

A CYGNUS PUBLICATION

# YARD & GARDEN

The business management survival guide for today's full-service outdoor power equipment dealer

## □ Dealer Survival Guide □ volume 8

A supplement to Yard & Garden magazine

□ Secrets to Superb  
Sales & Service

□ Brought to you exclusively by

**STIHL**®

## Service Outside the Box

Dear Servicing Dealers

In 2003, Stihl Incorporated enjoyed *another* record sales year – for the 12<sup>th</sup> year in a row. Personal thanks to all our STIHL dealers who made this achievement possible. Gaining market share and increasing your business in a tough economy are true signs you are doing many things right. Your people are among the best; your quality and customer service are solid; and you've continued to differentiate your product lines from the competition. This is true not only of Stihl but also of the many successful, servicing dealers in our industry. Stihl's success has been achieved hand in hand with that of our dealers.



Dealers who will thrive in the future are those who seek ways to improve their businesses, utilizing resources such as *Yard & Garden's Dealer Survival Guide*, as well as participating in development and training opportunities offered by their manufacturer vendors. Practicing good business management, actively marketing product and service offerings, and providing excellent product and customer service are the hallmarks of the successful servicing dealer.

What can independent retailers do to set themselves apart from the big box stores? In a nutshell, "relationships." Service is where you, the dealer, have always reigned supreme and mass merchants and home centers have, so far, been unable to compete successfully. More so than ever before, you must distinguish your business from the home centers with "commercial grade service" backed with exclusive "commercial grade" product offerings. Actively seek ways to impress your customer with services like loaner equipment or zero downtime programs, parts and equipment delivery by outside salespeople, or special customer training programs. To be successful, dealers must capitalize on their superior customer service to build relationships unmatched by the big boxes.

With so much emphasis on service, the shortage of qualified service technicians is an issue that demands attention. Stihl Inc. continues to support industry organizations such as the EETC. We have also recently introduced the new Stihl "Service Advantage" program, a three-stage program that culminates in factory training at our U.S. Headquarters. The first class to complete the Gold program achieved their certification in Virginia Beach in January.

Stihl Inc. has also partnered with the Virginia Beach Public Schools to offer a "Small Engines Technology" course to vocational students. We plan to expand this pilot program across the entire country. It incorporates classroom instruction, hands-on training and internships designed to increase the pool of qualified service technicians.

You can compete with the big box stores! But not by playing "their" game. You have to execute *your* game plan by doing what servicing dealers have always done best: provide exclusive, premium brands and superior customer service – "commercial grade" service.

Continued Success!

A handwritten signature in black ink, appearing to read "Fred J. Whyte".

Fred J. Whyte  
President  
Stihl Incorporated

## Table of contents

Teaming up with your customers  
*How do you build and keep your customer base?* . . . . 4

Teaching service with a smile  
*Do you have some employees who lack people skills?* 6

Customer satisfaction research tactics  
*To satisfy your customers, you need to find out what they really want.* . . . . . 7

Building your business  
*Marketing techniques to generate interest, floor traffic and sales.* . . . . . 8

Common selling errors  
*Avoid these causes for lost sales.* . . . . . 10

Discounting doesn't create customer loyalty  
*Rewarding for past purchasing behavior does.* . . . . 11

Advantage: Dealer  
*Does the public know your competitive advantages compared to the big boxes?* . . . . . 12

Is FREE a powerful sales technique?  
*Or is it a drain on your profits?* . . . . . 14

Crunch time  
*Tips to stay customer-focused during busy times* . . . . 15

Anger management  
*How to turn angry, one-time buyers into lifetime clients* . . . . . 16

Service with style  
*Superior service is what makes you special. Use it to take control of your market position.* . . . . . 18

Attract new customers  
*Feature new products.* . . . . . 21

Seal the deal in seven seconds  
*If you make a good first impression, you can close a sale in less than seven seconds.* . . . . . 22

Nine no-fail ways to boost referrals  
*Referrals should be the foundation for all your selling efforts.* . . . . . 24

Becoming a source for your contractors  
*Selling yourself as a tool builds lifelong customers* . . 26

Promoting your point of distinction  
*Dealers discuss how they market service.* . . . . . 29

Marketing on the Web  
*Reach out to the sophisticated shopper.* . . . . . 30

## Gregg Wartgow, editor

This issue's theme is "Secrets to Superb Sales and Service." Sounds like a pretty elementary subject for a business management publication. In many ways, it is. That's why it amazes me that so many salespeople — including retailers and, unfortunately, some dealers — just don't seem to get it. The good news is that many dealers do get it. And that's why they have a real advantage in today's marketplace.



The common stereotype for a salesperson is something along the lines of: aggressive and persistent, slick and sly, and sometimes deceptive and annoying. I've dealt with more than one salesperson who fits just about all of these characteristics. They made me uncomfortable. They promised the world. But the vibe they gave made me feel like all I'd get was Cleveland,

Ohio. NOW HANG ON ... don't you Clevelanders get upset with me. I've never even been to Cleveland. But *Bully Magazine* ([www.bullymag.com](http://www.bullymag.com)) named your city as 2003's worst in America to live in. I'm sure I'd love Cleveland. After all, the Rock 'n' Roll Hall of Fame is there, not to mention the Polka Hall of Fame.

What might be the secret to superb sales and service? I asked for the opinion of our publishing group's national sales manager. He's been a salesperson for nearly 25 years. And not just any salesperson. He's been one of the top few sales reps at our company for a long, long time. His secret to sales success? Honesty. If you truly have faith in the products and services you are selling, pure and simple honesty is the key.

It starts to sound like a broken record, but many dealers answer the same way. Q: What's your secret to success as a power equipment retailer? A: Treating customers like we'd want to be treated and offering great service. When I do dealer profiles, getting at the "real story" — what makes a dealer really unique — requires a fair amount of digging. It can be a grueling process. But maybe the story is the fact that there isn't a story. Maybe the story is simply this: Many consumers and pros want to do business with someone honest who treats them fairly.

The personal touch of an independent retailer is invaluable. Just make sure your employees know it, and that you all remember it as you can continue to fight for the market share you want — and deserve. **YG**

# Teaming up with your customers

*Your customer base is the key to your success.  
How do you build — and keep — it?*

By Brian Tracy

**W**hat is the purpose of a business? Every time I ask this question during a business seminar, the immediate answer that I get back is, “To make a profit.”

But this answer is wrong. The purpose of a business is to create and keep a customer. If a business successfully creates and keeps customers in a cost-effective way, it will make a profit while continuing to survive and thrive. If, for any reason, a business fails to attract or sustain a sufficient number of customers, it will experience losses. Too many losses will lead to the demise of the enterprise.

According to *Dun and Bradstreet*, the most important reason for the failure of businesses in America is a lack of sales. And, of course, this refers to resales as well as initial sales.

That said, your company’s job is to create and keep a customer. Your job is exactly the same. Remember, no matter what your official title is, you are a salesperson for yourself and your company. And the best way to increase your value as a salesperson is to build your customer base.

## Positioning and differentiation

The two most important words to keep in mind in developing a successful customer base are positioning and differentiation.

**Positioning** refers to the way customers think and talk about you and your company when you are not there. The position you hold in the customer’s mind determines all of his reactions and interactions with you. Your position determines whether or not your customer buys, whether he buys again and whether he refers others to you. Everything you do with regard to your customer affects the way your customer thinks about you.

**Differentiation** refers to your ability to separate yourself and your product or service from that of your competitors. And it is the key to building and maintaining a competitive advantage. This is the advantage that you and your company have over your competitors in the same marketplace — the unique and special benefits that no one else can give your customer.

## Three keys to keeping customers for life

There are three keys to keeping customers for life: relationship selling, partnering for profit and consultative selling. These are all methods for differentiating yourself from anyone else who is offering the same product or service. They are effective ways to get customers and keep them.

### Relationship selling

Relationship selling is the core of all modern selling strategies. Your ability to develop and maintain long-term customer relationships is the foundation for your success as a salesperson and your success in business.

For your customer, a buying decision usually means a decision to enter into a long-term relationship with you and your company. It is very much like a “business marriage.” Before the customer decides to buy, he can take you or leave you. He doesn’t need you or your company. He has a variety of options and choices open to him. But when your customer makes a decision to buy from you, he becomes dependent on you. And since he may have had unfavorable buying experiences in the past, he is very uneasy and uncertain about getting into this kind of dependency relationship.

What if you let this customer down? What if your product does not work as you promised? What if you don’t service it and support it as you promised? What if it breaks down and he can’t get it serviced in a timely manner? These are real dilemmas that go through the mind of every customer when it comes time to make the critical buying decision.

Because of the complexity of most products and services today, the relationship is actually more important than the product. The customer often doesn’t know the ingredients or components of your product, how your company functions, or how he will be treated after he has given you his money. But he can make an assessment about you and the relationship that has developed between the two of you over the course of the selling process. So in reality, the customer’s decision is based on the fact that he has come to trust you and believe in

what you say. In many cases, the quality of your relationship with the customer is the competitive advantage that enables you to edge out others who may have similar products and services.

The single biggest mistake that causes salespeople to lose customers is taking those customers for granted. Almost 70% of customers who walked away from their existing suppliers later replied that they made the change primarily because of a lack of attention from the company.

### Partnering for profit

Beyond relationship selling, the second key to keeping customers for life is the “partnering for profit” approach to business sales. When you deal with a businessperson such as a landscaper or professional logger, you can be sure of one thing: that person thinks about his business day and night. It is very close to him. It is dear to his heart. And if you talk to him and ask him questions about his business, looking for ways to help him run his business better, the customer is going to warm up to you and want to be associated with you and your company.

As a partner, you should always be looking to help your customer to cut costs and improve results in his area of responsibility. You should look for ways to help your customer in non-business areas, as well. You should position yourself as someone who cares more about the success of your customer than anything else, even more than you care about selling your product or service. This approach to partnering in profit with your customer is a key way to differentiate yourself, and to keep your customer for the indefinite future.

There is a principle of reciprocity in business that

#### About The Author

*Brian Tracy is legendary in sales, addressing more than 250,000 men and women each year on the subjects of management, leadership and sales effectiveness. He has produced more than 300 audio/video programs and has written 36 books, including his just-released books “TurboStrategy” and “Change Your Thinking, Change Your Life.” He can be reached at (858) 481-2977 or*



is extremely powerful. It is simply this: If you do something nice for someone else, they will feel obligated to do something nice for you. You should be looking for opportunities to go the extra mile, to do more than you are paid for, to put in more than you take out. By extending yourself, you improve your positioning in the customer’s mind, and increasingly differentiate yourself and your company from your competitors who are after the same business. If you do this long enough and strong enough, you will eventually develop the partnership to the point where your competitors don’t have a chance against you.

### Consultative selling

The third part of keeping customers for life is the consulting approach to your customer, or what is called consultative selling. When you position yourself as a consultant, you are really positioning yourself to serve your customer as a problem solver. Instead of trying to sell something to your customer, you concentrate all of your efforts and attention on helping your customer solve his problems, achieve his goals, or satisfy his needs. You ask excellent questions that help your customer think through his situation in greater depth. And you listen carefully to the answers, knowing that listening builds trust.

When customers are asked why they decided to buy from a particular salesperson or company, they invariably give these reasons: the reputation of the company, the level of service and support that the company offers, the reliability of the company and the salesperson, the responsiveness of the organization to complaints and requests, and the quality of the individual salesperson with whom they have been dealing. Price ranks at number seven or eight, if it comes up at all in the surveys. This is important for you to know because it is amazing how many salespeople get sidetracked into negotiating on the basis of price and then they can’t understand why they failed to get the sale.

Roughly 84% of all sales in America originate from the recommendations of satisfied customers. A referral to a new customer is worth 10 times more than a cold call. And it is 16 times easier to sell a satisfied customer something new than it is to sell something to a brand new prospect. In the final analysis, dedicating yourself to serving your customers in such a way that you keep them for life is one of the smartest and most profitable things that you can ever do. 

## Teaching service with a smile

People skills are often something someone is born with. Unfortunately, others are not. While all your employees are likely good, hard-working people, some may need a little help in the way of providing service with a wink and a smile.

Donna Hall of The Right Answer Customer Service Consultants says there's a recipe of tips that help teach employees the fine art of being "up with people."

**Train by example.** Give the welcoming smile, the pleasant greeting, an offer of assistance, or the helpful advice as often as possible. If employees see how successful those actions are when you do it, they'll be inclined to follow.

**Use some motivational phrases.** Some people have great people skills. But they may need a little nudge to help tweak their servicing techniques. This is where motivational phrases and clips can help whip them into shape.

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**When one of your employees does something great for the customer, point it out ... Hearing that they're handling customers well will motivate others, as well.**

Get your staff to create witty and useful phrases or "proverbs" at meetings or company training sessions. Have a contest, with a tempting prize for the winner, for who can come up with the best service phrase for your company. Post your winners and entries throughout your business; cite them in newsletters, hang them on bulletin boards in the breakroom, etc.

With everyone pitching in and brainstorming to help come up with just the right motivating words, you create teamwork and an emphasis on service. You also make employees more aware of the quality of their own people skills.

**Regularly test the links in the service chain.** When one of your employees does something great for the cus-

tomers, point it out. Rewarding and emphasizing people-friendly behavior will help instill, in your employees' minds, "Oh, so that's what it means to jazz up service."

Stroking their ego is a good thing. Employees love to be praised. Hearing that they're handling customers well and that you're impressed will motivate others, as well. Everybody will be falling over backwards to win your performance approval. And your customers will be getting the four-star treatment.

**Encourage the buddy system.** Sometimes employees are shy, or not so confident in their people skills. For those who may be a little slow to catch on, why not get that customer service-savvy employee to work with someone who needs a bit more help? Customers will feel as if they're getting twice the attention from your staff, and will feel twice as satisfied.

**Let them "own" their jobs.** Getting employees to commit to their jobs by taking ownership is also a good motivator for getting them to work at being the best service provider they can be. People work with pride when they feel as if their job is their own private company. Think of ways your company can help employees feel like part of the company family, and encourage and train them in your service, people-friendly philosophy.

**Keep the training coming.** Communicate constantly with your staff, and train them as often as possible. Take time to regularly teach them all the service ins and outs of your business. Line up guest speakers on the topic of being people-friendly. Show them motivational tapes, and provide books to read. Sponsor seminars, if possible, on this topic.

Let employees have a voice in the training. Find out what may be holding them back from grasping your concept for serving customers. Once you've heard them out, then explain the hows and whys of serving customers your way. But don't hesitate to listen to their suggestions, too. The big idea can come from anybody. The most important issue is "Will these actions or techniques make for more happy customers?" 

*From Idea Cafe: The Small Business Gathering Place at [www.ideacafe.com](http://www.ideacafe.com). Idea Cafe's "Fun Approach to Serious Business" offers solid business info in a fun, friendly setting.*

# Customer satisfaction research tactics

To fully satisfy your customers, you need to find out what they really want. Try some of the following suggestions to gather customers' comments:

## Interview customers

Walk the floor and talk to them. Introduce yourself by name, ask for theirs and thank them for coming to your store.

When possible, talk to customers in the store at all points of interaction — the sales floor, the cash register and the door.

Ask customers whether they would shop in your store again, what they like and don't like, etc. If the customer has a complaint, listen carefully, ask what would satisfy him and then respond in such a way as to exceed his expectations.

## Conduct telephone or mail surveys

Ask customers about their shopping experience. Some useful questions include: Were the sales associates friendly and helpful? Did you find what you were look-

ing for? What would you like to tell us about your shopping experience? If this were your store, what would you like to see added or changed? Will you come back again? Offer a gift certificate or discount for responding to the surveys.

## Conduct a focus group

Put together a focus group composed of customers and non-customers. Invite all the participants to the store and start a discussion on why they do or do not shop at the store, what services they would like to see, etc. Offer an incentive for participating.

Focus groups consist of six to eight people and can be moderated by any objective person. The owner should not moderate, since he may not be objective. Keep the discussion to 90 minutes or less and try to focus on only four or five topics. Spend no more than 20 minutes on each topic.

## Provide comment cards at check-out

To gauge customer satisfaction levels, offer self-addressed, postage-paid comment cards at the counter. When customers request follow-up calls, respond immediately or they may be disappointed further.

## Seek employee suggestions

Place an employee suggestion box or idea board in the back room. You need to respond to all suggestions — good and bad — so staff members know you are serious about listening to them. Consider rewarding employees for sharing ideas. The reward does not have to be monetary; it could be a certificate or a free lunch.

## Act on the info gathered

It is important to discuss with employees all the information gathered from customers. Together, develop solutions to the problems brought to your attention, and celebrate praise. Most importantly, seeking customer input should not be a one-time thing. Be sure to use these methods on a regular basis. 

*From Small Store Survival: Success Strategies for Illinois Retailers by the Illinois Retail Merchants Association and Arthur Andersen & Co.*

### *Dispelling a customer satisfaction myth*

**Myth:** Management wishing to improve customer satisfaction levels should focus on turning their most dissatisfied customers into highly satisfied customers.

**Fact:** You will achieve the greatest increase in customer satisfaction by converting customers that like you into customers that truly love you. Companies should place special emphasis on shifting their "somewhat satisfied" customers (4 on a 5 point scale) into the ranks of the "highly satisfied." "Somewhat satisfied" customers are typically the easiest to convert from people who *like* you into truly loyal customers who *love* you. In addition, they normally constitute the single largest group of customers that can be shifted into the "highly satisfied" category.

*Information from [www.opinionresearch.com](http://www.opinionresearch.com)*

# Building your business

## *Marketing techniques to generate interest, floor traffic and sales*

By Dean Skylar

**M**ost retailers have traditionally turned to newspapers and radio to build their businesses. And while some promotions and events deserve the support of mass media, other methods are often more effective.

Instead of trying to reach everyone, some outdoor power equipment dealers are attempting to define profitable target audiences. Then they seek the best corresponding approach for that audience.

Here are a few examples and ideas of how to reach specific audiences or solve strategic needs. Some have been implemented and others are in the planning stages.

### Existing customers

In most cases, promotions directed toward previous or current customers will be the most beneficial. These come under the general heading of customer retention.

You may wonder why you should spend any of your marketing budget trying to reach existing customers. After all, they have already purchased a high-quality mower or tractor that will probably last them a long time.

These are the people who will also buy snow throwers, leaf blowers, edgers, trimmers and tillers. Plus, they'll need many other parts, accessories and service. So instead of looking at one sale, look at the lifetime value of each customer. You'll see why it is worth working to retain him or her.

To start marketing to customers, you'll need a database, or customer list. Start by making copies of checks and entering data from warranty registration cards. You can also input names of all service customers and have new customers sign up to be on your mailing list. Don't worry about duplicates since they can be eliminated easily on your computer.

Once you have a customer list, then you need to plan for regular mailings of postcards, newsletters and special offers.

### Reaching your best nearby prospects

If you are just opening a store or expanding a new market, you won't have customer names. You'll need to

choose your best prospects using demographic and geographic data.

Get out a map and identify your primary geographic market area. In an urban setting, this may be a three- to five-mile radius from your store. In a rural area, you may legitimately reach up to 35 miles.

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**Instead of trying to reach everyone, some outdoor power equipment dealers are attempting to define profitable target audiences.**

The next step is to identify the ZIP codes and carrier routes of the area you've indicated on the map. I've used the Carrier Rout/Demographic Analysis from AmeriComm ([www.AmeriComm.net](http://www.AmeriComm.net)). This report will give you counts of single-family homes, rural routes, home value, household income and other factors for each postal carrier route. Use the report to identify the closest, most productive postal routes within your target geographic area. Then, later when you rent the names, you can reduce the waste factor.

One dealership, Buckeye Power Sales of Blacklick, Ohio, expanded into consumer sales in the mid '90s. Without previous customers to promote to, they decided to start by mailing to selected postal carrier routes within three miles of the store. Within those routes, they chose single-family home dwellers with incomes over \$25,000 annually. Then, in an attempt to further increase sales, they isolated rural route residents and mailed them a separate offer for lawn tractors instead of walk-behinds.

### Identify homes with 1-plus acres

The rural route selection for Buckeye Power Sales assumed that homes on rural routes needed lawn tractors and homes on carrier routes didn't. Of course, we've all seen new neighborhoods with 1/4-acre lots on rural routes and homes in the middle of large cities with mul-

tiple-acre lots. But those tend to be exceptions.

They had to find a way to zero-in on households with one or more acres. These would be the best lawn tractor prospects. Fortunately, AmericaList could get lot size data from records of counties and municipalities and resident data from the AmericaList database. By merging the two together, they ended up with the names and addresses of prospects for riding lawn mowers and tractors.

The initial count of the riding mower target market was 3,300. This is 1/3 the count of the rural routes chosen for the earlier mailing. A mailing to this audience would be about half the cost with better results expected.

### Reaching the 'gentleman farmer'

The 1996 *Yard & Garden* magazine's "White Paper: Catalyst for Change," identified the hobbyist as one of the segments of the high-end consumer market. These people choose to maintain their own lawns even though they can afford lawn and landscape contractors. Hobbyists, the report said, "spend their free time working in the yard for the sheer enjoyment of working outside..." These are the doctors, lawyers and business leaders who choose lawn and garden work as a way of getting away from work stress. Yet they are difficult to find and expensive to reach. Consider using direct marketing to identify and solicit likely hobbyists.

They will be subscribers to magazines and associations such as *Organic Gardening*, *Horticulture* and the American Horticultural Society. They may also buy products from gardening and tool supply catalogs like Smith and Hawken, Brookstone and Gardener's Eden. You can rent lists for these organizations and select only the ZIP codes you need for your market area.

If you rent more than one list, make sure you ask for a merge/purge to eliminate duplicates. But ask to isolate the names with duplicate entries since they are the people most likely to respond to your offer.

Once you have a target list, you may want to invite them to a seminar offering dinner and a professional speaker who can address their gardening needs. Offer a nice premium incentive for attending. Or, pick the top 100 prospects in your market and send them a hat that

*continued on page 10*

## *Simple postcard still the best*

After trying many different formats, I have yet to find anything as effective as a simple two-color postcard. It's a quick and easy way to effectively deliver an offer to your customers and prospects.

In most cases I recommend first-class postcards. Although limited to 4.25-by-6 inches, these little cards pack a wallop in impact, especially when going to existing customers. When presorted with proper addressing, the postage rate is almost as low as standard mail (third class bulk), but it has two major advantages:

- First-class cards usually get next-day delivery within most cities.
- They qualify for free change of address information when requested.

### Here are some mailing suggestions

- Consider cards measuring 4.25-by-5.5 inches because they can be printed on smaller presses out of standard letter-size stock (keep in mind, however, that postage will increase using this size). Using two colors (black and red) on both sides helps response.
- You may want to use full-color postcards that are available from a handful of specialty printers around the country. Use when your product requires color to help sell it.
- The pre-printed laser printer stock works very well for small runs. The cards can be personalized and they look great.
- If a lot of copy is required, or if the mailing is so big that a standard mailing provides big savings, use 8.5-by-5.5-inch cards.
- Always require that customers bring cards back into the store to get the offer. This makes it possible to track results.
- The offer must be appealing and worthwhile. Your response will be directly related to the value of the offer.

continued from page 9

says "Gentleman Farmer." Offer them the matching satin jacket when they buy a lawn tractor or another premium product. And don't forget the follow-up thank you notes and newsletters. Your goal is to create advocates for your dealership, not just one-time buyers.

### Enhance image in a competitive market

Facing new competition from Home Depot and Sears, Janney's Ace Hardware in Toledo, Ohio, decided to celebrate its 70th anniversary in a big way. As a Toro dealer, Janney's needed to find a way to re-establish its market presence and generate traffic in its store.

First, instead of giving away small door prizes, Janney's raffled off a two-year lease on a Ford Ranger XLT truck. With all proceeds going to the Children's Miracle Network, Janney's was able to help a worthwhile local organization and attract attention.

For the actual anniversary celebration, Janney's brought in a 45-foot bowling lane and bowling legend Dick Weber to generate some buzz in the community. For seven hours on Saturday, people came from as far as 50 miles away to bowl against Dick Weber in Janney's parking lot.

"This promotion worked because of the radio buy and the novelty of meeting Dick Weber," says owner Doug Janney. "Toledo is a bowling town, so the promotion fit perfectly." The event raised about \$2,000 for the Children's Miracle Network.

### Ready, set, go

If your store depends solely on newspaper ads, radio and telephone directories, you are probably missing out on some lucrative sales opportunities. Start thinking in different terms by first determining your target audiences and getting to know your customers. Then brainstorm for new ways to reach each group.

But don't wait until you've developed the perfect program. Do the basic work needed to get a program together and implement it this fall. Then review it and work on improvements. It will probably take you two to three times before you start seeing results from your efforts. But by then, you'll be way ahead of your competition. 

Originally printed in EXPO Show Daily 1997.

## Common selling errors

In the book "Closing Strong: the Super Sales Handbook" by Myers Barnes, there are several common errors that can cause a lost sale.

- **Failure to ask for the order.** The main reason people do not buy is they are not asked to own. Up to 50% of all sales calls end without the salesperson attempting to close even once. Even when you attempt to close, statistics indicate that the average sale does not occur until the prospect is asked to own a minimum of five to seven times.

- **Prejudging the prospect.** Carry this statement throughout your selling career: "Prejudging is not prequalifying." Most salespeople try to determine the customer's ability and willingness to own by prejudging during the initial moments of the meeting.

- **Talking too much.** Mediocre businesses focus their training on product knowledge instead of sales methods. Product knowledge is important, but know when to stop and listen to the customer. And remember, "telling is not selling."

- **Talking past the close.** When you ask a closing question and your prospect confirms he is ready to own, the conversation stops, your presentation ceases and you start preparing the paperwork.

- **Arguing with the prospect or customer.** When you receive objections or challenges to your claims and you defend your product, you are in essence telling the person he is wrong. Remember, when people have objections, respond to their questions in a positive, non-threatening way.

- **Knocking the competition.** The first rule is to not make reference to your competition. If, however, something is said about the competition, negative or positive, simply reply with, "They are a fine company, and seem to do a good job."

If you are asked why they should buy from you and not the competition, respond with a two-part question. Ask, "Why do you feel you should do business with that company?" Allow him to answer, and follow-up with, "What would cause you not to do business with that company?" This provides you with the information you need to build your presentation. 

# Discounting doesn't create customer loyalty

Retailers who consistently slash prices to drive sales are doing more harm than good in creating loyal customers, according to Maritz Loyal Marketing, a provider of customer loyalty programs. This type of "old school" behavior simply doesn't work anymore as customers are increasingly demanding more than just good prices. Today's consumers want consistency, great service and customer appreciation.

According to a recent National Retail Federation & STS Market Research study, the percentage of all retail sales resulting from discount pricing has spiraled out of control. In 1971, 8% of all retail sales were a result of discounting. In 1996, the number jumped to 35%. And in 2002, 78% of all retail sales were a direct result of discount pricing.

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**"In an increasingly challenging marketplace, retailers simply cannot afford to compete based on price alone."**

"The problem is that many retailers are holding tight to the old way of driving sales and customer loyalty, which includes price-slashing and short-term promotions," says Craig Hogan, vice president of marketing and analytical services for Maritz Loyalty Marketing. "In an increasingly challenging marketplace, retailers simply cannot afford to compete based on price alone. If they hope to succeed, they must leave old school practices behind and begin to adopt customer-specific rewards and services."

According to Hogan, these trends apply to all goods sold at retail, even durable goods such as outdoor power equipment. Obviously, he says, the process of buying a more expensive, durable good is radically different from that of buying, say, a bag of chips. The primary difference is how important the purchase is to the customer.

"In loyalty marketing," Hogan explains, "we call this 'involvement.' When involvement is high — as in the purchase of a house, computer or lawn mower

— that consumer's attitudinal loyalty becomes incredibly important. The consumer is going to spend a lot of time considering the purchase, forming an opinion based on his thoughts and feelings. Once that opinion is formed, the consumer is very likely to act on it. On the other hand, a less involving purchase is more likely to be changed at the last minute due to factors such as price, promotion, convenience, etc."

## The Retail Paradigm

"Old School" retailing is based on the Retail Paradigm and has four components:

1. Service — the golden rule of retail.  
All customers are created equal.
2. Merchandising
3. Real estate expansion
4. Discounting

In the past, retailers used the Retail Paradigm as a remedy for slow sales. But today, the indiscriminate application of the paradigm is the root of the problem. "Customers have become so conditioned to purchase only when sales are advertised that they may miss the experience of shopping at retail stores that aren't offering special promotions, but do offer better customer service and a more pleasant shopping experience," Hogan points out. "Applying the rules of the paradigm in larger doses is a lot like adding kerosene to a brush fire — it makes it much worse."

## Rewarding good customer behavior

Loyalty can help drive sales without the need for routine discounting. Retailers need to reward their customers for behavior they have already displayed in direct proportion to the value they bring to them. Retailers should communicate with their best customers with respect to their individual needs and preferences, and allure them by proving their loyalty is appreciated.

Sometimes, this can be quite challenging when it comes to durable goods, since the frequency of purchase can be rather low. Take the auto industry, for instance. Hogan says millions of dollars are poured into loyalty-improvement efforts. According to Hogan, there are basically two ways to address this issue.

*continued on page 12*

continued from page 11

**1. Reward the purchase behavior of your customers across all departments and SKUs.** Some purchases are more valuable than others, and the reward may be weighted appropriately. In the lawn and garden industry, a consumer may purchase a lawn mower every four to seven years. But that consumer typically is making very frequent purchases of fertilizer, engine oil and other parts, service, etc. By rewarding all these purchases along the way, the retailer builds a service relationship with the customer, making that customer much more likely to make that big, durable goods purchase at his store when the time arises.

**2. Customer-relevant communications.** Imagine if the retailer were to capture all of the store purchase data for his best customers, and began to position the products and brands that interest those customers most at a time when those customers actually needs them. The cross-sell opportunities are plentiful. The key is capturing the purchase data. Rewards are a mechanism to do just that. And if you've built a rapport and dialogue with the customer over the years, your opportunity to position a big, durable item purchase with relevance and meaning is tremendously enhanced.

"It's still important to apply the 'golden rule' of retail, to treat all customers with respect and courtesy," Hogan reminds. "But the 'golden rule' shouldn't be used to govern your marketing efforts. Furthermore, being cheaper than your competitor doesn't always add up to customer loyalty. Outstanding service and rewarding favorable past behavior often does." 

*Maritz Loyalty Marketing is a leading provider of full-service loyalty marketing solutions including rewards-based loyalty programs and one-to-one communications programs. A unit of Maritz Inc., Maritz Loyalty Marketing designs and operates loyalty programs designed to identify, retain and grow their clients' businesses. Please visit [www.maritzloyalty.com](http://www.maritzloyalty.com) for more information.*

# Advantage: Dealer

*Does the public know your competitive advantages compared to the big boxes?*

By Gregg Wartgow

It's no secret — the majority of outdoor power equipment purchases are taking place at the big boxes. Chris Saxton, president of distributor Pace Inc., says there are several reasons many consumers look to big boxes when purchasing power equipment, including their huge advertising budgets, high-traffic locations and convenient store hours. There's one other factor — the perceived price advantage a large department store has.

It's also no secret that, even though many mass merchant customers are not the kind of customers you want, it would be nice to steal back some of that business. So, in this David vs. Goliath scenario, how do you do that?

"Once the customer gets into our store, we have an advantage over the mass merchants," says Dennis Klei, owner of Klei Mower in Cincinnati, Ohio. "We have the product knowledge, parts inventory, service, setup and delivery, and product variety that the mass merchants don't. We just need to continue to work harder at educating the public so they're aware of all this."

That's the challenge: changing the public's perception and getting them into your store. Changing the public's perception is rarely an easy task. But by consistently communicating your competitive advantages, it's a battle that can be won.

## Strength in numbers

Klei is doing a lot to market his dealership's advantages, including a top-notch Web site at [www.kleimower.com](http://www.kleimower.com). Still, he and his staff are always on the lookout for new, more effective ways to promote their business. One idea Klei has is for several area dealers to band together and, from a marketing standpoint, work as one.

"The best way to get our message out there is for several dealers to pull together to promote the dealer network, along with why consumers should buy from dealers," Klei points out. "One dealer cannot afford to put on a mass campaign all alone. Dealers need to quit beating each other up and work together. The only other options are to make less money, or give up altogether. I don't like either of those."

Combining marketing efforts with other area businesses can also have a big impact. A garden center, car

dealership or bank are often good possibilities. From a prospects standpoint, you're all after the same people. By combining some of your marketing efforts, you can both benefit from additional exposure.

### Go get your customers

"When it comes to putting product on the shelf and waiting for customers to come pick it up, the mass merchandisers will win every time," Saxton says. Thus, your sales staff should not just wait for customers to walk through your dealership's doors. Your sales reps should be "looking" for new business.

**"The best way to get our message out there is for several dealers to pull together to promote the dealer network, along with why consumers should buy from dealers."**

— Dennis Klei, dealer

Much of this can be done on the phone, but having an outside sales rep can be even better. As Saxton points out, whether this is affordable will depend on the market you are in. At any rate, you should assume that nobody knows about your business. Assume they don't know how important it is to be able to get service and parts. Again, it's your job to educate, through your sales force and all other marketing efforts. Build relationships with your customers based on service and support, not price.

It's also a good idea to get your message in writing. When it's in writing, it's more likely to be remembered. Come up with something that explains how you differ from the big box, and details all you have to offer. Make sure your customers and prospects get this when they make an inquiry at your store — on your business card and/or a flier to give them, for example. "Furthermore, every other marketing piece you send out — be it a newspaper or radio ad, direct mailing or Web site — needs to promote the principal difference between you and the box store. That difference is professional service and expertise, combined with focus," Saxton points out.

### Your expertise has value

It's critical that you tell the public about the superior product knowledge your staff has, along with the outstanding service it provides. Saxton adds that it's just as

## *Beggars can't be choosers — so don't beg*

In some cases, the customer who chooses to shop at the big box is not fully aware of the benefits associated with shopping at a servicing dealer. They may be misinformed, or lacking the information completely. On the other hand, some customers who choose to shop at the big box base their purchasing decisions on one thing: price. Simply put — you do not need their business.

"Focus on the premium customer who wants, and is willing to pay for, a higher level of service," Chris Saxton says. "You don't need to get all the business, but you do need to make a profit and a reasonable return on your investment. Search for the best customers. Let shoppers who base their purchases solely on price go somewhere else."

Richard Aragon, owner of Aragon's Lawn & Wood Center in Albuquerque, New Mexico, says that in time, that price-shopping customers may wise up and look to you for something better. Just be patient.

"I do service for Home Depot," Aragon tells. "When the Home Depot customer comes in and sees my product, I let him know that when he's ready to upgrade, we can help him. But I don't push him, and I don't knock the product he currently has. That may be all he can presently afford. I do point out the features that make my models better, and leave the door open for him to come back and upgrade a little ways down the road. He usually does."

critical to charge for that service, or consumers will learn to take it for granted. Then, the perceived value it has will disappear.

Saxton says, "Charge for your service — don't be shy. But give your customers the red carpet treatment. You want them to say, 'Wow, this dealership is not cheap but they sure take good care of me.' There is a big difference between high value and cheap. Sometimes high value is the most expensive." 

*Originally printed in Yard & Garden's June 2002 issue.*

# Is FREE a powerful sales technique?

*Or is it a drain on your profits?*

By Bob Janet

There is no free lunch today. Your customers are much smarter than they used to be, and are typically wise to the fact that you cannot stay in business very long if you give things away. So one of the most powerful marketing words in commerce, FREE, has lost some of its punch — at least if you don't use it properly. But if used properly, it can still be very powerful.

## Five rules of using FREE

**1. Never give away your profit makers.** One of the mistakes I made during my 30 years as a retail store owner/operator was to hastily put together a free drawing marketing promotion. It also turned out to be one of the best lessons I stumbled upon. I ran a promotion for one of the two worst possible reasons: My competition was running a promotion.

I hurriedly decided to have a drawing for an item I sold: a 19-inch color TV. Every customer purchasing an item from my electronics store was given the opportunity to put in one entry for every \$100 in purchases. I will never forget it. On Friday evening Mrs. Yost purchased a 25-inch table model color TV, and entered three entries to the contest. Saturday afternoon we pulled Mrs. Yost's entry. She had now won our 19-inch color TV. When she arrived at 5 p.m. to receive her prize, we were ready with still video cameras to record her reaction for use in future marketing and advertising campaigns. As she accepted her prize she was all smiles, and said the words that taught me the lesson of the century. And I quote, because I will never forget her words, "Thank you, Bob. I was going to come in and buy my mother a new TV for her birthday next week. Now I don't have to."

The other bad reason sellers often run promotions is because the media tells you to because your competition is doing so. However, the only reason to conduct a marketing promotion is to sell the products and services you profit from the sale of.

**2. The free item must be related to your business in some direct way.** In order to induce your customers into purchasing your products or services, the item you are giving away for free must be related to the product or service you are selling. It must enhance the items you sell for profit, and make those items more valuable to the customer. For example, free doughnuts do not make a

lawn mower more valuable to your customers. But a free gas can might.

**3. The customer must do something of value for your business to get the free item.** For example, the customer must come in and contact your business at a special time. It's preferable to use free items to get customers into your store on slow days, or to make contact with you during slow periods in your business.

Another tactic is to encourage customers to purchase a profitable item from you in order to receive the free item. For example, run a computer report and examine the profitability of each mower model you sell. For the model with the highest gross margin, offer that free gas can or pair of work gloves.

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## **The only reason to conduct a marketing promotion is to sell the products and services you profit from the sale of.**

Encourage customers to introduce you to their friends, relatives and colleagues you can also sell your products and services to. Referrals are critical in retail.

**4. Be creative, and use your imagination.** Look around — you may be surprised with what you can actually use as a free gift for your customers. When I was in the retail business (tire sales and appliances), I had a debtor, the owner of an ice cream dairy store, who owed me \$1,500. When I realized, after a year, that I wasn't going to get paid, at least not in money, I offered to take ice cream as a payment. At that time, a quart of ice cream sold for a bit over a dollar. Now, what in the world was I going to go with 1,400-plus quarts of ice cream? Use it as a promotion to increase sales.

Here's what I did. I set a freezer right next to the front door of the store. Whenever a customer who didn't make a purchase was leaving the store, we gave them a quart of ice cream. It was summertime, and I knew they were planning to go to other stores to compare our prices and products. But when they were given a quart of ice cream, where do you think they went?

## Crunch time

### Tips to stay customer-focused during busy times

Every company has its own special times of the year when phones are ringing off the hook and customer lines are a mile long. Business couldn't be better. Or could it?

When retailers experience a surge in business, many often struggle to stay customer-focused. As a result, the overall quality of service may suffer. To help you satisfy your customers during stressful, busy times, consider the following tips.

**Get organized for the rush.** By referring to records of past sales figures and trends, you can better estimate your staffing, product and supply needs to meet customer demand and keep customers satisfied. Planning is crucial to handling these rushes effectively.

**Emphasize training.** If all your employees are well-trained to effectively deal with customer requests, a sharp upswing in business shouldn't be a problem. Take the time to train your staff by informing them of what kinds of questions and situations they'll be dealing with on a daily basis, and provide them with the needed information so they can prepare. In addition, reinforce your customer service philosophy over and over so, despite the stress, employees remember that customers are the most important part of the business.

**Inspire early orders.** Entice your customers to call or stop ahead of the busy season by offering an incentive, such as an early bird discount.

**Keep staff motivated.** During busy times, it's natural for employees to get burned out. Show them that you're ready to roll up your sleeves to help them out by providing support and/or advice. Don't forget to hand out compliments. And don't forget the almighty dollar. Bonuses and commissions are inspiring, too.

**Acknowledge customers immediately.** It's crucial to let customers know that you know they're waiting and you want to assist them. Nobody is to be ignored. Ask customers to "please hold" and apologize for delays.

**Deal with complaints immediately.** Your policy should include apologizing to any dissatisfied customer, reassuring him that you'll do whatever it takes to make it right. By working to make your customers happy, you'll most likely be seeing him, and many of his friends, in the future. **YG**

Right — they went home. We always asked them where they lived, along with their telephone number. We gave them time to get home, then called them. Sure enough, they were home putting their ice cream in the freezer. Now we went to work to continue the sale. We would discuss more benefits they would receive from us vs. our competition. We did not make every sale, but we closed quite a few on a regular basis.

So, what do you have to give away to increase your dealership's sales?

#### 5. Use the four-step formula to make the word "free" work to increase your sales:

1. The word FREE +
2. Limited time +
3. At least one customer benefit to be derived from what is free =
4. A meaningful offer that induces the customer to respond.

For example: Free heavy-duty vinyl cover, today only, with the purchase of any Model Z lawn tractor so you can protect your new mower through the tough winter months.

By offering a free item that adds value to the primary purchase, especially when that primary purchase is a profitable item, you can once again make FREE a powerful word in your marketing vocabulary, all while boosting dealership sales and profits. **YG**

#### About The Author

*Bob Janet — sales consultant, trainer, speaker and author of "Join the Profit Club" — combines 37-plus years as an owner/operator of professional, retail, manufacturing and service businesses with his unique teaching and storytelling ability to motivate, educate and inspire business professionals of all levels for increased sales and profits. Visit [www.BobJanet.com](http://www.BobJanet.com)*



# Anger management

## *How to turn angry, one-time buyers into lifetime clients*

By Richard Buckingham

**A**ngry, irate clients — every business has them. In today's competitive retail environment where every dollar counts, how you handle angry clients can make the difference between stagnate sales and a thriving organization.

The fact is that as competition continues to intensify, no business can afford to lose clients. And when an angry client is gracious enough to share his or her comments about your service, policies or products, your associates had better listen. It's during this time that you can convert that irate client into a repeat sale, which will do wonders for your future profits.

Think about the last time a customer complained to you. How did you react? Did you roll your eyes in annoyance and think, "Oh great ... another whiner." Or did you treat the situation as a genuine learning opportunity? In most cases, complaining clients are seeking an improvement of service, not an end to the client/provider relationship. They still want to do business with you, but only if you can correct the current situation. Unfortunately, most business people do not recognize this fact when they have an angry client face-to-face or on the phone. As a result, they miss a great opportunity to convert that upset client into a valuable lifetime client.

No matter where you work in an organization,

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**In most cases, complaining clients are seeking an improvement of service, not an end to the client/provider relationship.**

whether you're in sales, customer service, accounting, management or technical support, your goal should be to keep your clients for life. So how do you turn your angry clients into loyal clients? The answer lies in following four simple steps. Implement these actions today and you can create a lifetime of future revenue from a seemingly unlikely source.

Generously listen to your client's concerns

When upset clients call, the main thing they want to do is vent. Until they get those negative emotions out, they will be challenging to work with. Therefore, do not interrupt; let them talk. Hear them out completely. As long as the clients are not being unruly or using unprofessional language, let them express all their feelings.

During this venting process, recognize and remember that your clients are not necessarily upset with you; they are upset with the situation. Not everything they say will be a reflection on you personally. Realize that your clients might just be having a bad day and you're the one they take it out on. Whatever their reason for being upset, you will be more effective dealing with challenging clients when you do not take their words personally.

As your clients speak, be aware of their voice tone. Sometimes a client's vocal tone tells you more about the person's feelings than the actual words. Notice whether your clients sound happy, sad, put out or angry. A client's tone is a good barometer of how you are doing. As you respond, speak in a professional and polite manner so you can keep your angry clients focused on the facts, and assure them that you are there to help.

After your clients explain why they are upset, thank them for sharing their concerns with you. After all, they have just revealed how you can improve your service, and this is incredibly valuable information. A simple, "Thank you for bringing this matter to my attention," will do wonders to calm people down.

Offer a genuine apology

After you have completely listened and thanked your clients for bringing this issue to your attention, apologize for whatever went wrong. Even if your company is not directly at fault for the problem, give your clients the benefit of the doubt and apologize.

Realize that an apology is what your clients want to hear. By offering an apology, you set yourself up to win. So the sooner you apologize, the better. Your apology will make the rest of the call easier and will go a long way to soothing your disgruntled clients. Additionally, the value of a lifetime client makes the apology worth it. Smart businesses know that the keys to long-term profitability and success lie in repeat and referral business. If

you do not apologize, you will likely miss out on your clients' future business.

Here's a true example of why the apology works. A small business owner bought supplies from a national office supply store. Unfortunately, his experience with the store was not positive, and he decided to try another company. He wrote a brief letter to the store manager explaining his unhappiness. Within three days, he received a telephone call from the store manager who apologized for all the trouble and asked a great question: "What could we do to make it up to you?"

The manager was so polite and genuinely concerned that the business owner decided to continue shopping at

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**Asking for client input to the solution is an excellent idea, as what the client wants is usually much less than what you think you need to do.**

that store. Was the apology worth it? You bet. That business owner became a loyal customer and now shops at that store exclusively for all his office needs. He also tells others about the outstanding service he received.

#### Present a game plan

Once you've apologized, most clients are typically calmed down and ready to listen to you. Now is when you present a game plan to correct the situation. "We are going to do the following ..." Then do exactly what you said you would do. Be sure to do whatever it takes to satisfy your clients and keep them for life. Their loyalty and repeat business are worth so much more.

A successful game plan will exceed the clients' expectations. If you're not sure what to propose, simply ask, "What can we do to make it better?" Asking for client input to the solution is an excellent idea, as what the client wants is usually much less than what you think you need to do.

#### Present an opportunity for future contact

Before your upset clients leave or hang up, take control of the situation. Ask if there is anything else they need, and let them know that you are always available to help them. Restate your name and encourage your clients to call you personally the next time they need anything. Give them your direct line phone number and/or your e-mail address so they know how to reach you in the most convenient way.

Rather than avoiding complaints, successful businesses embrace them. In fact, they know that the angrier the client, the greater the opportunity to turn that person into a loyal, lifetime, repeat customer. Once the situation is resolved, those once angry clients will not only continue to use your company, but they will also tell others about you. All their previous "complaining" will become free advertising for you and your company. What would that do for your profits?

Always remember that angry clients are a gold mine of opportunity. The next time you're fortunate enough to encounter one, take the steps necessary to convert that upset client into a lifetime business and referral source. The sooner you embrace client complaints and use them to direct your business's growth, the better your organization will fare in today's volatile business world. 

#### About The Author

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## Service with style

*Superior service is what makes you special. Use it to take control of your market position.*

**I**ndependent retailers from many industries are struggling to thrive in the shadows of the big-box retail giants. The pressure to increase your customer base, grow sales and boost profitability can be overwhelming, especially considering today's rigorous market conditions. Don't lose sight of the fact that what makes specialty retailers special is something that never goes out of style: good, old-fashioned customer service. And remember, big-box retailers have the most of everything, but the best of nothing.

In his book, "Take Charge! A manager's guide to specialty retailing," sales consultant Eddy Kay teaches specialty retailers how to thrive amidst tough corporate competition. Are today's consumers just looking for a name brand at the lowest price possible? Not always. In many instances, today's consumers are looking for the one thing that makes you unique: outstanding customer service. In order to give consumers just what they're looking for, you need to gain control of one thing — your employees. "If you have no control over the means to provide that scintillating service (your employees), your life will be filled with nothing but stress," Kay cautions. "Take charge and the stress goes away."

### A good shopping experience starts with 'hello'

Q: What is the biggest customer service mistake your employees can make? A: Not greeting customers as soon as they walk in the door. Kay says, "Selling with your back to the front door is a no-no." When customers walk into your store, they expect to be acknowledged immediately — they're that important. After all, your business is nothing without your customers. "There is nothing you can do to improve your sales efforts that's more effective than saying, 'Hi ... how are you ... thanks for coming,' when a customer walks into your showroom," Kay says. "Make sure each of your employees understands the importance of greeting customers."

A big advantage you have over the large department store is your proximity to your front-line people. "Take Wal-Mart, for instance," Kay explains. "The people at the very top are brilliant. But in order for their ideas to come off on the store floor, those ideas must channel through dozens of people. By the time that idea gets to the store floor, it's likely to have been screwed up. The smaller

retailer, on the other hand, can pull off an idea he has in a day. Smaller retailers have more control over their daily operations. They can react to situations and implement strategies more quickly than a huge retailer can."

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**"Smaller retailers have more control over their daily operations. They can react to situations and implement strategies more quickly than a huge retailer can."**

### Turning employees into selling experts

Keep in mind that your employees are not mind readers. They don't instinctively know what needs to be done. Assume that something like "saying hello to every customer" is obvious to only you, the owner. "Many specialty retailers hire people who are experts in the product and/or service the company provides," Kay points out. "But that doesn't mean those employees are experts in the art of selling."

Your salespeople likely know a great deal about lawn mowers, chain saws and tractors. But do they know how to sell those products? I mean really sell them. Many successful retailers put sales scripts together for their salespeople. Scripts tell them exactly what they're supposed to say. Your salespeople can study and rehearse these scripts "off the sales floor," so when they are in a selling situation they'll be well-prepared.

Kay says, "Here's a great line you hear in retail all the time. You're right in the middle of your favorite sales presentation when the customer says, 'Oh, I don't need all that.' But the fact is, everybody needs the top of the line. Some consumers just can't justify a reason to pay that kind of money for things they don't think they need."

You need salespeople who understand how to handle this situation. To handle situations like these, your salespeople need confidence. And confidence comes with training.

Kay offers this tactic: "Make a list of everything

you want an employee to do every day — for 30 days. The list will be overwhelming. It will probably take six months to a year in order to train that employee on every task on that list. That's fine. Training is continuous and constant. Then make a second sheet. On the left side of the sheet you write down what needs to be taught. On the right side is a place for a checkmark, along with the employee's initials.

"Then you play 'show me' with each item on the list," Kay continues. "You pick the topics in order of priority. Tell the employee you need him for a 10-minute training session. The first item on the list, for instance, is 'How to sell lawn mowers.' You ask the employee, 'Do you know how to sell our lawn mowers?' The employee will undoubtedly say, 'Yes.' Then you tell the employee, 'Show me ... sell me a lawn mower.' In many cases, that

employee will do a terrible job. That's what you're hoping for. If they do a poor job, praise them anyway. Tell them they're very close, but you have a couple pointers. Then you show them how to sell that lawn mower. Ask the employee if he thinks he understands now. When he says 'yes' ask him to show you again, and again and again until he gets it right. When he gets it right you can check it off the list and move onto the next item."

### Do employees know **your** standards?

As a business owner, you have a vested interest in your company. Thus, you need to think "it's never good enough." It's important to get your employees to adopt this same way of thinking.

*continued on page 20*

It's not rocket science. How do you encourage employees to work harder, smarter and more effectively? Reward them for doing so. Below, Eddy Kay provides a rundown of some of the most common methods of employee compensation, designed to help you get the best, most professional performance out of your staff. Remember, Kay points out, if most employees are hourly or salary, they won't work very hard. They'll work just hard enough to not get fired. Commissions are everything.

**Salary plus bonus.** If the sales rep hits a plateau he gets a bonus. Thus, the harder that employee works the more money he makes.

**Hourly plus spiff.** If an employee sells a certain brand or model he gets a little bonus; \$50 for example. Many retailers find it advantageous to offer spiffs on merchandise that's not turning quick enough, or items with an attractive profit margin.

**Percentage of gross sale.** This is a good way to go if you do not allow your sales reps to tinker with the sale price. Using this method, an employee will be paid either 1) minimum wage, or 2) a percentage of his gross sales. Typically, 3% to 7% of gross sales is the rule.

**Percentage of gross profit.** This is ideal if you do

allow your salespeople to discount. By paying them a percentage of gross profit, sales reps are encouraged to hold their prices.

"Many retailers are afraid to implement a commission-based structure," Kay says. "They're afraid their employees will become uneasy and quit. There's a way to ensure this doesn't happen. Take a look at the sales histories for each of your sales reps. Who's selling what in a given month? If everyone is being paid \$12 an hour, some are probably earning that while some aren't. Now determine the percentage of total gross sales each sells, and in turn, what each rep is actually 'earning for your company' on an hourly basis. This rate is the foundation.

"Tell the rep he'll continue making what he's making if he continues selling what he's selling," Kay continues. "The good news is that he'll make more if he sells more. It's typically a six-month process to figure out how your commission system should work — so it's fair for both you and your employees."

continued from page 19

"I like to use the example of my 8-year-old son," Kay says. "I tell him to clean his room. He does, and is watching TV 10 minutes later. But his room is still a mess. However, it's not his fault — it's my fault. He didn't know what my definition of clean was. To him, the room was clean. So he didn't fail as a room cleaner. I failed as his manager because I didn't clearly convey to my son what my standard was."

**"You'll only make as much money next year as your staff will allow you. If you have a mediocre staff you'll have a mediocre year."**

"I maintain that all your employees are 8-year-olds," Kay goes on to say. "They are not mind readers. You will always be disappointed with them unless you know that you both share the same values. The only way to do that is to tell them what you expect of them, and then play show me."

Do your employees know how to beat the big boxes? Again, Kay says, you need to play show me. Make sure your employees know that "product knowledge" is the difference. Do they know how to sell each of your brands on the features/benefits each possesses? Employees need sales and product training, along with customer service training.

"Allow your staff to be ignorant," Kay advises. "Encourage them to come to you for advice when they're unsure about something. Then you'll be able to get on the same page in regards to what the standard actually is."

Another tip from Kay is, "Don't hire recycled trash." Just because someone has been in the industry for 20 years doesn't mean he's automatically a great hire. "You need to take charge and hire the right people," Kay says. "Typically, the independent retailer is short-staffed, so he's afraid to fire problem employees."

One thing you can do, Kay explains, is put up a big sign at your store that says, "Now accepting applications." Never, ever take that sign down. "You might be

surprised at how many people fill out applications," Kay says. "Six months later when your problem employee comes in late for the 50th time, you have the option of finally letting him go because you have a dozen applications in your drawer. And it doesn't matter if those people who've filled out applications have experience in your industry. You're going to train them anyway. That employee who's late all the time, even though he's very experienced and knowledgeable, can still poison the well."

As an independent retailer, you need employees who can explain the difference between one brand and the next. It's not going to be the 18-year-old at Wal-Mart with little knowledge and interest in the product. But it can be the 18-year-old you taught the lawn mower business to. And as soon as that 18-year-old starts to come off as an expert, his age disappears. It comes back to training. Do your employees know what makes you different? Do they know how to exploit that?

"You'll only make as much money next year as your staff will allow you," Kay says. "If you have a mediocre staff you'll have a mediocre year. How do you get your staff to improve? Tell them what your standards are. Train them. Make sure they understand how to meet those standards. And reward them for doing it right. That's when you're really taking charge of your business." **YG**

### About The Author

*Eddy Kay is an independent consultant teaching manufacturers and retailers what he calls "the art and science of sales and management." He's been a featured speaker for several well-known*

*retailers such as Circuit City and Sony Electronics. For information on his three-book series, "The Good News About Retailing," send an*



# Attract new customers

## Feature new products.

By Jim Riley

One of the toughest and most expensive tasks in marketing is attracting new customers. Competition is fierce, advertising is expensive, and — unless you've recently remodeled or changed locations — it's difficult to put a shine on your image in the community. That's why featuring new products is very effective in attracting new customers.

The first two advertising projects I did in outdoor power equipment were for new products (a 30-second TV commercial for a homeowner pressure washer, and a 5-minute point-of-sale video for one of the first rear-tine tillers). I was amazed at the response to both. Dealers were, too. People that had never been in the store before came looking for "that new pressure washer", or "that tiller with the tines in back".

I'd like to think the reaction was due to my brilliance, or "the power of advertising". However, the fact of the matter is: People are attracted to new products. And if you are an outdoor power equipment retailer, chances are you've got plenty of new product fire power to attract new customers this spring.

New models, new technology, new accessories and features. And remember, even if the products and/or features are not necessarily new to the industry — but are new to your store, or new from one of your manufacturers — that counts. Brag about them!

### About The Author

*Jim Riley of Red Letter Communications Inc. has worked with Stihl Inc., as well as several Stihl distributors, for over 10 years. He specializes in translating national advertising campaigns into tools that distributors and dealers can utilize in their local advertising and marketing.*

*Riley is also a member of the "Stihl Retail Readiness"*



### Things you can do — NOW

- Create a flyer featuring all new products, and mail it to all existing customers.
- Create a co-op ad that itemizes new products, and run it early in the season.
- Create a special display area inside your store for the new products.
- Create a special event for pros and/or homeowners to feature "a whole lot of new products from your old friends." Consider a pre-season radio remote or radio campaign to get folks in on a Saturday. Normally, we can't "move the market" up out of the natural heavy-traffic times. But an event featuring new products can bring people in early.
- Consider offering a new set of services connected to the new products. For example, "A class of new products this good deserves a new level of service from (Your Store Name). We are proud to introduce our new 'Gold Service' program ..."
- Ask new customers if they would like to get information on other new products, new services and promotions from your store. "If yes, please take a moment and give us your e-mail address ...." It's called "permission marketing" — customers give you permission to send them information. It can be very powerful.

### There's still time

It's still March. You have time right now to do some real planning. List a dozen ways to call attention to new products. For example, you can make some buttons, stickers or product tags that say, "It's NEW, and it's HERE!" Perhaps, you can display your new products outside on the first few sunny Saturdays. Have a banner made that says, "10 Great New Products — all here now!"

Take a lesson from our friends in the auto industry — new models bring in buying customers. We are Americans. We like new stuff. New stuff, especially new gadgets, get our attention. It's the sort of thing that can draw customers into your store — for the first time, or for the first time in years. 

*Originally printed in Yard & Garden's March 2003 issue.*

# Seal the deal in seven seconds

*If you make a great first impression, you can close a sale in less than seven seconds.*

By Lydia Ramsey

**C**an you close a sale in just seven seconds? If you make a great first impression, you can do it even faster. Seven seconds is the average length of time you have to make a first impression. If yours is not good, you won't get another chance with that potential customer. But if you make a great first impression, you can bet that the customer is more likely to take you and your company seriously.

Whether your initial meeting is face-to-face, over the phone or via the Internet, you do not have time to waste. It pays for you to understand how people make their first judgment and what you can do to be in control of the results.

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**If you make a great first impression, you can bet that the customer is more likely to take you and your company seriously.**

Learn what people use to form their first opinion

When you meet someone face-to-face, 93% of how you are judged is based on non-verbal data — your appearance and your body language. Only 7% is influenced by the words that you speak. Whoever said that you can't judge a book by its cover failed to note that people do. When your initial encounter is over the phone, 70% of how you are perceived is based on your tone of voice and 30% on your words. Clearly, it's not what you say, it's the way that you say it.

Choose your first 12 words carefully

Although research shows that your words make up a mere 7% of what people think of you in a one-on-one encounter, don't leave them to chance. Express some form of thank you when you greet a customer. Customers appreciate you when you appreciate them.

Use the other person's name immediately

There is no sweeter sound than that of our own name. When you use the customer's name in conversation within your first 12 words and the first seven seconds, you are sending a message that you value that person and are focused on him. Nothing gets other people's attention as effectively as calling them by name. If a customer walks into your store whom you've never met before, introduce yourself and ask him what his name is.

Pay attention to your hair

Your customers will. In fact, they will notice your hair and face first. Putting off that much-needed haircut or color job may cost you the deal. Very few people want to do business with someone who is unkempt or whose hairstyle does not look professional. Don't let a bad hair day cost you the connection.

Keep your shoes in mint condition

People will look from your face to your feet. If your shoes aren't well-maintained, the customer may question whether you pay attention to other details. Shoes should be polished as well as appropriate for the business environment. They may be the last thing you put on before you walk out the door, but they are often one of the first things your customer sees.

Walk fast

Studies show that people who walk 10% to 20% faster than others are viewed as important and energetic — just the kind of person your customers want to do business with. Pick up the pace and walk with purpose if you want to impress. You never know who may be watching.

Fine-tune your handshake

One of the first moves you make when greeting a prospective customer is to put out your hand. There isn't a businessperson anywhere who can't tell you that the good business handshake should be a firm one. Yet time and again people offer up a limp hand to the client. You'll be assured of giving an impressive grip and getting off to a good start if you position your hand to make complete contact with the other person's hand. Once you've connected, close your thumb over the back of the other person's hand and give a slight squeeze. You'll have the beginning of a good business relationship.

### Make introductions with style

It does matter whose name you say first and what words you use when making introductions in business. Because business etiquette is based on rank and hierarchy, you want to honor the senior or highest ranking person by saying his name first. When the customer is present, he is always the most important person. Say the customer's name first and introduce other people to the customer. The correct words to use are "I'd like to introduce ..." or "I'd like to introduce to you ..." followed by the name of the other person.

### Always have your business cards ready

Your business cards and how you handle them contribute to your total image. Have a good supply of them with you at all times since you never know when and where you will encounter a potential customer. How unimpressive is it to ask for a person's card and have them say, "Oh, I'm sorry. I think I just gave my last one away." You get the feeling that this person has already met everyone he wants to know. Keep your cards in a card case or holder where they are protected from wear and tear. That way you will be able to find them without a lot of fumbling around, and they will always be in pristine condition.

### Match your body language

#### About The Author

*Lydia Ramsey is a business etiquette expert, professional speaker and author of the acclaimed book, "Manners That Sell: Adding the Polish that Builds Profits."*

*For more information about her programs and products please visit her Web*



### to your verbal message

A smile or pleasant expression tells your customers that you are glad to be with them. Eye contact says you are paying attention and are interested in what is being said. Leaning in toward the customer makes you appear engaged and involved in the conversation. Use as many signals as you can to look interested. 

## Handling complaints

Do you and your employees know what to do when there's a fly in your customer's soup? That fly might be an unreturned phone call, a product or employee that didn't perform up to expectations, or one of many things not delivered as promised. The fly is a problem, and if you or your employees don't know how to react positively for the customer immediately, you are not going to turn that fly in the soup into a sale.

You do not have to give your products or services away in order to appease a disgusted customer. But you must do something immediately to regain that customer's trust.

### Two ways to prepare for flies in the soup

**Predetermine what you do.** Write down all the obvious negative (flies in the soup) situations that have arisen or may arise. Do this with all your employees.

**100% customer-centered.** It is very easy to turn a fly in the soup into a lifelong customer if everyone in your organization is 100% customer-centered. When your business is 100% customer-centered, everything you say and do will be about the customer — not about you.

*For special report #121B, "Why and how to be 100% customer-centered," e-mail consultant Bob Janet at Bob@BobJanet.com with "Special report #121 B" in the subject line.*

# Nine no-fail ways to boost referrals for your business

*Referrals should be the foundation for all your selling efforts.*

**I**ncreasing your client base is a goal many small business owners have. But you just don't have the budget to spend a lot of money on growing your business. The inexpensive and very effective solution, says Maribeth Kuzmeski, founder and president of Red Zone Marketing, is to look in your own back yard. That's right. Referrals from clients and even prospects are the best leads you can ever hope to receive.

"If you provide valuable, worthwhile products and services to your clients, they will want to share you with others," says Kuzmeski, whose marketing program helps clients generate more referrals and dramatically increase their business. "It's just human nature. But sometimes they need a little nudge. So whatever your business is, you should have a system in place for promoting this positive 'word of mouth.' A good referral system is worth its weight in gold."

In her book, "Red Zone Marketing: A Playbook For Winning All The Business You Want," Kuzmeski explores the various ways companies can use the power of referrals to their advantage. Below are the Nine Extraordinary Referral-Boosting Strategies she suggests.

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**A referral request package can be a powerful marketing tool ... asking for referrals in writing is much more psychologically comfortable than asking in person.**

## Seek out a systems-based approach

Too many companies view referrals as something extra, a "doggie bone" a client tosses them every once in a while. This mindset needs to change. Everything you do should be geared toward asking for and following up on referrals. If you have a system in place for pursuing referrals, you and your staff will use it. You won't have to think, "Now what can I send to this referral?" or "How can I thank this client for giving me this referral?"

## Give clients more than service, give them an experience

In order to get referrals, you must become a memorable, noteworthy, one-of-a-kind business. Your clients must want to refer their friends and associates to you. Do whatever it takes. Develop a memory hook or tagline that cleverly conveys who you are. But that's just the beginning. Delivering your core product or service is only part of the equation — you must give your clients an experience. That, maybe even more than your stellar service, is what sells them.

## Find your 'natural niche' and never let it go

Remember, you can't be all things to all people, and shouldn't try to. Taking into account your expertise, areas of interest and the niche areas you are already working in, figure out what kind of "specialist" you want to be. It should feel natural, as if your company was born to play this role. Then, cultivate that niche. For example:

- Become a prominent and visible member of an industry association; either local and/or national.
- Create educational opportunities such as seminars and "lunch and learn" workshops. Be innovative. You'll make a name for yourself as an expert in your field.
- Use testimonials and success stories in your particular niche; they act like referrals.

## Keep in touch to keep 'em happy

Initiate contact with your clients on a regular basis. Don't wait for them to call you. In fact, Kuzmeski suggests creating a monthly KIT (Keeping In Touch) Program for communicating with your best clients. Furthermore, you should contact these special clients one to three times a year just to make sure they are happy with your service. Use your database to systematize this process.

Keeping in touch is more than a bunch of mailings. It's a way of keeping clients "in the loop." It will also keep you in their loop. You want to constantly be there to help your clients solve a problem before it becomes a

problem, and to encourage them to tell you if they're not satisfied with something. You don't just forge a strong relationship with your clients, you become part of their lives, and they become part of your team.

### Become a 'list lord'

A country club list, for example, can open the door to referrals. Let's say you're sitting across the table from someone who's a member of, for instance, the Watertown Country Club. Just pull out your list and say, "I was wondering if you know anyone in this club who may be interested in the services I offer?" You will be surprised at the response you get.

The list method works because people want to show that they have influence in the groups they belong to. Once you have referrals, you can call these people up and say "Hello, I got your name from Ron Smith, who is a member of the Watertown Country Club that you're a member of, and he said that you may be interested in the services that I offer." It's a great way of getting more referrals without being demanding.

### Make your office an 'RR crossing'

Put a big sign in your office or store that says "RR." You will know that it means "remember referrals." It may also inspire clients (or even prospects) to ask the meaning, which creates the perfect opening for you to explain that referrals are the heart of your business and you would appreciate their help.

### Say it with flowers — or more creative rewards

Saying thank you to clients who give you referrals encourages more referrals. So reward these valuable clients with a nice letter or note from you. But in addition, give them something nice. Flowers and gift baskets are time-tested winners. But don't be afraid to be a bit more innovative.

### Persuade your clients with a club

A referral club creates a sense of belonging, and encourages members to provide, you guessed it, referrals. You could have a referral appreciation dinner that's exclusively open to club members and their referrals. Or you could partner with a local business, say, Sally's

Floral Shop. When the referral rewards club card is taken to Sally's, she will give the shopper 10% off any flowers purchased there.

### Just do it — and do it every day

The best way to get comfortable with asking for referrals is to make it part of your everyday business dialogue. Ask your clients, "What have you liked about the work we've done together?" Tell them what you've done for them and then ask, "Wouldn't you agree?" When they give you a positive response, it's a good time to interject, "If there is anyone else who may need these services, please send them my way."

If you simply can't bring yourself to say these words, there is another way. A referral request package can be a powerful marketing tool. Send it to all your clients. This mailing should include a nice cover letter and form on which they can list friends and business associates who might be interested in your services. Many people find that asking for referrals in writing is much more psychologically comfortable than asking in person.

"I cannot overstate the importance of asking for referrals," Kuzmeski says. "These leads are easy to close and cost-efficient, and they usually turn out to be loyal customers. And guess what? Most of your competitors are not asking their clients for referrals. Roughly 90% of the business owners that I talk to across the country say they ask for referrals only occasionally. Why not be among the 10% who does? It will make all the difference in your business." 

*Maribeth Kuzmeski, MBA, is an accomplished speaker, marketing consultant, business owner and author. Maribeth has done extensive research into marketing strategies. She speaks across the United States on topics relating to successful marketing, presents workshops and Marketing Boot Camps for financial advisors, organizations and entrepreneurs, and is a member of the National Speakers Association.*

# Becoming a source for your contractors

*Selling yourself as a tool helps build lifelong customers.*

By Dave Tucker

**T**he playing field is changing. We can't keep on doing things the same way we have in the past and survive. Gone are the days when you could be assured of business because you were the only dealer in town. The contractor has too many choices, too many options, and too much information for you to be able to feel comfortable doing business the way you did 20 years ago. Why does the contractor do business with you? Doesn't he have other places to do business?

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**The contractor has too many choices, too many options, and too much information for you to be able to feel comfortable doing business the way you did 20 years ago.**

## The good old days

The way it used to be was that the dealer set up product in the front window, and people wandered in to purchase it because they didn't know of anywhere else to get it. The dealer was the only one stocking parts, and was the only one with enough expertise to fix what might go wrong.

At times, the dealer would simply inform the contractor that his machine would be in the shop for two weeks. The contractor had to "grin and bear it" since he had no other easy alternatives. This led to more dealer sales because the contractor needed to have extra equipment available to keep downtime to a minimum.

Sounds good, doesn't it?

## Today's realities

Now fast forward to today. The contractor no longer needs the dealer as badly as he used to. He can order from mail order, the Internet, or any other system available to him. Pricing is public knowledge, and the contractor probably knows how much the equipment cost

you before he even walks into your store. He has access to all of the specifications for every piece of equipment he wants, and has already done comparison-shopping with other brands. In a nutshell, we have some pretty sophisticated and well-educated contractors out there.

The contractor will not tolerate long delays in his service. He won't tolerate scarcity of parts or low quality. He knows what he wants, and knows that he can go somewhere else if you don't give it to him.

## The dealer as a tool

Why does the contractor do business with you? It isn't price. If you are trying to sell on price, you will be sadly disappointed because there will always be someone cheaper. Today, the contractor could pump you for information, decide what model to buy and then purchase it somewhere else. Then, since the contractor already used your time and expertise, the other dealership gets a new customer walking in and placing an order. Wouldn't that make you downright mad?

So, if it isn't price that you are selling, what are you selling? You are selling yourself as a tool. The dealer is a tool that the contractor needs to perform his job in the same way that he needs equipment to mow his grass. What does the dealer provide for the contractor? The dealer becomes a resource for equipment, service and information. The equipment is obvious, and the service is not that subtle. But the information might be a new concept.

One way to see how your job involves information is to realize the difference between stores that inform and stores that don't. To put it simply, there are two different kinds of stores: sources and places. A place is an address where a person goes to purchase something. McDonald's is a place; you go there to get something — plain and simple. You also know that you can go to any other number of fast food joints for comparable products. However, unlike a place, a source provides tools of information for the customer. Home Depot has been trying to turn itself into a source by offering classes on how to use their products. When it comes down to it, the main difference between a place and a source is that a source

helps you accomplish your goal while a place just tries to sell you something.

Many companies in many industries are beginning to realize that information is the key to success. Thus, these companies are transforming themselves into sources. Customers are willing to pay more for an item if it comes with help and service from a company that is interested in the customer's success.

## **If you are trying to sell on price, you will be sadly disappointed because there will always be someone cheaper.**

### Dealers becoming sources

How do you become a source? The answer is pretty simple, but still takes some work. You need to understand your customer's business in order to help your customer become more successful. You need to have connections to other sources so that your customer can come to you with questions and problems. As an outdoor power equipment dealer, your customers need to know where they can go to get good business advice.

Your customer has gotten into the business because he wants to succeed. His goal could be as simple as making a profit, having his own company, or wanting to spend more time with his family. Learn what your customer's goal is by asking him some questions. Where does he want to be in five years? What does he consider to be the "perfect" business? If he could change one thing about his business, what would it be? These types of questions will start to tell you what your customers are really looking for. Once you have found these issues, you need to find the answers to them. Knowing your customers' goals is only the first step to giving them help and information.

### Service customers beyond equipment

■ Offer information on insurance. This is a big issue for your contractors. By listing their employees under

different classifications they can save money on their workman's comp rates.

■ Give them access to bank information. What is the easiest bank to get equipment loans from? This will help both you and your customers in getting their equipment paid off.

■ Get information on companies that will do payroll processing. Find out their rates. Try to form an alliance with a payroll company. Maybe you can form a deal for only advertising that company and vice versa.

■ Are your customers separating their "off road" fuel from their "on road" fuel? One landscape company we dealt with was not filing for the "off road" fuel credit, and found out that they were paying about \$7,000 more than they needed to each year. Does pointing this out to your customers create loyalty? You bet.

### Become an information expert

■ Find lawn maintenance information groups like ALCA ([www.alca.org](http://www.alca.org)) and PLCAA ([www.plcaa.org](http://www.plcaa.org)), and find ways to link your company to them. Do you have membership information for your contractors?

■ Make sure your customers are plugged into the valuable business management trade publications geared toward landscape companies. For instance, you can direct them to [www.promagazine.com](http://www.promagazine.com) so they can sign up for a free subscription.

■ Get a Web site with information on yourself, along with links to other helpful sites.

■ Introduce your contractors to the numerous online chat forums that exist for lawn maintenance professionals and landscapers, such as [www.lawnsite.com](http://www.lawnsite.com).

■ Find useful software that your customers could be interested in, and contact the companies to get some brochures and/or information on their products. Good software is becoming more and more necessary for landscape companies.

### Create a community

■ Have an open house to advertise your wealth of information. Get refreshments, brochures, magazines, and maybe even a computer set up on the web with links to resources for your customers. Make yourself available as an "informed host." Prove to your custom-

*continued on page 28*

continued from page 27

ers that you want the best for them; without their companies, you won't have customers.

■ Get together with your customers and take an interest in their businesses. Show them that you care and you could get loyal customers for life.

■ Begin a focus group. Invite five contractors for dinner, and let them talk to you about what their needs are. They will be encouraged and flattered that you asked. Most landscapers are fighting the "You are just a lawn cutter" syndrome. They like to be seen for what they are: professional experts. Asking their opinion will help both you and them.

■ Ask a few select landscape companies to become part of your Advisory Board.

## Let your customers know that you want them to be successful, that you are interested in their companies and that you want to be their business source.

### Relationship-strengthening tips

■ Try co-marketing with your landscape customers. Put your logo on their trucks. And in return, give them express service when they have equipment problems. You can also find other companies who target your customer base to partner with on different marketing efforts.

■ Offer the option of express service; with a price, you will make their machines top priority and/or finished in so many days. For most companies, no mower could mean one less crew. You would be surprised at how many people would buy the express option.

■ Create a separate Commercial Counter that offers service to the commercial contractor. Landscapers complain of having to wait in line for service behind consumers that want to purchase \$2 worth of parts. Make sure that your contractors know you value their business.

■ Once you have created a loyal customer base you should ask them for reference letters, and prominently display them in your shop.

These are just some quick ways for you to distinguish yourself from your competitors. Let your customers know that you want them to be successful, that you are interested in their companies and that you want to be their business source. So, ask yourself the question: Am I a place or a source? **YG**

Originally printed in *Yard & Garden's* February 2003 issue.

### About The Author

*Dave Tucker is president of CLIP Software — "Software for the landscaper, making the landscaper more successful and giving him his life back." Visit [www.clip.com](http://www.clip.com) for more information.*



### The 'commercial dealer' standard

Exmark Mfg. introduced a program last year that recognizes its best commercial dealers. In order to be considered for ProCertified recognition, Exmark dealers must:

- Be open for business during the hours that are most convenient for their landscape professional customers.
- Deliver consistent, 24-hour turnaround repair service on equipment, or provide loaner equipment if the repairs are expected to take longer.
- Offer an excellent selection of Exmark products to meet the varied mowing requirements of the landscape professional.
- Assist the landscape professional in the purchase of mower equipment by offering financing program options.
- Employ service, sales and support personnel that are experienced, knowledgeable, responsive and professional.
- Offer Update/Maintenance Seminars on a periodic basis so the landscape professional can be better informed about Exmark mower operations.

# Promoting your point of distinction

*Dealers discuss how they market their service departments.*

**W**e run TV commercials and newspaper ads on our service department. We also do monthly mailings and provide handouts to our customers who've visited our store. We offer discounted package deals to our buying customers. And we use the Briggs maintenance kits as part of the Protection Plus program to encourage lawn mower maintenance. Maintenance is money, and we are trying to really push it. But it's hard to keep it steady for the mass merchant customers. Premium customers always keep their mowers in shape, so we really like them.

**J.R. Pate**

**Pate's Lawn Mower Sales & Service  
Chatsworth, Georgia**

Service is one of the areas we are really looking to improve in our business. We have sent out, typically, two mailers a year. We offer free pickup and delivery for a certain time period, along with, perhaps, a small discount. Sometimes, simply getting the word out that the machines should be serviced is all that is needed to pull business into our shop.

We are also looking to implement a few new ideas this season. One is to have a sticker put on a machine when it's sold. The sticker shows the date on which the unit should next be maintained. This will, at the very least, remind our customers when maintenance is due; just like the auto dealerships do. Our service for general maintenance is usually only a two-day wait. We are striving to get maintenance jobs done within 24 hours this year. We carry a large supply of popular parts, such as filters, for routine maintenance jobs. More complicated repairs will still take two to three days.

**Cari Timmer**

**Westenbroek Mower Inc.  
Holland, Michigan**

I feel that our service department is our greatest asset, and the one portion of our business that we have the most control over. We promote our service primarily through direct mail to all customers who've taken the time to come into our store; we enter them into our data file. These customers already have place and face recognition of our establishment. All we do is let them know

that we are thinking of them and value their business.

**Alex Wood**

**The Cutting Edge of Virginia  
Salem, Virginia**

—Part of the challenge for dealers is to get the consumer to remember you're there after they've already bought the machine from you. Our coupon book helps us do that, and it doesn't even cost that much now that we've brought production in-house. It's like 50 cents per sheet.

We only sell handheld equipment. So for our coupon

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**For our coupon book, we include those items we know customers will eventually need to come back for: saw chain, tune-ups, chain bar sprockets, bar oil and engine oil.**

book, we include those items we know customers will eventually need to come back for: saw chain, tune-ups, chain bar sprockets, bar oil and engine oil. There are around nine coupons in the book. We include the coupon book when we sell a product, particularly a chain saw, to help get the customers coming back to our dealership for maintenance and service. The coupon book has roughly a \$100 value to the consumer.

We used to have the coupon booklet printed by a local printer. We started doing it ourselves two years ago to cut down on production costs. Now it's just in sheet form where customers cut out the coupons. There's no loss of perceived value so we just continue to do it ourselves.

**Marvin Cowley**

**All Seasons Equipment  
Eugene, Oregon**



# Marketing on the Web

*Reach out to the sophisticated shopper through this increasingly popular medium.*

By Gregg Wartgow

As the Internet becomes a more common way for today's high-end consumer to shop, it becomes increasingly important for power equipment dealers to have a Web presence. Of course, a high-involvement purchase such as a riding lawn mower will always require some "kick-the-tires" face time. But in many instances, the high-end consumer will first look to the Internet to do his/her preliminary research. If a dealer does not have a Web site, he's putting himself at a disadvantage right out of the gate.

Brian Gardner of [lawnmowerdealers.net](http://lawnmowerdealers.net) says, "According to research from Jupiter Communications, roughly 80% of all consumers in the United States now use the Web to at least research products prior to purchase; durable goods included. That's a pretty large number."

As Gardner points out, more than any other medium, the Internet must be designed around the needs of consumers. If your Web site is clumsy and hard to navigate, consumers are not going to spend much time looking at it. With that in mind, consider the following guidelines Gardner has to offer.

## Keep it professional, yet simple

The Web is a spectacular visual medium, and consumers need to see products that are showcased attractively — especially durable goods such as cars and outdoor power equipment. At the same time, you don't want to bog your site down with graphics and other design elements that are too complicated. Nothing's more annoying to an Internet shopper than a Web page that takes forever to load up on his or her computer screen.

You have eight seconds to interest a visitor or encourage him/her to drill deeper into your site. Perhaps the best guide is this: Think of how you would expect to be treated in someone else's site while shopping or browsing for other products.

Just like any other advertising or communications piece, the text should be concise, edited and spell-checked. On the Web, less is more. People tend to scan more than they read. In many cases, a dealer can take

advantage of professionally written manufacturer's copy for presentation on his own Web site.

## Seek help

Gardner tells, "Dealers have, for the most part, built crude, amateurish Web presentations that neither enhance their businesses nor boost sales. These sites are almost never promoted and rarely updated. Of course, there is the rare exception. But the vast majority of outdoor power equipment dealers don't view the Internet as the serious marketing tool that it is. What's worse, a terribly constructed Web site can actually damage a business."

That said, regardless of how large or small your site may be, it pays to have a professional Web developer design and publish it online. Pick someone with reliable, bona fide credentials. The cost will depend on the size and complexity of the site. Remember, sometimes less is more — especially on the Web. Try to create the most professional-looking, informative presentation possible, without getting too complicated.

Once launched, you must have an easy means to change site content yourself, without having to learn a staggering amount of Web protocol. If you depend on someone else to update your site, make sure he or she does so in a timely manner, especially if you require frequent price changes, for example. You'll want to hash all these details out when you and your Web developer are first launching your site.

"More than ever before, the customer is always right," Gardner says. "Consumers drive the Internet, and it is critical to always put their needs at the top of the priority list. While only a small number of people purchase directly on the Web, upwards of 80% use it to research, compare and locate outdoor power equipment. Focusing on the issues I've described is key to making your business Web site successful." 

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– James Sculati, Lawnmower Store, Savannah, GA

– Larry Ludlam, Lawnmower Store, Savannah, GA

– Chris Zipperer, Hester & Zipperer, Savannah, GA

– Steven Best, Andy's Lawn Machinery, Inc., Savannah, GA

## **“There’s one thing we regret about dumping the big-box brands: That we didn’t do it sooner.”**

The owners of Savannah’s three largest OPE dealerships didn’t get where they are by being stupid. So when two major handheld equipment manufacturers started selling through

big-box stores, each of these guys cut ‘em loose. Now that they’re exclusive STIHL Dealers, they sell the one brand the big boys can’t. And as a result, each of them has seen increased sales

and profits every year since they stopped selling those other brands. As one of the guys put it, “Selling STIHL exclusively makes us wonder why we ever sold anything else.”

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# **STIHL®**



*– Harry and Jeff McGahee, Harry's Saw Shop, Martinez, GA*

## **“We’re surrounded by big-box stores. Do we look intimidated?”**

“When you’ve got five big-box stores within 500 yards of your shop, you’d better sell one hell of a brand. That’s why we’re exclusive STIHL Dealers. Unlike other manufacturers, STIHL doesn’t undercut us by

selling through the big boys. And we don’t spend our time supporting the brands they carry. Plus, being STIHL exclusive means we get superior equipment, a smaller parts inventory and rock-solid support—

which we turn into increased profits year after year. Hey, we might be the little guys on the block, but with STIHL at our back, we’ll take it to the woodshed anytime.”

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