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## RETAILING TONY GATTARI

# Strategies to grow your retail business

**SALES ARE DOWN**, so what do retailers do – they have a sale, or they go out and aggressively advertise. Why? Because everyone else does, so it must work. But let's just think about that.

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!

### Generating heat

Lead generation – getting the customers through the door – is a very simple exercise:

1. Set some sales and profit targets for the financial year by month.
2. Now develop a marketing planner which maps out the key events of the year.
3. Brainstorm all of the ways that you can get a customer. Advertising, direct mail, letter box drop, sprikers. Whatever you feel will get people in the door.
4. Decide on the promotional activities that you feel will give you the greatest return.
5. Cost out all of these individual activities right down to the last cent (guess what – now you are building a marketing budget); and
6. Assign the marketing activities to the relevant sales period.

From this assignment you now have a mechanism of well planned events, which will force you not only to generate leads, but also assign a measurement of how much the campaign will cost, and more importantly how many leads/sales you made from the campaign.

It is strongly advised that at the end of each promotion 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, and improve or remove the activities that don't work.

### Converting the leads

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 of conversion rate. Quite simply, this is the amount of people who walk in through your door that are converted to a sale.

In retail, it comes down to your sales people, and having in stock the products that people want to buy. First, let's have a good look at your salespeople. We have identified that there are five types of salespeople;

- 1. The Macca's Worker:** Someone who waits for the customer to ask if they can buy.
- 2. The Techies:** Try 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.
- 3. The Counter Sharks:** These are the staff that wait for the customer to bring the item to the counter, so that they can process the sale, and get the commission.
- 4. The New Messiah:** A sales person who promises the world just to get the sale.

These are the ones who 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.

Do some of these sales types work for you? You can solve this problem by:

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

Ensure that you have a system that measures stock in real time. Have regular replenishments of stock so that you don't blow out inventory, and maintain the levels to meet the demands. It sounds so simple, but it is amazing just how often that doesn't get done. ●

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