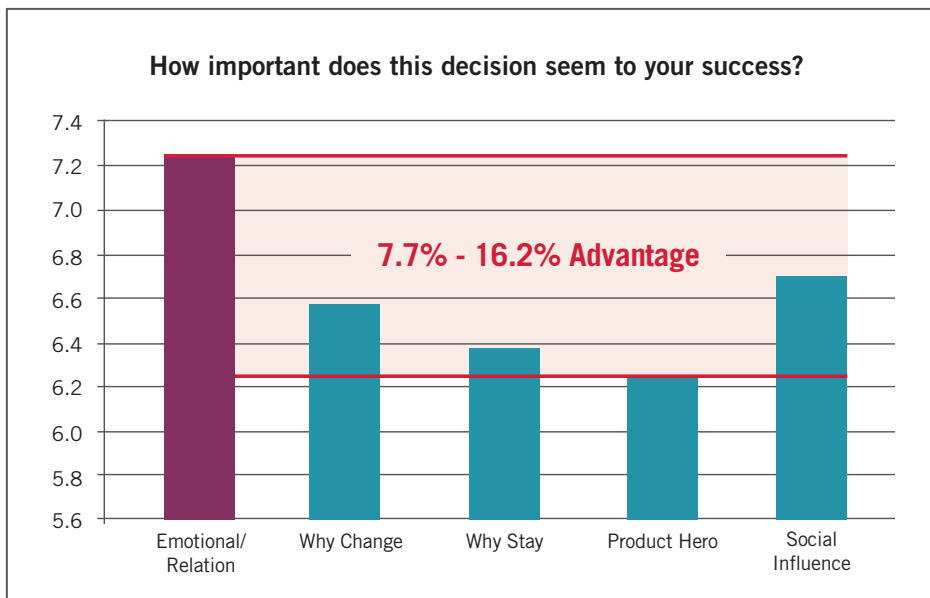
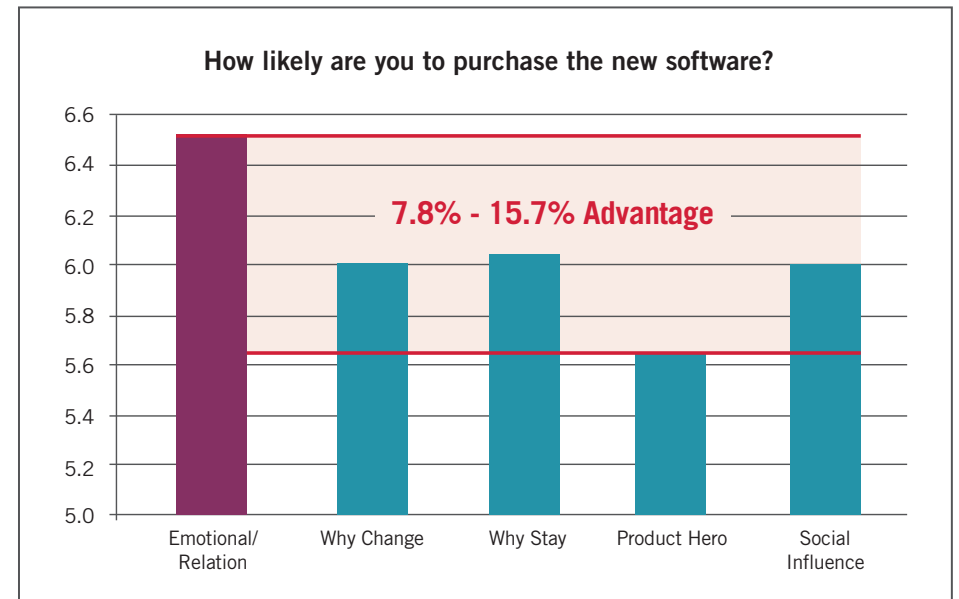
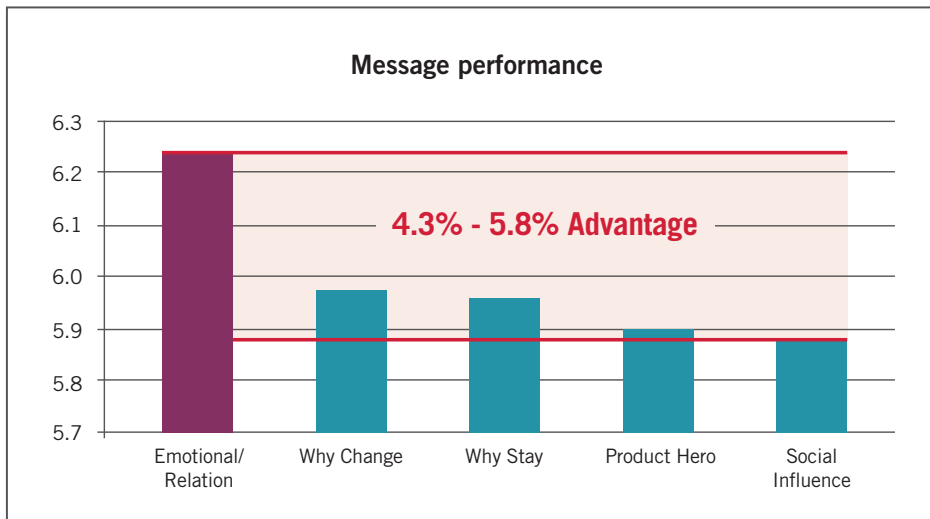
Social Influence – This message was designed with the idea that peer pressure is a powerful motivator. It shows the buyer that many of their peers are taking action and making strides, and they can’t afford to get left behind.

Participants experienced only one of the five conditions. Afterward, they were asked to respond with numerical scores to a series of questions addressing several dimensions, all aligned to the key challenges highlighted earlier. The responses were then averaged to form a composite index for each assessed area. The results are on the following page.

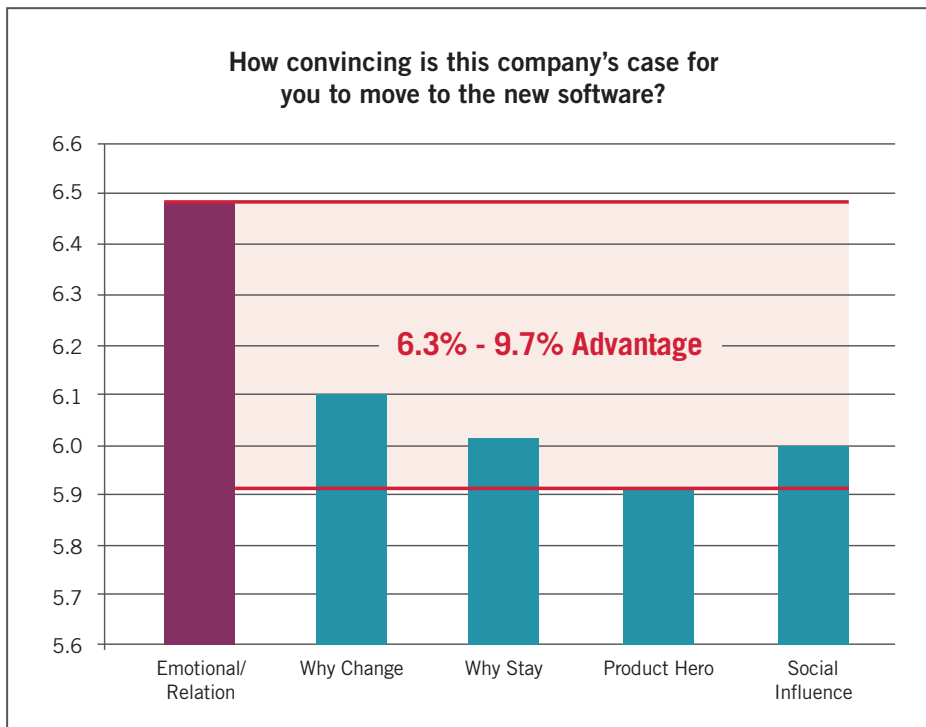
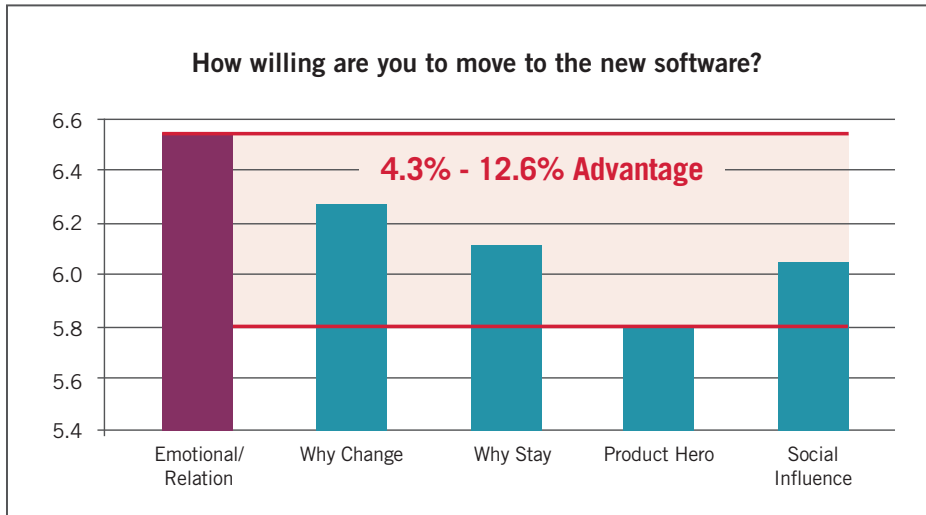
“Why Evolve?”: The Results

In a combined score reflecting the overall performance of each message across all positive areas assessed in the study, the message that performed best was the **relationship reinforcement and emotion condition**. In terms of overall performance across all positive areas in the study, this message outperformed the others by a range of 4.3 – 5.8 percent.

We also wanted to drill down on how each message performed across the five key challenge areas related to the upsell situation. Once again the relationship reinforcement and emotion condition consistently outperformed the others across the most meaningful areas assessed in the study:



The Results (Continued)



Validating “Why Stay?”

When it comes to increasing customers’ likelihood of sticking with their current solution, it comes as little surprise that the “Why Stay?”-oriented story proved the most effective message type. This is consistent with past Corporate Visions **research** into the customer retention moment, which found that reinforcing status quo bias—as opposed to introducing new or provocative information—is a major component of the optimal approach for renewing existing customers.

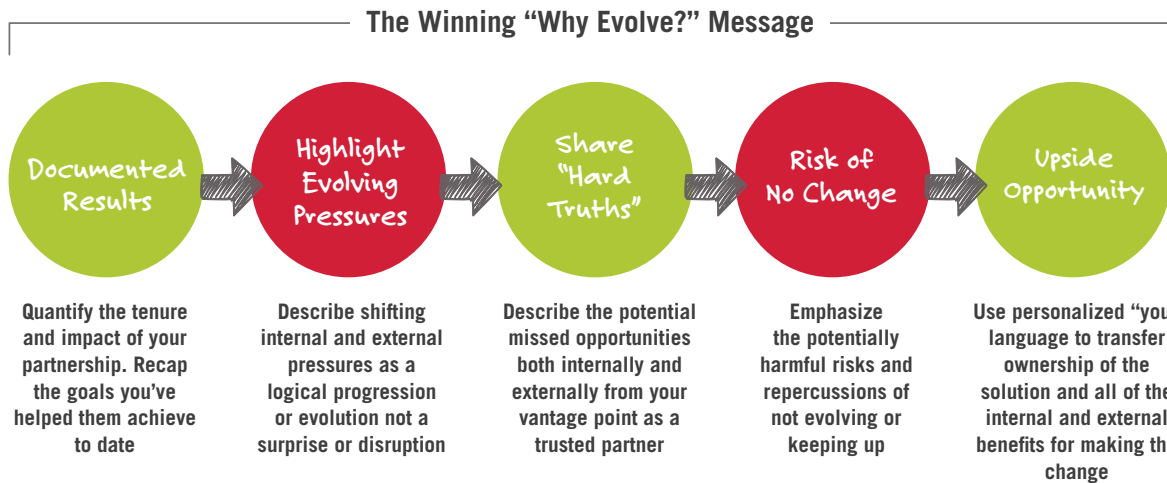


That a “Why Stay?”-like message was once again effective at getting customers to stick with their current solution further validates the power of this framework within a customer renewal context. As both studies show, these messages are effective at convincing customers to entrench themselves in their current situation. That’s great for customer renewals, but less suited to the pressures of the upsell or upgrade scenario you need to navigate in the “Why Evolve?” moment.

The Winning “Why Evolve?” Message

The consistently strong performance of this message across the most important areas suggests this scenario calls for a different kind of message from the product-oriented hero story, as well as from the strictly provocative story best suited to new customer acquisition or the status quo reinforcement story ideal for renewals.

The research reveals that the most effective upsell message in the study is based on the following framework, illustrated below:



"The research suggests that a hybrid message—rather than a message that strictly challenges their situation or only reinforces your position—is most appropriate for performing well in an upsell or upgrade context."



Tim Riesterer
Chief Strategy &
Research Officer,
Corporate Visions



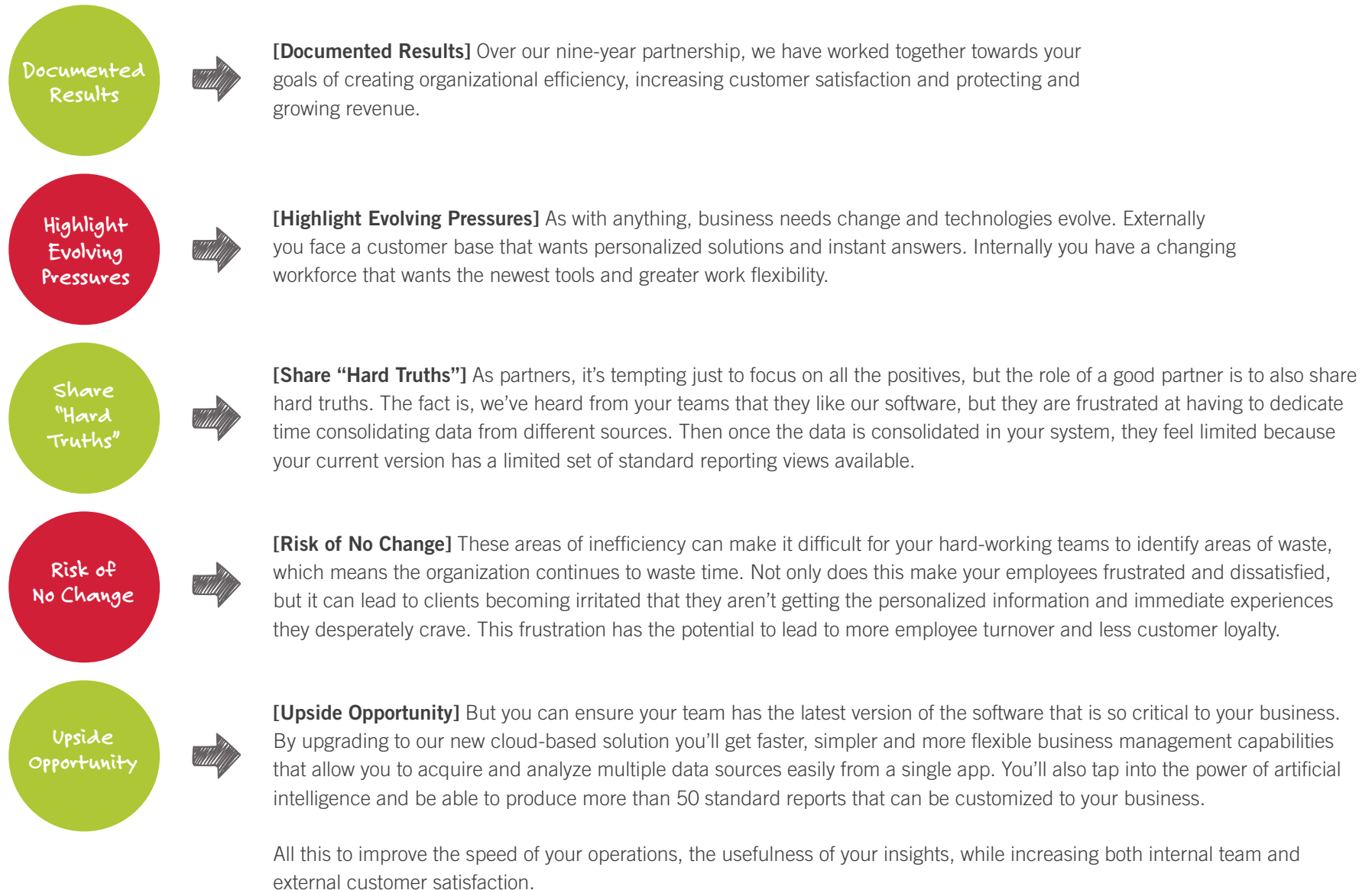
A Hybrid Message

The winning “Why Evolve?” message borrows elements from the more disruptive “Why Change?” approach and from the more protectionist “Why Stay?” one. This strongly suggests that a hybrid message—rather than a message that strictly challenges their situation or only reinforces your position—is most appropriate for performing well in an upsell or upgrade context.

That makes a lot of sense. After all, this message isn’t designed for driving big changes, nor is it about getting a customer to renew. It’s about getting the customer to *evolve* in their overall vision and their buying behaviors. This message ensures they don’t get complacent or lulled into the habit of sticking with your old guard solutions instead moving to your best and boldest innovations.

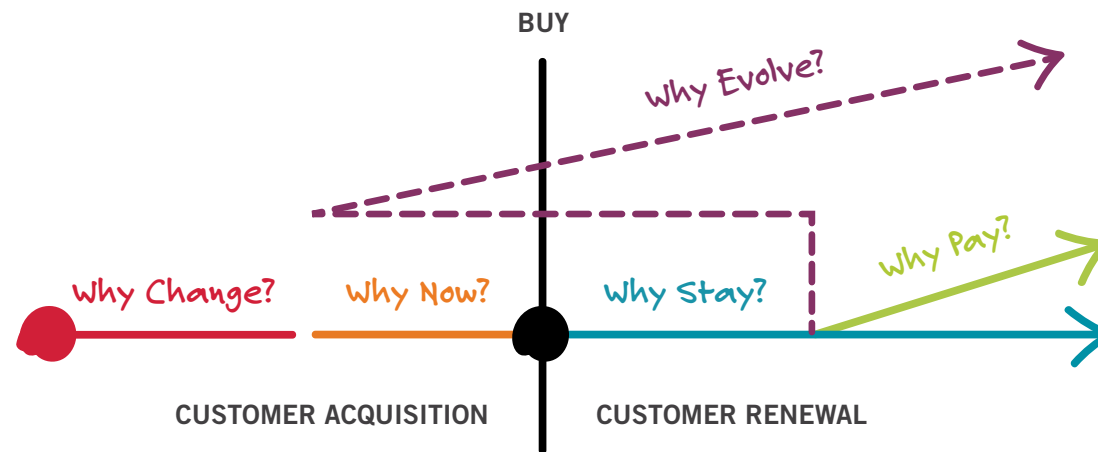
The “Why Evolve?” Message in Action

Here’s the relationship reinforcement and emotion condition that performed best in the study:



Researching the Deciding Journey

In collaboration with academic partners, Corporate Visions conducts **original research** simulations designed to unearth how prospects and customers frame value and make decisions in the most critical buying situations. These test simulations shed light on the buyer psychology by answering the questions most critical to making a decision:



- **“WHY CHANGE?”** *Why should I change from my status quo?*
- **“WHY YOU?”** *Why should I choose you?*
- **“WHY NOW?”** *Why should I do it now instead of deferring the decision?*
- **“WHY PAY?”** *Why should I pay more for your solutions?*
- **“WHY STAY?”** *Why should I renew with you?*
- **“WHY EVOLVE?”** *Why should I buy even more from you?*

In each case, the results of the study provide a tested, proven framework for marketing to create stories and sales to develop the skills to have customer conversations that win!

About Corporate Visions

Corporate Visions is a leading marketing and sales messaging, content, and skills training company. Global B2B companies come to us when they want to:

- **Create Value** – Break the status quo and differentiate your solutions from competitors
- **Elevate Value** – Build a more effective business case to justify executive decisions
- **Capture Value** – Maximize the profitability of each deal and customer lifetime value



corporatevisions.com



Authors



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Tim Riesterer is Chief Strategy & Research Officer at Corporate Visions. In that role, he sets the direction and develops products for the company. His books, **Conversations That Win the Complex Sale** and **The Three Value Conversations**, focus on improving market-ready messages, content and skills that marketers and salespeople can use to win more deals.



Dr. Nick Lee  

Nick Lee is a professor of marketing at the Warwick Business School in Coventry, UK. He has spent nearly 20 years drawing from social psychology, cognitive neuroscience, economics, and philosophy, to develop insights into salespeople and selling.



Joe Collins 

Joe is a Senior Consultant at Corporate Visions. His unique perspective is grounded in six years of experience on the finance side and seven in sales—in which he helped capture over \$25 million in new revenue. With an MBA in Global Business Management, Joe has trained over 3,000 sales professionals on five different continents.