



Is that sale done — or just begun?

by Douglas Knorr



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The customer walks out the door and the sales associate turns with a big smile on his face and says, "I just sold that big sectional over there!"

With buttons popping in pride and with a spring in his step, the sales associate moves forward, confident that everything is done and that he has been successful.

Sound familiar? As I work with retailers around the country to develop new marketing solutions to grow their companies, I see this scene replayed over and over again. And it can be fatal to the health of the business.

Why?

All too often, retailers and their sales associates are too easily satisfied with the quick sale and miss a plethora of opportunities to build larger sales tickets, take advantage of cross-selling opportunities and earn greater customer loyalty.

One of our clients in the Midwest did some analysis of their customers' shopping habits at the end of last year. What we found from their analysis has stimulated some very strategic changes in what we communicate in our advertising and how sales associates greet each customer. In addition, the analysis has clearly defined additional marketing strategies that will be developed to increase the frequency of customer shopping.

One of the things we learned was that about 60 percent of customers coming into their stores were new shoppers for that company. Immediately, we realized we had to change both the way we communicated in our advertising as well as the way we greeted these first-time customers when they came into the store.

What does that have to do with sales associates popping buttons and thinking they are done after selling that sectional? Here's the rest of the story.

In addition to finding out that 60 percent of all customers were new, first-time shoppers at this client's stores, we also learned about 18 percent of these first-time customers had come back to the store and made a second purchase within 30 days — and a whopping 25 percent of all first-time customers had come back and made a second purchase within 90 days!

With 25 percent of first-time customers coming back to the same store and making a second purchase within just 90 days, the sale was really far from being finished when the sales associate sold that big sectional and walked back with his buttons popping and a spring in his step.

What we all need to remember is that just because we are satisfied with the sale does not mean that the customer has been totally satisfied or that she is finished with her decorating project. If she's got more to buy, you aren't done. And you don't want to be.

That's why it has been proven that when a retailer commits to getting into the customer's home with an in-home design program, sales tickets are always larger and the relationship between the customer and the retailer's sales associate is always stronger. She has more needs, and if you don't drop her when the initial decent sale is made, you can make the next natural sale, and the one after that. It's a win-win for both of you.

So what do we do in our stores to make sure we don't

miss these additional sales opportunities? Consider the following if you are serious about gaining customer share and market share.

1. Knowledge really is power.

We all need to get off the treadmill of busy-ness and work on our business! Today, computers can help you segment your market and sort merchandising, operations and sales data that will let you make strategic changes that will, in turn, let you build a more profitable company. This knowledge will help you generate greater turns and increase sales. In addition, the data from a good computer system will allow you to communicate with your customer with greater relevance. For example, it will enable you to let your customer know about new pieces that have been added to a collection she purchased from you. This is not an intrusion, it's exciting, personally relevant news she can use!

2. Embrace the Internet.

Building an ongoing interactive communications strategy will keep you in touch with your customers and entice them back into your store with seminars and coupon offers. A robust email strategy can also keep your customers aware of product innovations and updates as well as provide information that will resonate with their specific interests and keep them loyal to your store.

3. Build a customer loyalty and customer frequency program.

Do your sales associates follow up sales with thank-you cards? Do you send your customers a cross-sell incentive offer? For example, if a couple buys a bedroom but

The customer relationship doesn't end with the sale — far from it, research shows.

Use innovative means to get customers back in your stores — and buying.

not a mattress set, do you send them a coupon for a new mattress set?

4. Build a strong in-home decorating program. I know this may not be right for some retailers, but I guarantee if you develop a program that helps your customers create the room they really want, you will have a truly satisfied customer and you will enjoy greater sales per customer.

How worthwhile is all of this follow through to a decent first-time sale? In the company that had 25 percent of its first-time customers making a second purchase within 90 days, that second purchase averaged over \$200 more than the first purchase!

So — when an item is sold, the sales job is not done. If you do it right, it has just begun! 