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RETAILING TONY GATTARI

Retail sales tips that work

MY TOP FIVE techniques for improving conversion rates have been tested in more than 110 businesses across the world. These conversion rate strategies can be applied to any sales model.

1. Parkinson's Law – according to this law, instant gratification is great because the more you earn, the more you spend. When your team member gets an increase in pay, guess what – they spend it! This means that they enjoy their new lifestyle (with all of its trappings) and are motivated to earn more money to support it.

2. Set key performance indicators (KPIs) – don't give money away without some simple guidelines. Remember an increase in pay should equal an increase in productivity. Measure the performance of your salespeople by having indicators in place.

3. Communicate results openly – don't be afraid to promote healthy competition within your store. Post the results up where everyone can see them and get motivated by their position on the ladder.

4. Put the team before the individual – if you have an exceptional salesperson who is bringing down the morale of the store, redirect, counsel, or remove that person.

5. Review and change if necessary – every strategy that you put into place should be reviewed in terms of its results. If you are not getting the return on investment from the program that you have introduced, don't stop rewarding people; find a new program that will inspire people.

Increasing the transaction size

Businesses continuously focus on driving leads or enquiries as a way to increase

business. But what if they focused not only on converting customers, but also on increasing the size of the transaction? For example, if you did 1000 transactions a week and you moved your average dollar sale from \$50 to \$55, that would be an extra \$5000 in sales without having to advertise or find new customers.

Some small businesses spend up to \$3500 in local newspaper advertising, but none of them will achieve a sales increase like the one I just described.

Computers are often regarded as an easy product to up-sell or cross-sell and the same principle can work for any business. People who say they cannot up-sell or cross-sell either lack the wisdom to do so or only have one product to sell. It is easy to shoot something down and define it as being 'easy' when they themselves are not performing.

For those interested in up-selling or crossing-selling, my advice is to write down your feature items and then list other items that can add value to feature item. By that I mean:

- What can you sell that would increase the life of the product?
- Create an overall package of associated lines that create a full experience; and
- Where and what is the product going to be used for? If it is an outdoor furniture setting you could sell a cover to protect it, an umbrella to protect people from the sun, or an outdoor heater to use with the setting in the colder months.

Essential qualities for success

There is one thing which separates a good sales person from a great salesperson. If you want a sure way to convert more sales and make more money, live by this: sell

yourself before you sell the product (or service). In other words, people buy you before they buy your product. To do this, there are three key things you need to do:

1. Believe in yourself
2. Believe in your product; and
3. Believe in your company.

People love to buy from people who are enthusiastic, and generally that enthusiasm is developed when the salesperson believes in what they do and are passionate about it. This passion is transferred into the sales process, and this 'transfer of emotion' is when a relationship with the customer is born.

Think of it this way: when my wife goes shopping with her friends, and they are trying on clothes and deciding what to buy, my wife is more likely to make a purchase when her friends get excited by a particular dress she tries on. This is the same as any normal sales process; if the salesperson is excited when selling to the customer, the customer will normally buy the product because this emotional transfer has broken down all the barriers and has built a relationship of trust. All salespeople need to understand that they are in the relationship business. Learn to love yourself before you love others. ●

■ The author, Tony Gattari, helped build Harvey Norman's computer business from \$12 million to \$565 million in nine years and has worked with over 110 businesses in the world through his business development company Achievers Group. Website: www.achieversgroup.com.au Email: tony@achieversgroup.com.au Phone: 02 9440 7373