

# 30 THINGS TO DO WHEN BUSINESS IS TOUGH TO GET

Presented by  
JAMES E. DION

APRIL 29–MAY 2, 2008 ORLANDO, FL USA  
**coverings**  
THE ULTIMATE TILE & STONE EXPERIENCE

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## Today

- Highly interactive
- You must leave with at least 3 things that you can apply to your business

Tomorrow!



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**"May You Live In  
Interesting Times"**  
*Chinese Curse*

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**Retail Is A Privilege Not A Right**



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## The Days Of Home Runs Are Over



## The Days Of "Singles" Have Arrived



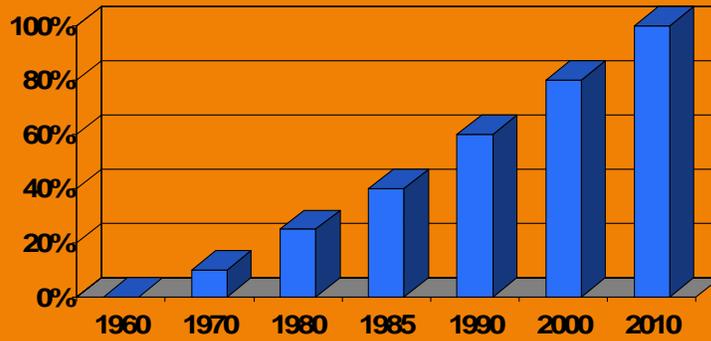
## What Are We Doing???



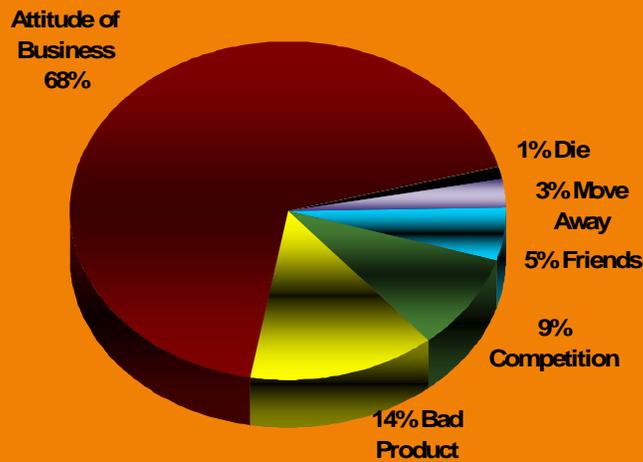
- Price, Price, Price
- We are teaching customers that price is all that matters
- If we compete only on price, anyone can and will beat / copy us
- Price is not a sustainable competitive advantage
- We can't ignore it, but we should stop emphasizing it!



# The History Of Discounting



# Why Customers Don't Come Back



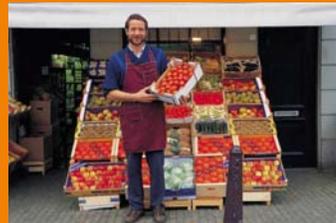
## Things You Can Do To...



...Excite Your Customers. They Need It, You Need It!!

### 1. Know The Prime Real Estate In Your Store

- First 18'
- Most traffic
- Best chance to sell
- Maximize your impulse
- HINT: Put your best sellers front and forward



## 2. Change Your Store Every Day

- Customers habituate to your store
- Change breaks through
- Customers see you/know you, but not really



## Shopping Defined

80% Impulse  
20% Planned



## Change Offerings Weekly



### 3. Housekeeping Must Be Assigned To Individuals

- *"If you got time to lean, you got time to clean" - Ray Kroc*
- We only have one chance to make a first impression
- Customers judge us in the first 20 seconds
- HINT: Photograph your store, freeze it in time



## 4. Get On The Web

- Communicate
  - Answer all e-mail within 24 hours
- Company information (on every page)
  - Location map
  - Hours
  - Staff
- Product information
- Professional-grade photos
- Events and community involvement
- Customer Surveys
- Change content frequently - give them a reason to come back for something new and exciting



## 5. Set Realistic Goals And Create A Team

- Goals slightly above last year
- If trend is lower, set goals lower
- Retail is a team sport, reward the team
- Research shows that the #1 requirement for motivation is security
- Be careful of motivators that ignore the team



## 6. Post The Average Sale Of Every Sales Associate Every Day

- Measures suggestion selling
- Practice it (give me 5!), Praise it, Reward it
- Calculate Sales Per Employee - it is the key measure of productivity in any business
- HINT: If you want a sales and service increase make average transaction THE measure of success in your business



## 7. Increase your Conversion Rate

- Measure it
- Maximize your POP
- Maximize your suggestion selling
- Get comparative statistics
- HINT: Install a traffic counter, it is worth the investment, and USE IT!!



## The Math of Average Sale & Conversion Rate

	A	B	C
<b>Weekly Traffic</b>	600	600	600
<b>Conversion Rate</b>	25% (150 transactions)	28% (168)	28% (168)
<b>Average Sale</b>	\$45.00	\$45.00	\$55.00
<b>Total Sales</b>	\$6,750.00	\$7,560.00	\$9,240.00

*Case A, one in four customers buy with an average sale of \$45*

*Case B, improve conversion by 3% for a 12% sales increase*

*Case C, maintain conversion increase & + average sale by \$10 (an accessory item) results in a 36% sales increase on the same traffic!*



## Customer Service Ratio/Rate

- Traffic counts for last Saturday indicated that in 5 fifteen minute periods I had 24 customers in the store
- I had three staff working during each of these 15 minute periods
- My staff to customer ratio was 8 to 1 vs. the desired 3 to 1 during these five periods
- My customer loss was the 24 that were there minus the 9 that my staff could adequately serve which leaves 15 customers in each of the 5 periods who did not get served properly or at all
- This totals 75 customers who were not served during the total five periods
- I would likely not have been able to sell all 75 as my normal conversion rate is 38%
- My average transaction is \$68.00
- So my loss was 75 times \$68.00 times 38% or \$1,938 in potential lost sales
- What would two more staff have cost for the day?



## 8. Display Related Merchandise Especially In Self-Serve Departments

- Put it together so the customer can see it
- Price it in “packages”
- Think like a customer, what would you shop for that relates to each item - it is like “suggestion selling for dummies!”



## 9. Examine Every System In Your Store

- Systems can be manual or automated, they are a defined way of doing things
- Continuous improvement is the goal
- You can't improve a system unless you have a system!



## 10. Get Involved In Your Community

- Sponsor soccer, little league or other teams
- Your store name on the back of a team is seen by hundreds of customers
- To avoid hundreds of requests for money, offer to give items at your cost for charity auctions, donations etc.



## 11. Use Bounce Back And Shared Promotion Coupons/Offers

- Give every customer a reason to come back
- Form strategic alliances with non competitive businesses
- HINT: Never use % always use \$



## 12. Add Value

- The fundamental issue you have to address
- “Give me a reason to buy your product”
- What is the difference between what I just did and a vending machine?
- Create a real list and do it every time



## 13. Get Your Suppliers To Help You

- Get product knowledge sessions
- Request product information



## 14. The Sale Begins At The End!

- What you do after you make the sale will determine the likelihood of that customer coming back
- What after sales “WOWs” have you put in place?
- HINT: Find something that you
- can do at the end of each sale to make the customer say “WOW!”



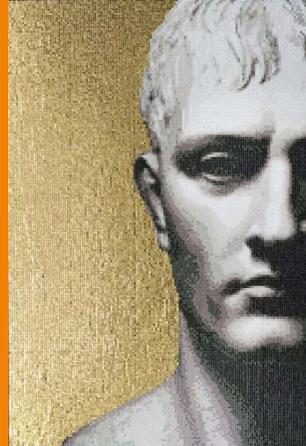
## 15. Know Your Competitors

- Go behind enemy lines
- Visit at least once a month
- Measure something different each time
  - Display
  - Service
  - Inventory
  - Prices
  - Approach, selling skills



## 16. Sharpen Your Competitive Edge Through Products

- Look for new & exciting stuff
- Remember, product comes first above all
- Challenge your team with feedback



## 17. Sharpen Your Competitive Edge Through Better Service

- Measure your performance
  - Approach
  - Suggestion Selling
  - Returns Policy
  - Customer Appreciation
  - "Thank You"
- HINT: Invest in Mystery Shoppers, it is worth the money!



## 18. Save Time For Your Busy Customers

- Speed up check out
- Have supplies stocked & ready
- Add POS during busy times
- Cut down on needless approvals



## 19. Fast Complaint Handling Saves Sales And Builds Business

- Have a clear policy
- Make sure everyone knows it
- Track "Sociopaths" & "Carp"
- If you have to disappoint, have a perk ready



# WORD OF MOUTH



1  
SATISFIED  
CUSTOMER

3 FRIENDS



# WORD OF MOUTH



1  
DISSATISFIED  
CUSTOMER

40 FRIENDS



## 20. Identify And Clear Everything Over Six Months Old

- Museum or store?
- “Your baby is ugly” , get over it!
- Prepare aged inventory lists
- Move the oldest to the front on displays
- Make the old look new
- **HINT:** Get rid of everything over 12 months old - NOW!



## 21. Increase Special Ordering Opportunities

- Have vendor numbers, lists ready
- Know your other stores inventories
- Encourage ordering through you



## 22. Develop Special "Bundle" Packs, Especially For Holidays And Gift Periods

- Put packages together that contain related items
- Wrap them attractively
- Price them attractively
- Do this not only at holiday time, but all the time

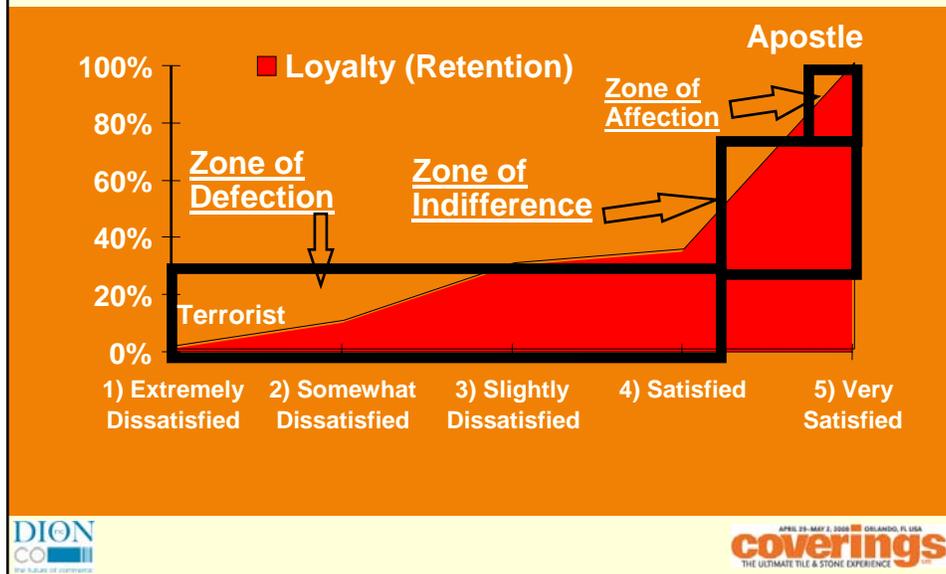


## 23. Know The Profile Of Your Customers

- Use your Customer Data base
- Segment your customers
- Keep track of purchases, wishes, needs, dreams and other information
- Use it weekly
- HINT: Contact every customer at least twice a year, after a +\$200 purchase, call them within five days!



# Customer Loyalty



## 24. Use Voice Mail

- If a phone rings in the middle of the night in your business, does it make a sound?
- After hours
- During busy times
- "Advertise" on it - tell people about your new items!!!

## 25. Comb Your Territory Thoroughly

- Collect zip codes
- Where are you not attracting customers
- What businesses can you partner with in the area?
- HINT: Form strategic alliances with other independent companies in your area



## 26. Recognize "Frequent Buyers"

- Reward Loyalty
- Make it worthwhile for the customer & ask every customer if they are a member!!



## 27. Look For Opportunities Missed By Competitors In Their Advertising

- Keep a “book” on your competitors
- Preempt them
- HINT: Offer pre made up ads to both newspapers and outdoor companies offering to pay 25% of normal cost of ad if they use your ad when they don't have anything else to run that day/week/month



## 28. Identify And Advertise Your Best Sellers

- Fish while the fish are biting
- Advertise during the best time for use/gifts
- HINT: Don't Discount! Use GWP & PWP



## 29. Don't Forget The Yellow Pages

- Many customers let their fingers do the walking
- Look up your competitors, what are they doing?
- Are you listed? Is it the right category?
- HINT: If someone goes out of business have the calls directed to your store!! (offer to pay 25% of the yellow page ad to do so)



## 30. Always Use The Customers Name

- As soon as you can, learn the customers name
- Use their name as often as you can
- The best sound in any language is the sound of our own name!



## 31. Don't Procrastinate

- Choose 3 and do them today
- Keep it up for six weeks
- Choose 3 more and continue
- **DO IT!!!**



Thank you and keep in  
touch!



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Dionco Inc. Chicago  
[www.dionco.com](http://www.dionco.com)  
(312) 673-0187  
[jimdion@dionco.com](mailto:jimdion@dionco.com)