



Online Marketing Strategies for Retail Stores

Five Steps to Increase Average Dollar Sales

by Mel Cooper

My father worked in a men's clothing store when he was in college and learned a lot about selling - most of which was just common sense. He stayed at that job until he enrolled in law school, but to this day he can spot the good suit salesmen as well as the ones who would be better off doing something else. On one occasion he nearly *dared* an unsuspecting clothing salesman to try and sell him a new dress shirt and tie to go with a new blue suit he had picked out. Eventually, the poor salesman got the not-so-subtle message and draped a crisp white shirt and patterned tie against the blue suit to get Dad's reaction. "Sold!", he exclaimed – and in no time the salesman rang up a **complete** sale that was larger than he had planned.

Execute Completed Sales to Increase the Average Dollar Transaction

We define a **complete** sale as one in which the customer makes an informed purchase decision – usually with the help of either a store salesperson, a point of purchase sales aid, a product-related web page on the Internet, or some other marketing tool. Among these sources of information, however, the store salesperson has the advantage when the goal is to send a well-served customer out the front door. Such a customer is one who will give you the most business over time.

The following are five steps for consistently executing complete sales, producing well-served customers, and increasing the average dollar sale per transaction.

1. **THINK** about the **CUSTOMER**.

A customer can tell when you really want to help him and when you are just out to ring up a sale. The following are some helpful truisms that will help you focus more on the customer and not on increasing the day's sales. By focusing on the customer your average sales will almost certainly increase.

- ▶ **Customers generally don't like to be "sold".**



Do you? Instead, customers want the decision to purchase to be *their* idea – aided by as much helpful and accurate information as you can give them.

► **Customers don't like to be confused.**

Do you? About anything? Get the customer to explain the problem and present one or two solutions, but no more than that. If you feel compelled to present more solutions to the problem then you probably don't understand the problem well enough. Think about what kind of information will make the decision to purchase as easy as possible.

► **Customers generally resist having to make decisions.**

Especially when it comes to spending their hard-earned money. Understand the problem, present the solutions, listen for objections (and answer them), close the sale by suggesting complementary products, then head for the POS to ring up the sale.

► **Customers do business with people they know and trust.**

If you had to choose between purchasing a widget at a slightly higher price from someone you knew and trusted and purchasing the same widget from a total stranger who would get the business? It should be no surprise that the average person will usually opt for the merchant they know and trust over a stranger. This assumes that the difference in price is perceived as less important than the established relationship. In some cases, the difference in price may be significantly higher, but the merchant's reputation for service, quality, and/or dependability overshadows the price differential.

All of these truisms work together to create a loyal, well-served customer base whose business will be responsible for a higher than average dollar sale per transaction.

2. Stock products that complement other products.

One of the easiest ways to increase the average dollar sale per transaction is to stock a variety of products that complement products that your store already offers. A great example comes to mind every time I visit a computer store. Most people who own a personal computer or who are planning to purchase one for the first time don't realize how damaging the flow of electrical current into their home or office can be to the sensitive components inside every computer. Whenever the air conditioner, washing machine, office copy machine, or some other large piece of equipment is turned on the flow of power to all other devices on the same electrical grid in the building fluctuates.



This fluctuation wreaks havoc on computers and can damage or destroy critical components. Fortunately, a device called an “Uninterruptible Power Supply”, or UPS, is designed to even out such power fluctuations before they can do damage to a computer. For about \$60 you can purchase a UPS at most any computer store, plug it into your computer, and conceivably extend the useful life of your expensive computer equipment for many years. Unfortunately, I have yet to meet a computer store salesperson who has offered to sell me such a device whenever I purchased a computer – and I’ve purchased more than a few. In my opinion, this would be the easiest complementary sale of the Century if the computer salesperson only explained the product before ringing up the sale of the computer. Truth be told, I would much rather spend the \$60 on a good UPS than on an extended warranty plan for the computer – but that’s just me.

3. Train sales personnel on how to execute complete sales.

Competent salespeople are not born. They are trained. If you can invest the time to explain to your sales staff the importance of completing every sale by introducing worthwhile, complementary products to the customer then your average sales will go up. It’s as simple as that.

4. Incent sales personnel to execute complete sales.

Does it make sense to give employees an incentive to go the extra mile to put more money in your pocket? It should because without that incentive you may be disappointed with any initiative to increase average dollar sales per transaction. Incentive programs can involve monetary incentives, gift incentives, recognition awards, or a combination of all three for meeting certain sales objectives by individual salespeople or sales teams. Such programs, properly managed, can add an element of fun and exciting competition for store employees while enhancing their productivity. Also, incentive programs can be an especially effective performance-enhancing tool for salespeople whose primary compensation involves a fixed salary.



5. Educate the customer when he is not in the store at all.

When the customer is not in your store and in front of one of your salespeople you should be the one educating him or her about your products and/or services. One way you can do this is by leveraging your store’s website along with your customer email database. If you don’t have a website then you should set it as your priority to have one designed and managed for you.

A customer email database will take a little longer to build, but the effort will more than



pay for itself in raising the level of customer loyalty to your store. MELCOOPER Consulting publishes a report titled “*Customer Loyalty: Building a Fan Club*” that is available on the company’s website and discusses how a good customer database can be used to keep your customers informed about new products, store promotions, and much more.

An increased average dollar sale per transaction is the result of **completing** every sale where the customer makes an informed purchase. If a customer leaves your store following an incomplete sale then who suffers? First, your store suffers because of the lost opportunity to increase the value of the sales transaction. And secondly, the customer suffers because he or she may not have been well-served with the purchase that was made.



For more information about *Online Marketing Strategies for Retail Stores (OMS/RS)* services offered by MELCOOPER Consulting please call us today at 1-866-695-8669 or visit our website at <http://melcooper.com>

