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RETAILING TONY GATTARI

Simple retail strategies for instant results

IN THIS COLUMN I want to review five simple retail strategies that will give you quick results.

Conversion rate improvement

One of the commonly missed opportunities is in the area of conversion rates. “Sales are down!” cries the retail owner, and their solution is to spend more money on advertising. But what happens if you get all of these leads into the business and your sales team is not converting? Time and time again this is the greatest opportunity to increase sales — by focusing on improving the conversion rate. It is also the cheapest way to increase your sales.

Quick win: Set a conversion rate target for a short period, say for one month. Make it a focus for all in the business or maybe only one department. Make it a mantra in the business to make sure no one leaves your doors without buying something, or to follow up every outstanding proposal.

Simplify your range

A customer enquires about a product or service that you do not offer or supply. The sales team approaches you and informs you about the constant requests for this particular item, so you start to supply the new product.

Time goes on and more customers enquire about more items, which the business does not supply. Therefore you buy the new products in an attempt to capture all the sales you can. Before you realise it, you have such a vast product range that the customers and staff cannot identify the core product offering of the business.

You cannot be the master of everything. Work out what people really buy from you and ensure that you master that well. If your business sounds like this example,

then it is time to do some spring cleaning and let go of your non-core offerings cluttering the business and, more importantly, the customer’s perception.

Quick win: Take one department or category in the business. Review the products and services on offer and compare them to actual units sold. For all of the non performing offers, remove them from your business at once.

Introduce a “gutsy” customer guarantee

If you continually see uncertainty in customers about purchasing or using your service/product and they tell you they are still shopping around, it is more than likely you have not highlighted to them the benefit of your offer. More importantly, you have not reduced the fear in their minds that you can deliver on your promise. If this is the case then you need to develop a powerful guarantee overcoming the fear in the prospect’s mind.

Quick win: Develop a guarantee then show it to your most trusted customers ask them to give you honest advice. If they feel the message is compelling enough for them to continue to buy from you and not shop with your competitors, then use this guarantee in all of your marketing elements.

Motivate your sales staff

An interview was conducted with an applicant for a retail sales consultant position. The question was asked why she had left the previous employer. “Well, I was promised a bonus if I hit my target for the year,” the applicant replied. “I over-exceeded the target, but never got paid the bonuses. So I left.”

A couple of issues can be picked up here: if a bonus was not paid for exceeding performance, then it leads to a disgruntled

employee. Secondly, the payment of the bonus was over too long a timeframe with the result that it leads to more periods of irregular sales performance as the sales member does not have any sense of urgency to maintain the sales targets week in and week out.

Quick win: Create a bonus or commission structure that rewards people for performance. Ensure that you can get it into the pay packets quicker (weekly would be great!), as the more money that they earn, the more they spend, and the more that they need to sustain that lifestyle.

Keep hot sellers in stock all the time

An office furniture retailer had a procurement issue. It was unable to source the stock in the desired time frames to fulfill orders for their corporate clients. Some of the orders were cancelled, or the quantities reduced. As the sales representatives visited their clients to obtain more orders, they were continuously told that they were unreliable and clients were going elsewhere to source the same product.

Quick win: Print a report of your best selling lines. Choose the top 25 to 50 lines you sell on a continuous basis and ensure you always have them in stock. ●

■ The author, Tony Gattari was the General Manager of the Harvey Norman computers and communications division and oversaw the growth of this business from \$12 million to \$565 million in nine years. He is now founder and Chief Energy Officer of Achievers group, and is a professional speaker, business educator, author, and corporate business advisor. He has worked with over 110 businesses around the world.

Website: www.achieversgroup.com.au
Email: tony@achieversgroup.com.au
Phone: 02 9440 7373