



defending margin in a time of rampant discounting

Competitors are aggressively vying for their slice of business while buyers, whether consumers or businesses are exerting their control. Everyone faces a new reality of discounted pricing for core offerings, compressed margins and accelerated commoditization.

A central question that many clients are asking right now is, "How can I avoid the discount battles? What can I do to restart the value entropy clock?"

More often than not, most companies already have the pieces they need to answer the question; the challenge is how to find them, put them together and harness them. Over the years, I've seen companies not only avoid discounting - but create new value, wider margins and exciting innovation by re-framing their cross-sell offering.

Instead of just offering two products at a discount, if the cross-sell is re-contextualized for unmet or latent customer demand, it's not only possible to increase gross sales, but increase the margin on those sales - even in a discount heavy environment such as today. The key is in unlocking the commonalities that exist beyond the individual products.

Above on the right is an illustration of the NPI, Inc. commonality model used by clients to identify unmet needs, re-align their combined offerings to those needs and produce a higher margin offering. Below is an example of how Wells Fargo used the model to create a powerful combination of their spend related banking products. If you would like to discuss how we applied this commonalities technique, give me a call or a note.

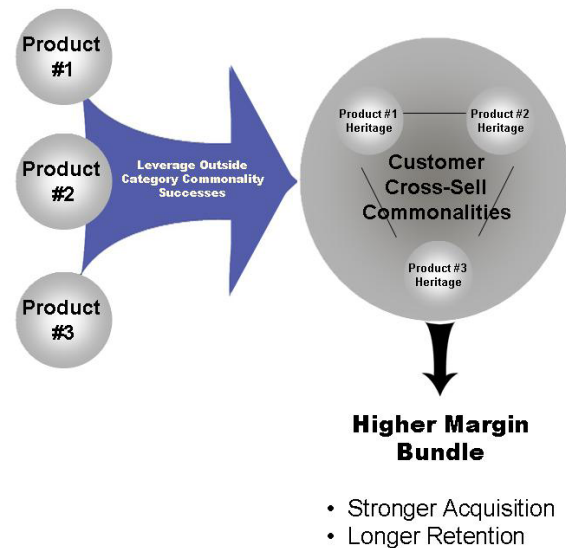
And of course, I encourage you to explore how cross-sell commonalities can help you win the battle of discounts we all face today.

All the best,

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Cross Selling with Strategic Commonalities Driving Margin in a Recessionary Market

Client Portfolio Analysis



WELLS FARGO Strategic Commonality Model

