

2.4 EDUCATE THE CUSTOMER

Warm-Up Activity (do on large paper)

Form 4 groups.

In your group, brain storm adjectives for the word you are given.

EXPLAINING LEVELS OF PRODUCT OR SERVICE VALUE TO CUSTOMERS IN A WAY THAT IS RELEVANT TO THEIR NEEDS

- Many customers know the specific item they want to buy but are uncertain about which brand, style, or color to purchase. That's when they look to you for guidance.

THE OPENING STATEMENT

- Greet your customer
- Use open ended questions
 - Example: A customer picks up a smart phone and starts playing with it. By watching her reaction, you can make an appropriate comment like, “That’s a great phone. I use one like it myself. It takes high-quality photos and is very easy to use. What are you interested in learning about his product today?”

EXERCISE 21: MAKE A STATEMENT

ENERGIZING YOUR PRESENTATION

- I. Share a personal story—may give you a higher level of credibility.
 - ❖ Example: I see you're looking at mattresses. I struggle with back problems, which leads to restless, uncomfortable nights. I purchased this mattress, and now I sleep though the night very comfortably. Feel free to lie down on it and test it out."

2. Ask questions—find out what specific features and benefits your customer is interested in.

- ❖ The most important part of customer education is how you emphasize the benefits of your product or service rather than just the features.

3. Discuss benefits—Talk about why this is a good product or service for your customer. (What problem does it solve for them?)

❖ Keep in mind that a long list of great features won't sell a product unless the customer can relate to the benefits.

Feature	Example	Benefits
Neutral colors	Beige, almond, ivory, gray, taupe	Goes with everything Doesn't stand out or get unwanted attention Low maintenance
Natural fibers	Wool, cotton, silk	Long-wearing Soft texture Rich colors Allows skin to breathe in clothing
Dimensions	Height, width, extra-long, petite, extra large	Better fit Greater comfort Increased capacity Greater value

Running Shoes Example:

Features: Strong overlays, breathable mesh upper, Zoom air cushioning

Benefits: “These features provide a comfortable run on most terrains. The breathable mesh keeps the feet cool while the overlays offer more foot support. The Zoom air cushioning unit lessens the shock of the impact; it also has a rubber outsole that gives you great traction.”

Car Example:

Sales person: “This model has an enhanced engine and several convenient options.”

Customer may immediately think only of the added cost. But, if the sales person adds that the enhancements to the engine help to reduce fuel consumption on the highway, as well as wear and tear on the engine during short runs in the city, then the customer can understand how it can benefit him. This way the feature goes from being an expensive luxury to something he really needs.

- *Start by talking all of the wonderful facts about your product, service, or company and translating them into benefits. This way, not only do you educate your customer, but they'll see the value in the more expensive product.
- People are looking for solutions; you need to outline those solutions so they feel you understand their needs and are presenting the best options for them.
- Let's look at a fun example of Mike Rowe selling a #2 pencil.

4. Demonstrate the product—if story policy allows—customers benefit from actually using or handling the product.

- ❖ Look for opportunities to let your customer experience the product.

- ❖ Steps to ensure a quality demonstration:

- ❖ Prepare to answer questions

- ❖ Understand the customer's buying motives

- ❖ Ask questions and listen carefully to the responses

- ❖ Analyze the response to determine the customer's needs

- ❖ Present the product that *best* meets the needs of the customer

- ❖ Discuss the benefits of the product

- ❖ Compare the product with its competitors

- ❖ Let the customer try the product

- Make sure the products you're demonstrating are accurately priced and within your customer's price range.
- You can discuss the advantages of a slightly more expensive model by comparing advantages and disadvantages of both.
- Make sure all products are working properly before you demonstrate them.
- Personal Delivery:
 - Show the customer that you are interested in what they have to say and sincere about helping them.
 - Make good eye contact, offer a warm handshake, introduce yourself.
 - First impressions are very important
 - People will respond to your greeting either positively or negatively even before you speak

VERBAL COMPONENTS OF YOUR PRESENTATION OR DEMONSTRATION INCLUDE:

- Quality and clarity of the information
- Your level of product or service knowledge and ability to answer questions.
- How well the information relates to their needs
- Customers will gage your presentation according to how well their needs were met.
- The tone of your voice and whether you are talking at a level that they understand will be decided by your customer.
 - Don't use a lot of technical jargon with customers who aren't technologically savvy and simply want to know how to use the product and how it will benefit them.
 - Be sure your volume and speed are comfortable for your customer (not monotone or rushed)

WHAT YOU SHOW THEM

- Refers to the physical demonstration of the product or service
- Customers react to how they feel the product or service might be of value to them, not just the product itself.
- Example: A sales representative was demonstrating a camcorder to a family. He wrapped a dollar bill over the lens to cover it completely. The lens automatically refocused in the macro mode and magnified the fibers of the paper and ink, making visible things that normally weren't visible to the naked eye. His audience was very impressed and he continued the demonstration by asking, "What applications do you think this lens could be used for?" The family presented numerous options, including stamps, jewelry, and even pet ants! By asking this question, he included the entire family in his presentation while getting them to see the value that the lens could bring to their lives. As this example shows, using props, visual aids, and product materials will effectively boost the impact of your presentation.

EXAMPLES

- Example #1:
- Customer: I can't decide whether to go with the top-load or front-load washing machine.
- Sales associate: What types of concerns do you have about your specific laundry needs?
- Customer: Well, I have three kinds, so I do a lot of laundry. I need it to have a high capacity so I can do fewer loads, but I don't have a lot of space.
- Sales associate: Thankfully, both models will provide you with large capacity and high efficiency, but a front-load washing machine can be easily stacked with the dryer so that you can maximize the space in your laundry room.

****One way to explain product features in a way that shows you understand the customers needs is in a “so that you can” statement. ****

- Example #2
- “If you’re interested in a new refrigerator to accommodate your interest in cooking for large dinner parties, I’d recommend a refrigerator with a top-side freezer **so that you can** have the capacity for a large amount of perishable groceries.”
- Example #3
- “You told me you live in an apartment with a very small kitchen and want to update the appliances. I recommend this compact-sized refrigerator **so that you can** maintain the current style of your kitchen and won’t have the expense of remodeling.”

- <https://www.youtube.com/watch?v=DZrjXSsfxMQ>
- <https://www.youtube.com/watch?v=XJJobDuuumo>

EXERCISE 22: ROLE PLAY DEMONSTRATING A PRODUCT

- Answer questions
- Volunteers
- Answer:
 - Reflecting on your role play, what did you learn about presenting features and benefits?
 - If this were a real sales demonstration, what would you do to ensure that the demonstration went smoothly? What would you do differently?
 - Was your partner's approach customer-friendly and clear? Did you understand the benefits of the product?

LIVE DEMONSTRATION

- Helps get the customer excited about the product, exceptional demonstrations can lead to feelings of trust. Both of these emotions are associated with buying.
- Customers love to be entertained, and they generally believe what they see, especially if they are involved in the demonstration.
- Always ask the customer if they would like to see the product in action before you begin the demonstration (they may be in a hurry or are already familiar with the product).

LIVE DEMONSTRATION

1. Make it personal

- Purpose of the demonstration is to show the customer how your product or service will meet their specific need.
- Always adapt your presentation to the audience you are addressing

2. Keep it simple

- Don't use technical jargon
- Stay confident and calm, don't talk too fast

3. Ask questions

- Don't do all the talking
- Ask the customer questions to involve them in the demonstration
- Ask open-ended questions
 - provides you with necessary information to match the customer to the right product or service, helps you understand their opinion, confirms you are clearly answering questions and you've correctly understood what they're looking for, create awareness of payments or other options included with the products.

9 STEPS TO PREPARE FOR POWERFUL DEMONSTRATION

1. Write it down—ensure you cover all sales points
2. Edit—eliminate redundant or unnecessary words
3. Practice—builds confidence
4. Don't memorize, energize—you the point you want to make, get excited about them
5. Use sales aids as you speak—flyers, brochures, research data charts
6. Lead your customers, don't be forceful
7. Focus on value—perceived value is more important than price
8. Stay flexible—don't assume you know what the customer wants. Keep them engaged by asking them questions, adjust comments to address any points they raise.
9. Let the customers sell themselves on your products and services. People like to buy, but they hate being sold.

RECOMMENDING COMPREHENSIVE SOLUTIONS BASED ON CUSTOMER NEEDS

- Once you are certain of what your customer's needs are, propose a complete array of products and services that will meet those specific needs.
- When discussing services, make sure you:
 - Include the benefits of the service you're offering in your explanation.
 - Explain any fees and company policies associated with the service.
 - Make arrangements for the service (delivery, date, installation date, etc.).
 - Verify customer satisfaction once the service is complete.

CROSS-SELLING AND PROPOSING CUSTOMER-SPECIFIC SOLUTIONS

- Look for a complete solution that will address your customer's needs, including complementary products, warranties, and available services such as home assembly. Not doing so is a missed opportunity for you and could lead to the customer's frustration when she tries to use the product and realizes she doesn't have what she needs to use it the way she planned.
- Cross-selling—suggesting additional products that complement your customer's purchase.

- Example: Your customer purchases a new camera and uses it for the first time at her son's first birthday party. She took so many pictures that the included memory card filled very quickly. The battery died right before the end of the party, and she didn't have a backup, so she didn't get as many photos as she would have liked. In the end, she was disappointed in her purchase, so she decided to return the camera and purchase another one at a different store that specializes in digital photography. You not only lost a sale, you also lost a customer.
- When cross-selling, it's important not to wait until the end of the sale to mention the additional items. Work them into your sales presentation.
 - When discussing the memory card, recommend that the customer buy an additional card so she won't run out of memory during an important event.

EXERCISE 23: CROSS-SELLING

GREAT SERVICE GOES A LONG WAY

EXPLAIN SOLUTIONS TO CUSTOMERS IN THEIR TERMS

1. You should restate the customer's specific needs to show that you were listening and to ensure your understand.
2. Explain how a particular product and service offering or combination meets these needs. Let them know that, based on what they're looking for, you're going to make some recommendations to give them the experience they expect with their new purchase.
 1. Suggest the essential add-ons (items that are needed to ensure that the customer's expectations are met). Example: purchasing a new tablet—essentials may be a protective case, screen cleaner, extra charging cable, extended warranty.
3. Once the essentials have been offered, ask open-ended questions such as “how do you plan to use your tablet?” If they say—to entertain children on a long car ride, suggest a car charger. If they say to replace a work laptop, ask if he has considered purchasing a tablet keyboard or docking station.

PROVIDE INFORMATION ON CURRENT PROMOTIONS

- When offering additional products, it's also a good time to mention any promotions or sales your customers could benefit from.
- Many stores offer “Bundled Packages.”
 - Bundled packages—putting together selected merchandise for one single price.
 - Example: A store may offer a game console with two new popular games and an extra controller for a price lower than the sum of each individual item.
 - Fast food—cheaper to buy a combo of a burger, fries, and drink rather than to purchase each item individually.

UPSELLING AND SUGGESTING ALTERNATIVES

- There may be variations in product and service offerings that your customer would prefer to choose from. Make sure you point out:
 - Other comparable brands and arrangements
 - Choices of colors, model, and sizes
 - Complementary products and services
 - Product and service availability and options
 - Availability of special offers
 - Any customizable product or service
 - Differences in pricing and comparative value

- Example:
 - You are trying to find the perfect vacuum cleaner for your customer that is within her price range. You have demonstrated a quality machine for her, but as you ask more open-ended questions, you discover that she has pets that shed. You suggest she look at the slightly more expensive machine specifically designed to pick up pet hair, and offer to perform a side-by-side demonstration. By upselling, you've provided the customer with all the information necessary to decide which option will best meet her needs.
- Remember—don't just think of upselling as a way to improve your sales numbers. Rather, think about what you could suggest to customers to increase their satisfaction.

- Some customers come into a store knowing exactly what they want and are ready to buy a specific brand, color, model, and size. Typically, this is an easy customer to serve and proves to be a quick transaction. But what should you do if that item is out of stock or your store doesn't carry that particular item?
 - Check the stock room of the item.
 - If it's not in your store, check to see when a new shipment is due to arrive.
 - If your store has more than one location, check other stores to see if they can transfer the item to you or ask the customer if he/she would like to pick up the item at the other store.
 - If the item is in your warehouse, find out how soon it can be transferred to your store or delivered directly to your customer.
 - Suggest a similar item that will meet the customer's needs just as well if not better. This solution could be something similar to the original merchandise or totally different solution that the customer hadn't considered.
 - Offer the customer a raincheck if the item is on sale, as long as the sales ad or signage doesn't state "limited quantities" or "while supplies last."
 - Raincheck: coupon issued to a customer by a store, guaranteeing that a sale item that is out of stock may be purchased by that customer at a later date at the same reduced price.

EXAMPLE OF SUGGESTING AN ALTERNATIVE SOLUTION:

- A customer enters an office supply store looking for a very large bulletin board for posting messages, bulletins, etc. The sales associate states that the largest bulletin board available is 2 x 3 and inquires whether that is large enough for the customer's need. When the customer tells him no, the sales associates suggest a 4 x 6 whiteboard that is also magnetic and allows the customer to write messages directly on the board as well as use magnets hold information. He also suggest purchasing different colored dry-erase markers to color code messages, along with additional fun magnets to reflect his taste or sense of humor. The customer hadn't considered purchasing something more versatile than a bulletin board, but loved the idea once it was presented to him.

- You may find yourself working in a national or international retail chain. Many of those retailers have developed private label “store brands” that are often made by famous manufacturers, and many have the same features as the nationally recognized brands. Since they order their private label brands in large volumes, the retailer can usually offer this merchandise at a price lower than the national brand.
 - Example:
Best Buy’s private label is known as Dynex. A Dynex television may have the same features and high quality as a Sony but cost \$100 to \$200 less. If price is a major concern for your customers, they’ll appreciate the benefit of saving money with a private label purchase.
- If you are working for a store that does not offer private label merchandise, learn about other brands or models that will meet your customer’s needs just as well as the item they requested by name. Your job is to learn and understand how the various brands differ in features, quality, and price and to clearly explain whether and how the different brands will meet customers’ needs.

- You never want customer to feel they are compromising with an alternative product because you're unable to meet their original request, so it's important to show them how they can benefit from the alternative. There will be times when there will be no benefit to an alternative product or service, so you may need to send them to the competition. Doing so can leave a lasting, positive impression of your honesty and sales ability. Not doing so will lead to a poorly matched sales and an unhappy customer.

DISCUSS PRICE AND PAYMENT OPTIONS

- Once the customer has accepted the selection of products and services, provide him/her with the total price.
- Explain all price differences and help him/her compare the value of different arrangements.
- If your store offers certain payment options, such as special accounts, payment plans, or store credit cards, make sure you understand how they work and the advantages of each.
- Review payment options that are available to your customers along with any requirements there might be to participate in those options
- Be sure to explain any incentives, discounts, and loyalty rewards that are associated with these services.

EDUCATING THE CUSTOMER ABOUT SERVICE POLICIES AND RELATED RESOURCES

- Service plans—explain details about service offered, including limitations, exceptions, length of terms of the plan, and expectations.
- Make customers aware of policies you do and don't offer at the time of service.
 - Returns, Layaway, or options for reserving items on order
- Selling more intangible services to a customer can be difficult because of experiences with negative publicity or dishonest sales tactics. You owe it to your customer to discuss these services and clearly explain the benefits.

WARRANTIES

- A poorly handled warranty issue can result in a lost customer.
- It is critical that you know and understand your company's policy regarding warranties so that you can provide the customer with accurate information.
- Knowing and understanding the warranty will help to establish your credibility and may help the customer better understand the situation.
- If a customer asks you for an exception to that policy, have your immediate supervisor or manager approve it and, if approved, explain to the customer exactly what you are going to do.

WARRANTY QUESTIONS TO ASK WHEN STARTING A NEW JOB

- What, if any, expectations does your company make to the terms of product warranties?
- Do exceptions to a warranty depend on the type of customer doing the asking (such as a loyal customer or the number of previous returns)?
- Who determines when expectations to the warranty/return policy can be made?

EXPLAIN THE FOLLOWING WARRANTY DETAILS AT THE TIME OF SALE:

- Warranty terms
 - Expiration date
 - How and where to obtain service
 - Whether the customer needs to complete any documentation, such as a warranty card
 - If necessary, local, regional, or national laws with respect to warranties
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- At the time of purchase, go the extra mile and help the customer fill out the warranty card and mail it form them (if the store permits).

RETURN POLICIES

- **At the time of purchase, explain your product warranties and return policies, especially for any items that have exceptions, such as under garments, electronics, and opened products.**
- When a customer returns an item, listen carefully to the customer and respond in a clear, specific way. This is very important when dealing with an upset customer who discovers the problem isn't covered by the warranty. Have an experienced coworker to help you develop and practice answers to tough customer questions.

- If a company's return policy restricts what you can do for a customer, treat the customer with respect and look for an alternative solution.
 - If you can't give a complete refund, offer them something like a discount coupon, store credit, or free sample (if allowed). This will make them feel as if you've listened and made an effort to help them.
- If you need to refer customers to an area of the store that handles returns and exchanges, walk them there and introduce them to the person handling the exchange.
- If you handle the return, guide them through the process.

LET'S LOOK AT A FEW RETURN POLICIES

- <http://www.bestbuy.com/site/help-topics/return-exchange-policy/pcmcat260800050014.c?id=pcmcat260800050014>
- <https://www.thenorthface.com/help/return-policy.html>
- <http://oldnavy.gap.com/customerService/info.do?cid=82724>
- http://help.walmart.com/app/answers/detail/a_id/9/~/_return-policy

SELLING EXTENDED WARRANTIES AND OPTIONAL SERVICE PLANS

- Mention the warranty or service plan early on in the sale, preferably when you are asking the lifestyle questions to determine the right product for the customer.
- **3 options for introducing warranties:**
 - Standard introduction— use as soon as you know what type of product the customer is interested in.
 - Replacement Product—can be used for portable or high-use product. Good to use when a customer tells you they are purchasing this new product because their old one broke down in just a few years.
 - Direct Approach—can be the most difficult, but most effective for customers who do not like the feeling that someone is actively trying to sell them something.
 - Ask if they'd like to purchase or hear about the extended warranty.
 - An early introduction of the extended warranty, maintenance program, or service plan is one of the keys to consistent success of selling these add-ons. Remember, unless the customer asks, this is not the time to discuss the features and benefits or the cost of a warranty or service plan because you most likely haven't yet fully discovered customer's needs and wants.

4 MISTAKES SALES ASSOCIATES MAKE WHEN SELLING LESS TANGIBLE ITEMS:

1. Lacking complete knowledge of the program.
 - Difficult to properly explain its features and benefits in a way that customers can relate to.
2. Waiting too long to discuss the program.
 - Presenting at the end of the sale not effective, customer has already mentally “checked out”
3. Spending too much time talking about it.
 - Presentations for optional programs is ineffective. By discussing every feature of the program, associates miss the opportunity to address the customer’s need.
 - You should mention the information into the entire sales presentation early and often, so you can point at certain features and benefits of the program that will appeal to the customer. Generally, after mentioning the service program 2-3 times, the customer will ask the price of the service program and how it works.
4. Lacking the confidence to properly present the program.
 - Associate may think it is too expensive or they don’t fully understand the features of the program.

ASK FOR THE SALE

- Not asking for the sale is a mistake.
- Many customers do buy optional services and warranties and may be surprised if one isn't mentioned.
- Don't make assumptions that the customer can't afford it, won't see the value, doesn't look like the type to buy optional services, purchase is too small for a warranty.

EXERCISE 24 & 25