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RETAILING TONY GATTARI

Effective ways to grow your sales

WHEN SALES are down retailers often respond by advertising or by holding a sale. Why? Because everyone else does, so it must work.

People also get caught up in all of the airy-fairy stuff that marketing experts believe you should do to improve the market's perception and acceptance of your 'brand'. But in reality, how is a small retail shop going to impact on the market by improving their 'brand awareness'?

The truth is there are some things that you can do that are straightforward and effective, starting with lead generation.

Leads are the number of people that walk into your store. A lot of retailers come up to us and say that sales are down because no one is walking into the store. When asked 'how do you measure this?' most of the time retailers don't measure the amount of foot traffic that they are getting. A simple solution (yes, we admit, not the most accurate) is to get an electronic door counter.

So once you start to measure how many people are walking through your doors, have a look at your marketing campaign. What are you currently doing? If your sales are down, what are the current promotional activities you have in place? If you are just placing an advertisement in the local paper or putting out a catalogue a couple of times a year, then guess what, you are missing out on communicating to your customers in over 60 ways!

One of the greatest tragedies for retailers is to give up on communicating with the market. An even worse tragedy is when a retail owner does the same marketing campaign that did not work before – or does not even know how much money the campaign has made.

Generating leads can be a very simple exercise:

- Set some sales and profit targets for the financial year by month

- Now develop a marketing planner which maps out the key events of the year (Christmas, trade expos, catalogue drops etc)
- Brainstorm all of the ways that you can get a customer. Advertising, direct mail, letter box drop, spruikers. Whatever you feel will get people in the door.
- Decide on the promotional activities that you feel will give you the greatest return.
- Cost out all of these individual activities right down to the last cent (guess what, now you are building a marketing budget); and
- Assign the marketing activities to the relevant sales period.

It is strongly advised that at the end of each promotion that you assess what worked and what didn't, and document this assessment for all other future events. Marketing is not rocket science. You do an activity to get a customer into your store, systemise in your business what works, improve or remove the activities that don't work.

Converting Customers

When all of these people come in your door to spend money, what are your sales staff doing? The greatest area for improvement in retail is in the area on conversion rate. Quite simply, this is the amount of people that walk in through your door, that are converted to a sale.

In retail, it comes down to your sales people, and stocking the products that people want to buy. First, you need to have a good look at your salespeople. We have identified that there are five types of salespeople;

- **The Macca's Worker:** Someone who waits for the customer to ask if they can buy.
- **The Techies:** Tries to impress on technical knowledge. They only succeed in isolating the customer who may not know as much

as them, so by not appearing stupid just nod their head in agreement.

- **The Counter Sharks:** These are the staff that waits for the customer to bring the item to the counter, so that they can process the sale, and get the commission.
- **The New Messiah:** A sales person who promises the world just to get the sale. These are the ones that give you nightmares.
- **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.

You can solve this problem by:

- Sales training, sales training, sales training
- Giving your team clearly defined job descriptions with key performance indicators that clearly set out your expectations
- Conducting regular performance appraisals that review if the team member is meeting the expectations you have set them
- A proactive recruitment campaign that continually forces you to search for The Problem Solver; and
- Rewarding for results either through commissions or bonuses. Flat fees equals flat performance. ●

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