Chapter 3.2

Gain Customer Commitment and Close the Sale

Class Discussion: Are any of you athletes?

- What types of signs and codes are used to direct game plays?
 - Ex: T with hands for time out
- In all these examples, a person wanted to communicate information. Your customers won't always look at you and say, "I'm ready to buy!" Often you will have to interpret their signals to make the right play.

Observing customers for buying cues

• A good salesperson pays attention to customers to determine when they are ready to make a purchase.

Verbal cues

- Customers will ask questions or make statements that signal they are ready to make the purchase. May be clear or subtle.
- Questions about when it can be delivered or whether it is in stock indicate that the customer most likely wants to make a purchase and is not just looking around.

T chart Activity

Exercise 9: Ready or Not?

Body Language Cues

- Body language or non-verbal communication—can reveal a person's true feelings towards you and how well your words are being received.
- Between 60-80% of our message is communicated through body language, while only 7-10% is attributed to the actual words of a conversation.
- We all make and use **facial** expressions and **gestures**, often spontaneously and unintentionally.
 - Ex: Smiling-sign of happiness or friendliness.
 - Pointing, waiving, or nodding the head are also widely used, although the gestures themselves do not always mean the same in every culture.

What do the following mean to you?

- Smiling
- Rolling eyes
- Shrugging
- Stretching
- Frowning
- Waiving
- Intense eye contact
- Avoiding eye contact
- touching

- Standing close to another person
- Winking
- Sitting with arms crossed
- Yawning
- Drumming fingers on the desk
- Placing hand over mouth
- Tapping foot or swinging crossed leg
- Nodding
- Shaking head

8 Primary Elements of Body Language

- 1. Face—major source of expression when communicating with others. It can smile, frown, remain neutral, show anger, show disgust, indicate you want to speak, and show interest.
- 2. Eyes—often the first piece of body language other notice. Can be used to make or avoid visual contact and express feelings based on intensity and length of connection.
- **3.** Posture—includes how you hold your head, shoulders, legs, arms, and hips. Examples: tilting your head, slumping your shoulders, turning your hops sideways.

- 4. Gestures—often related to verbal communication. You might use hand gestures to emphasize a key point during a speech or presentation. However, you can also wave at another person as a way of saying 'hello.' In this case, you don't have to say the word out loud for the message to be clear.
- 5. Voice—Though it is used to verbalize language, it is still an important part of non-verbal communication. Tone of voice, volume, emotion, and pace all influence the messages you send with your words.
- 6. Movement—fidgeting is a sign of nervousness, boredom, or agitation. Full-body movements like moving toward another person may send a message of dominance or assertiveness, while moving away from another person may send a message of avoidance, submission, or simply bringing the interaction to a close.

Touch—one of the most powerful elements of body language. It is capable of communicating so many different messages and can also be interpreted in so many different ways. Usually divided into 4 main categories: friendship, professional, social, and intimacy.
Appearance—physical appearance includes clothing choice, hair

style, and cleanliness.

One of the main differences between verbal and non-verbal communication is that we are often **not conscious of the expressions and gestures we use, putting us in danger of giving more information than we really want to, of giving the message with our body language that conflicts with our words. If we want to seem engaged and sincere, we should make **eye contact** and **lean towards** the person we are speaking with.** The Power of Body Language https://www.youtube.com/watch?v=7cg192cQYUA

Your Body Language Shapes Who You Are <u>https://www.youtube.com/watch?v=Ks-</u> <u>_Mh1QhMc&index=1&list=PLheH9TdTMp9yDxZivmwDnkQ329DzijtDE</u>

Examples:

- Ready: customer picks up a tablecloth and six matching napkins, chances are pretty good she has made up her mind about the items.
- Not Ready: Customer had only picked up one napkin and was still looking at other options, you could safely assume she is still considering.
- May Be Ready: Customer carries her table cloth and napkins over to the candle section. You would want to be careful not to close the sale too soon; she might select additional items. But you should check to see whether she needs any help and make an encouraging comment. "Isn't' that a beautiful new shade of green? Are you looking for green candles to match? Or would you prefer them in an accent color?"

Use Caution

 You don't want to mistake a request for more information as a buying signal. If you do, the customer might feel you are not interested in helping so much as interested in making a sale as quickly as possible. If the customer has picked up an item and put it back down or continued to browse, don't try to close; simply offer your assistance. It is important to learn where the customer is in terms of the buying process: Is she just browsing or anxious to make a purchase? Make sure she knows you are at her service, pay attention to buying signals that tell you she is ready to make a decision.

Recognizing buying signals and asking for the sale are both parts of making a close.

An important thing to remember: making a sale is one thing; having a returning, happy customer is another. YOU MUST WORK TO DEVELOP RETURNING CUSTOMER RELATIONSHIPS!

Retail industry statistics show that it cost 4-6 times more to attract a new customer than to keep an existing one.

Why would it cost more to attract a new customer than to keep an existing one?

What types of efforts go into attracting a customer?

Ensuring a Complete Purchase (p347)

Sales Process In Action

Step 1: Recognize Buying Cues

A customer in a bath and body store is visiting each display to smell the various fragrance options. (Not Ready) The customer stops at a display and collects several bath products all in the same fragrance line. (May be Ready)

Step 2: Offer Assistance

Associate: "Have you found everything you need in the Fresh Rose line?"

Customer: "Probably more than I need!"

Step 3: Suggest an Additional Service to Complement the Sale

Associate: "Let's see-that really is an ideal selection of both cleansing and moisturizing products. And you will be well on your way to a free item with our frequent buyer club." Customer: "Oh, I didn't know you had such a program."

Step 4: Close the Sale

Associate: "It's great! I'd be happy to help you get signed up while I package these for you."

Be enthusiastic about your products and services. Customer can tell when a sales associate bored or disinterested. Your enthusiasm will help build rapport, and the more familiar customers are with you as a salesperson, the more open they will be with their product and service needs.

Overcoming Objections and Responding to Questions

- Even though you accurately read the customer's body language and verbal cues, they may still have second thoughts about making the purchase.
- Customers may stop and question whether they are doing the right thing, even especially if the item is particularly expensive or a gift.

Help the customer get past their uneasy feeling about purchasing:

- Provide assurances about your store's return/exchange policy
- Provide assurance about the products' quality
 - These will help the customer make the purchase with confidence.
- DO NOT FORCE A SALE THAT CLEARLY DOES NOT MATCH THE CUSTOMER'S NEEDS!
 - A customer is unsure about the purchase if they want to "think about it," talks about shopping around at other stores, or asks questions about current/pending sales or the return policy.

Customer: "I'm not quite sure this color is right. Whit if I get home and it doesn't match?"

Associate: "Just keep your receipt and you can return it for a full refund or exchange."

Customer: "Okay, I guess I'll take it. I won't know for sure until I try it!"

- Return and exchange policies vary from "No Returns. No Exchanges" to "The customer is always right"
- A generous return policy can build store loyalty, but it also can cost the store money if customers abuse it.
- Customers need to know the **details** of the store's return/exchange policy.
 - It should be posted at the cash register.
 - Associates should review the policy with customers at the time of purchase
 - Sometimes, large companies print the policy on the back of the receipt
- Another way to reassure a customer who is having second thoughts is to refer to the warranty or share your knowledge about the quality of a product.

Customer: "I'm just not convinced this new plastic version is going to work for me. I really wanted the old metal kind."

Associate: "I understand how you feel. The metal was very reliable. However, we learned that the manufacturer switched to plastic because it is more durable and doesn't rust or dent. I don't think anyone makes them in metal anymore. They are so confident in this new material that they now offer a five-year warranty. How can you lose?"

Customer: "Well, maybe. I'll repair my old one and continue to get by."

Associate: "You could certainly do that. I do think you will be pleasantly surprised at the improved features. So if you'd like to try this out before you make a decision, you can bring it back within two weeks, just keep the original packaging. I'll refund your money and help you pick out replacement parts to repair your old one if you decide to go that route."

- This approach gives the customer peace of mind and confidence in the product and your store.
- It may be good to even call the customer later to see how the item is meeting his needs.
- You will be a true professional sales associate when you can recognize when an item is not right for a customer. When you agree that he/she may want to reconsider a purchase, you gain their trust and loyalty. The next time that customer needs something you sell, he/she will seek out your help in making the correct decision.

A few questions:

- What would be a common concern if a customer were buying:
 - A Car
 - Carpet
 - Computer
 - Refrigerator
 - Flat-screen TV
 - Bed and mattress
- How can you, as a sales associate, anticipate these concerns?
- As a customer, have you ever had concerns or second thoughts about making a purchase? If so, how did the salesperson respond? Was her response appropriate and respectful?

Customer: "I had you put this on hold for me. I've been looking all over for one, but now that I see it, I'm not sure I like the locking mechanism. It is difficult for me to operate."

Associate: "Yes, it is. These are actually designed more for commercial use than household use. Unlike a new pair of shoes, I can't tell you this will get "broken in" and easier to operate. I agree you'd probably be better off with a different model. Shall I show you some alternatives?"

When customers do change their minds about a purchase, the best thing you can do is honor their decisions and make it as easy as possible for them. Chances are they will remember how helpful you were and bring you their business in the future.

Exercise 11: Responding to the Undecided Customer



Responding to Undecided Customers

- To be a successful retail associate, you need to anticipate customer concerns.
- To maintain customer loyalty, you must be sure that your responses to any customer concern or objections are accurate do not go against company policies.
- This is the point of the sale that where you encourage the customer to shop again, continue as a repeat customer, share in special store incentives.
 - Work with your manager to learn about any discounts or other offerings that your store may have that will benefit the customer and help close the sale.
 - As a retail associate, you need to remain **current** on specific programs your store offers and make your customer aware of these opportunities.

- Have you ever purchased something only to get home and find that you don't have everything you need to make it work? How did that make you feel?
- The associate didn't truly complete the sale by reminding you of these additional things you would need.
- You can be a hero by checking with your customers to make sure they have everything they need to be fully satisfied with their purchase. You can suggest additional merchandise before you close the sale.

- Associate: These are great hiking boots and will last you a long time. You should treat them with a good water-repellent before each hike. Do you have some at home?
- Associate: Good luck with your paining project. Do you have everything you need to get started—roller, brush, painter's tape?
- Associate: I'm sure your son will love his new remote control truck. Do you have the right size batteries at home?

Discuss the Specifics of the Sale

- By now the customer has made his choice of which item or items to purchase. Now all that is left is to review the specifics of the sale.
 - Going over the warranty or extended service protection plan
 - Arranging for delivery/and or installation
 - Reviewing the return and exchange policy
- **You have mentioned all these things during the sales process, so all you are doing now is **confirming** information and ensuring that the customer understand the details of his purchase.

Coordinating Other Services to Expedite Delivery

- When a customer request purchases to be delivered, it is important for the sales associate to make sure that she is aware of the **delivery process**.
- Merchandise deliveries are another way to add value to the services that your company provides.
- As a sales associate, it is your job to:
 - Explain delivery options, including charges or other requirements
 - Arrange for acceptable delivery dates and times
 - Complete all paperwork for the delivery request
 - Follow up to make sure delivery was completed to the customer's satisfaction

- Arranging for deliveries may require that you obtain information or help from colleagues or outside services. You need to be accurate and clear with contact information and delivery instructions.
- Delivery service is quite common. If completed appropriately and handled with care, it goes a long way in building customer satisfaction and repeat business. Your job is to assure the custom that the item(s) will arrive safely and on time.
- Most places charge for delivery and installation services. Some retailers may run "free delivery" specials to encourage customers to purchase large items. Others may run special pricing or free installation on purchase of flooring or minor landscaping services. Ask your manager whether your store offers these promotions.

- You will need to learn how to read the delivery fee schedule. This will tell you how much to charge for delivering each item depending on its:
 - weight,
 - dimensions,
 - distance it is to be shipped, and
 - urgency of delivery.
- Generally, the faster it is delivered, the more it will cost. When customers request a "rush" delivery, be sure they understand any extra charges involved.

Exercise 12: Calculating and Scheduling a Delivery



Closing and Confirming the Sale

- The close is the **last** thing the customer will experience before leaving the store.
- What you do and say during this step of the sale will determine whether or not this customer will become a return customer or if they will recommend you to friend or family members.
Asking for the Sale

- If the customer is shopping for a gift:
 - Ask if they'd like it gift-wrapped
- If a selection seems appropriate for the current situation, you might suggest that he put it to use **right away**:
 - Associate: That blazer looks great with the pants you are wearing. Would you like me to cut the price tag off so you can wear it out the store?
- The customer may not come right out and tell you he is ready to make the purchase. If his body language and verbal cues suggest that he is ready, you can walk him over to the cash register or ask him how he'd like to pay for it.

What questions could you ask to move a customer toward closing the sale?

- The simplest closing technique may be to offer the customer a choice between 2 positive options:
 - "Will that be cash or credit card?"
 - "Do you want the dress folded or left on the hanger?"
 - "Would you like the red tie, the blue tie, or both?"
 - "Would you like that desk already assembled or would you like to assemble it yourself?

Another technique

• If the item the customer is considering buying is the last item in stock, you have low stock, or it is on a special promotional price that will be ending soon, you may let them know that.

• Example:

"This is the last pair of shoes in you size. You may want to get them now. Just save your receipt so you can return them if they don't match your outfit."

• NEVER use this technique if the situation is **untrue**. That is **dishonest** and **unacceptable**. Your customers will not appreciate being tricked into being something before they are truly ready.

Examples of when you can honestly use this technique:

- "These are a limited edition and will be available only for a short time."
- "This week, all Blu-ray are "buy 3, get 1 free." Do you have anyone with a birthday coming up soon?"
- "This book is #1 on the bestseller list, and it's our last copy."
- "Just so you know, the sales on all of our office furniture ends today. The prices will go back to regular price tomorrow."

• Another successful closing technique is to make a recommendation based on what your customer has told you that she needs. To be even more effective, you should also show how the **benefits** of that product or service will outweigh any **concerns** or **objections** she has expressed. For instance, if Mrs. Churchill is concerned that the new computer she ahs picked out is too expensive or has too many features, you can help her review why she chose this model.

- Mrs. Churchill: This computer is so expensive, and it has so many bells and whistles. Maybe it's just too much for me.
- Salesperson: I can understand how you feel. However, this model has the accounting software you need for your business, plenty of memory for storing important documents and photographs, a much faster processor than your current computer so you can get more done in less time, and it has a build-in webcam you can use on your web conferences. It does everything you need and more!
- Mrs. Churchill: Yes, you are right about that. All of those things are important to me. Let's get this rung up so I can get back to work!
- **Be **patient** with customers who are struggling to reach a buying decision especially for **high-priced** items.

Exercise 13: Closing the Sale Based on Customer Signals

Handling the Sales Transaction

- Every retailer has a system for collecting money. It might be a money-box, basic cash register or till that generates a simple seals receipt and offers a place to store the money. Large retail chains have electronic cash registers or point-of-sale systems that are used not only of tying up sales transactions but also to schedule the home delivery and/or installation, to track inventory levels, and even for the employees to "Punch in" and "punch out" for the start and end of their shift.
- No matter what system is used, the customer (and your employer) must be confident that the transaction is being done correctly.
- Cash registers are usually quite east to operate.

- During your shift, you will make many sales requiring you to ring up the correct price, total the sale, accept payment, count back change, and put money away for safekeeping.
- Each store will have its own policies for how to handle purchase involving cash, credit or debit cards, checks, and gift cards.
- One thing is consistently true for all retailers and all customers: the need to ring up sales quickly and accurately.

Scan as You Go

 http://www.samsclub.com/sams/pagedetails/content.jsp?pageNa me=scan-and-go&_requestid=346967

Exercise 14: Think It Through

The Cash Register

- Point-of-Sale (POS) terminals make it easier for you to ring up a sale and save the customer time.
 - Allows task that used to be done by hand to now be completed using computers.
 - Reduces checkout time and the chance of mistakes in ringing up the sale.
 - Some computer terminals do everything from completing shipping forms to updating the customer's loyalty account information.
 - Can keep track of what customers are buying to facilitate quick and easy reorders.
- More stores are currently relying on the use of **barcodes** on products that are read by the computer with optical scanners.
 - Scanners may be flat (grocery stores) or handheld (used in many specialty and department stores)
 - Barcodes automatically record the current price of the item, including any discounts and taxes.
- Even with all this technology, it is a good idea to become familiar with the basic process and procedures of completing a transaction. The computer system may go down and you will have to complete a transaction manually.





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Tips for Ringing up a Sale Accurately

- Attention to detail is very important when ringing up a sale, especially if you are manually entering information rather than relying on a sophisticated system.
- If your system uses scanners, always scan the UPC. It is more accurate than handkeying the item numbers.
 - If your system ask for item numbers or SKUs, be sure you enter them. This helps keep track of inventory levels and will decrease the likelihood of running out of popular items.
 - Make sure you are entering the right quantity.
 - Enter prices carefully, and put the decimal point in the right place.
 - Be especially careful if you are entering any data that could compromise the customer's privacy, like account numbers or credit card numbers.
 - Make sure you are subtracting when you credit a customer with a return and adding when you are processing a purchase.
 - Don't forget sales tax or any other additional charges, such as delivery or installation fees.
 - Always ask customer whether they would like the receipt put in the bag or with their items. Some customers like to keep receipts in their wallets or purses.

Cash Transactions

- Cash is a common form of payment, especially for inexpensive purchases.
- Important tip for handling cash—place the cash on the <u>ledge</u> above the cash register drawer until you have given the customer any change from the purchase. This ensures that no mistake was made in the amount of cash the customer gave you versus the amount of change you're giving in return.
- When you do finally place money in the register drawer, make sure that the coins and bills are placed in the correct compartments. This will prevent mistakes later as you make change for other customers.
- Usually larger bills (\$50s and \$100s) are placed under the drawer along with receipts.
- Policies for handling money and receipts vary by retailer and will be part of your new employee training.

Know Your Money

- You can help guard against threats form counterfeiters by becoming more familiar with United States currency. Look at the money you receive. Compare a suspect note with a genuine note of the same denomination and series, paying attention to the quality of printing and paper characteristics. Look for differences, not similarities.
- http://havefunwithhistory.com/movies/counterfeitMoney.html

If you receive a counterfeit:

- Do not return it to the customer
- Delay the customer if possible
- Observe the customer's description (as well as that of any companions) and the license plate numbers of any vehicles used.
- Contact your local police department or US Secret Service field office. These numbers can be found online or inside the front page of your local telephone directory.
- Write your initials and the date in the white border areas of the suspect note.
- Limit the handling of the note. Carefully place it in protective covering, such as an envelope.
- Surrender the note or coin only to a properly identified police officer or U.S. Secret Service special agent.

Calculate Change

- Easiest way—"count up" from the purchase total to the amount of money given to you by the customer.
 - Associate: Your total is \$2......(then count up)3, 4, 5 makes \$5.
- Count the money from the cash drawer into your own hand first. Then repeat it as you count it into the customer's hand.
- Show courtesy and respect by always counting the change back into the customer's hand. Never lay it on the counter, where it will be difficult for the customer to pick up.
- If the customer is busy with other things, wait until she is ready to accept her change.

Can you spot the counterfeit? Exercise 15: Making Change

Debit and Credit Card Transactions

- In the U.S., over 50% of department and specialty store purchases are on credit.
- Debit cards—look like credit cards, but are issued by bands as an extension of the customer's bank account. Customers either enter a PIN number into a key pad at the POS terminal or sign what looks like a credit card receipt.
- Always follow store policies about checking for identification or providing receipts.
- Part of your job—make sur the card is still valid and being used by the right person.
 - Some stores require you to ask for ID for large purchases, but you can always compare the signature on the back of the credit card with the customer's signature on the recipt.

- After you have processed the credit card, lay signature side up on the counter near you. This allows you to check the signature as the customer is signing the credit card slip.
- Customers will appreciate knowing that you are protecting them as well as the store.
- Occasionally the credit card authorization might be denied or questioned.
 - The customer has exceeded the established credit limit.
 - The card has been reported stolen.
 - The customer has placed certain restriction on the card's use.
 - The creditor is denying credit due to late payment.

- When a card is rejected, handle the situation courteously and try to spare the customer any undue embarrassment.
 - Inform the customer of the problem, ask if they would like to use a different credit card or pay with cash.
- If you suspect the card is stolen, follow store procedures and know who to ask for help.

In closing....

- Many retailers design their price tags to include the information that is also needed on the bill of sale. Sales associates can then transfer the needed information from the price tag to the bill of sale.
- It is easier to remember to fill in all of the necessary information if you know why it is important—learn as much as you can about your store's "behind the scenes" procedures.
- If your store wants you to complete a handwritten receipt, check with your manager or coworker to make sure know exactly what information must be included.
- Some stores use standard forms and do not necessarily require that you fill in every field, others use custom-designed forms and expect you to fill in each field in a specific way. Be sure you know the requirements of your store.

- If your store is planning a special promotion, be sure to mention it as you close the sale. Most customers will appreciate the advanced notice.
- If you have free samples or coupons to give away, mention the gift or coupon as you place it in the shopping bag.
- Use this opportunity to remind customers how much you value them and look forward to seeing them in the future.
- THANK THEM FOR SHOPPING WITH YOU!

Exercise 16: Transactions