



Where You Can Stick Your Advertising Budget!

Advertising is often seen as a quick fix that will solve a sales crisis. But if you look hard enough you will usually find the answers to your sales problems in the staff you have manning your floors.

We hear it all the time – “We can’t get people through the doors. Let’s advertise, that’ll fix it!”

“The competition is having another sale. We should advertise so we don’t fall behind.”

“Petrol prices and interest rates are hurting our sales. We’ve gotta advertise.”

Advertise, advertise, advertise.

Most companies go out and spend money to get people through the doors. But when all of these people come through your doors to spend money, what are your sales staff doing?

Are they up-selling, cross-selling, making add-on sales, selling intangibles such as rental programs and extended warranties? Is the money you’re spending on advertising going to waste due to poorly trained sales staff?

Get Your House in Order Before Advertising

Rather than continuously spending money on advertising, why don’t you reinvest those funds into your staff? There are five variables to increased profits. Advertising influences only one variable, while your sales staff impact three variables.

1. **Leads:** The number of people that walk through your door.
2. **Conversion Rate:** The number of visitors that are converted into customers.
3. **Average Transaction:** The dollar amount of each transaction.
4. **Frequency of Transaction:** This is the measurement of how much loyalty your business has.
5. **Profit:** Your gross margin percentage.

Retailers primarily work on two variables. They advertise aggressively to get people through the door (Leads), and hit up suppliers for trade discounts, return-to-supplier programs, rebates, co-op advertising and the like (Profit).

But consider this:

“It costs six times more to get new customers than it does to increase sales to existing customers.”

If you want to reduce your marketing dollars, or the cost of customer acquisition, reinvest your dollars into strategies that will retain your customers, so they keep shopping in your store(s). How about investing money into your staff, so that they build loyalty for your business.

Still determined to pump all your money into advertising? Consider this:

- 1 Only **14% of people believe** what they hear, read, or see in advertisements.
- 2 64% of customers **don't purchase from your business a second time** because of the indifference of a sales member.

So while you are pushing out advertisements that most people don't believe, your sales staff are pushing your customers out the door, never to be seen again.

How do I Overcome this Problem?

Coach your staff on how to sell, how to build positive relationships with customers, and how to increase the dollar value of each transaction. Coach your sales team to become problem solvers, not just order takers.

The Five Different Types of Sales People

Take a look at the different types of salespeople and ask yourself what categories your staff fit into. Here are the reasons why your sales are slipping, not rising petrol prices!

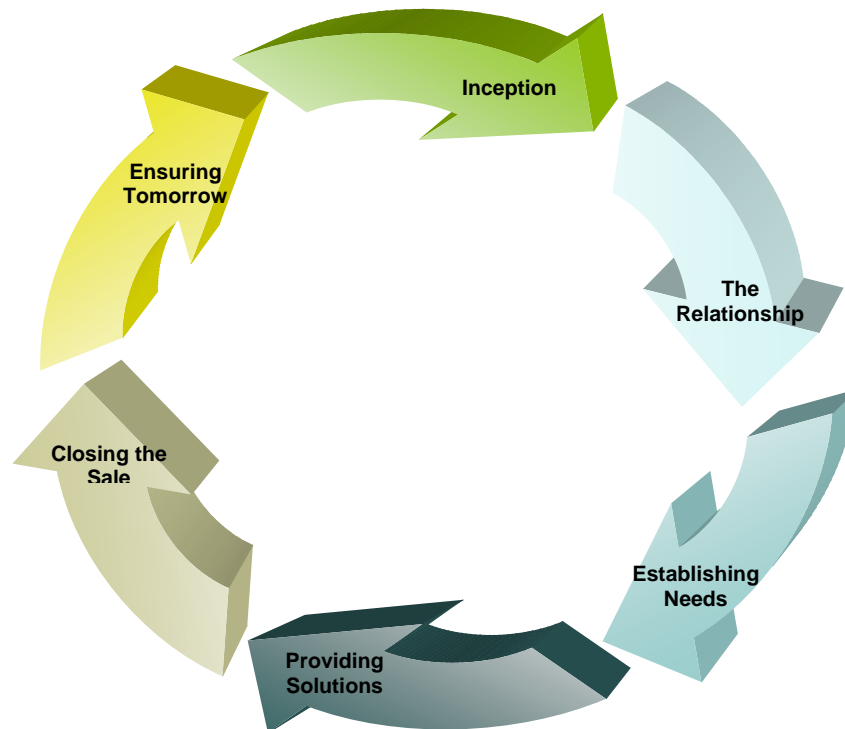
1. **The McDonalds Worker:** Waits for the customer to ask if they can buy.
2. **The Techie:** Tries to impress with their technical knowledge. They only succeed in isolating the customer who won't know as much as them, but to avoid looking uneducated will just nod their head in agreement.
3. **The Counter Shark:** These are staff that wait for the customer to bring the item to the counter, so they can process the sale and pocket the commission.
4. **The New Messiah:** A sales person who promises the world just to get the sale. These are the one's that give you nightmares!
5. **The Problem Solver (Our Favourite):** This person qualifies and listens to

the customer and helps them buy what they need. They focus on the customer's needs, not the features of the product.

The Retail Sales Success Cycle

Now that you have identified your employees' weaknesses, you can train them in the process of building customers for life. Here is the *Retail Sales Success Cycle*, a tool that looks at the continuous process of building loyal customers.

Remember these are not the steps to selling. This is a process that keeps recycling itself as long as the customer continues to renew the relationship.



1. Inception

This is the beginning of your relationship with the customer. First impressions are important, and how you handle the first seconds with a customer will determine how they judge you and the company. Take note of the following points:

- 1 Get to prospects early
- 2 Don't say 'can I help you?'
- 3 Smile
- 4 Ask their name and use it

2. The Relationship

The customer isn't going to buy from you if they think you are an idiot. While you

interact with the customer they must like you. You can start by:

- 1 Being enthusiastic
- 2 Giving them all of your attention
- 3 Being friendly
- 4 Asking questions
- 5 Focusing on the person not the product

3. Establishing Needs

Now that you are best mates with the customer, turn your attention to making them *want* a product. People buy based on their emotions, so you need to use this to your advantage by building the customers' desire for a product. This is done by:

- 8 Highlighting their lack
- 9 Showing how a product will give them pleasure

4. Providing Solutions

You are a problem solver. By developing a relationship with the customer, you put yourself in a position to help them buy. Keep them keen to buy by:

- 1 Starting at the most expensive. You can always go down, but you can't move up
- 2 Offering only two choices, since too many can confuse
- 3 Improving their perception of a product, even if the reality is unchanged
- 4 Focusing on value, not price
- 5 Focusing on how the product will benefit the customer

5. Closing the Sale

An effective close involves asking a question that eliminates 'no' as a possible answer. You won't get the 'yes' as a result of simply eliminating 'no', but you will get an answer or objections that will eventually lead to a 'yes'.

If you want to hear the cash registers ringing use one of these closes:

The Assumption Close: Simply assume the customer is going to buy. Say something like "OK, great Mr. Customer, I'll go write it up". Then take the customer to the register and close the sale.

The Alternative Close: Give the customer a choice of two options and the chance is they will take one of them. "Do you want the LG or the Sony?" If they pick one or the other you have got the sale.

The Return of Serve Close: If the customer asks a question like "Does it come

in black?” reply with “Would you like it in black?” If they say yes, you’ve made the sale.

6. Ensuring Tomorrow

Don’t just go back to the tearoom and high five the other sales staff once you have made the sale. Spend some quality time with the customer so that they keep coming back. Get in their good books by:

- 1 Walking the goods to the car
- 2 Handing out a personalised business card
- 3 Getting their details onto a database
- 4 Signing them up to your loyalty program
- 5 Sending a thank you card to your Top Five customers each week
- 6 Call the customer in a fortnight to see if they are happy with the purchase

Successful Selling Tips

Now you understand the Retail Sales Success Cycle, you might need some tips to give yourself a kick-start. We have packaged our Most Successful Selling Tips for you to use.

Here we go!

1. ***Have fun and be passionate about what you are doing!*** A passionate, zestful approach is contagious... time will pass faster, sales will increase and personal satisfaction will be sky high.
2. ***Believe in (and be enthusiastic about) your company and its products.*** If you don't believe in your products, why would a potential customer?
3. ***Look professional.*** Your appearance reflects on your company and your products.
4. ***Realise the biggest obstacle to your success is YOU.*** You have been given a bag of cement and a bucket of water. You can build a stepping stone or a stumbling block. The choice is yours.
5. ***Treat every customer as though they are the most important person in your life.***
6. ***Qualify the buyer.*** Don't waste time with non-decision makers.
7. ***Listen until you understand.*** When you feel you understand, then respond. Listening is more important than talking.

8. **Communicate Understandably.** Be clear, concise and brief.
9. **Sell to help.** Sell products to assist your customers; don't sell for money.
10. **Establish rapport before beginning to sell.** Get to know your prospects and what they want before you start your sales pitch.
11. **Use humour.** It's the greatest sales tool. Laughter signals approval, so make the prospect laugh.
12. **Be sincere.** Only one thing is more obvious than a sincere person, and that is an insincere person.
13. **Understand the power of a question.** You can qualify the buyer, establish rapport, eliminate competition, build credibility, identify needs, find hot buttons, get personal information, and close a sale just by asking questions. Develop a series of information-gathering questions for your business and then distribute them to all of your staff.
14. **Understand your customers' needs and wants and meet them.** Listen to your prospects to uncover their true needs.
15. **Be the master of your product.** Become an expert on how your product will benefit potential customers. This frees you to focus on selling and gives you the confidence to make the sale.
16. **Sell solutions (benefits), not situations (features).** Customers don't care how it works... they just want to know how it will help them.
17. **Recognise buying signals.** Prospects often "signal" when they're ready to buy, but they probably won't voice it. Pay attention and look for all of the buying signals...verbal and non-verbal.
18. **The biggest buying signal in the world is "How much is it?"** Don't reveal the price until the customer asks.
19. **Understand that objections often indicate buyer interest.** Satisfy the objection, then confirm the sale.
20. **Overcome objections.** This is a complex issue. It's more than just giving an answer; you need to understand the situation. Listen to the prospect, and think of a solution. You must create an atmosphere of trust to make the sale.
21. **After asking a closing question, shut up.** This is the first rule of sales, but many people forget this rule and end up talking the sale away.
22. **Close the sale.** Use the same words the prospect used when answering the "biggest need" question. This is a powerful closing technique.
23. **Tell the truth.** You'll never have trouble remembering what you said!

24. ***Never put down the competition.*** Set yourself apart from others with preparation and creativity... not by criticising the competition.
25. ***Never argue with a customer.*** Even if you win the argument, you lose the sale.
26. ***Don't blame others when the fault is yours.*** Take full responsibility for your actions and do so promptly. Then work on a recovery plan.
27. ***Evaluate yourself every month.*** Look at your presentation, your sales and personal goal achievement, your education and your attitude.
28. ***Always deliver more than your customers expect.***

About the Achievers Group Retail Success Mechanics

These strategies and tips were extracted from the **Retail Sales Success and Retail Customer Service Workshops**, which are conducted by Achievers Group Retail Success Mechanics.

Tony Gattari, Managing Director Achievers Group, was one of the pioneers of Killer Category retailing, when he built the Harvey Norman computer business from \$9 million to \$565 million in 8 years.

Shaun Mooney, Director of Achievers Group Retail Success Mechanics, was a Sales Manager for a publicly listed company. His sales and team building strategies lifted the company's conversion rate from 11% to 22%, and average dollar sale from \$45 to \$52, in under three months.

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