



Staying Relevant to a Changed Customer



Good News

- The next new economy, the one rising from the ashes of this latest meltdown, will **favor the small**
- “Cloud computing” **will level the playing field** for even the tiniest of companies, they will also be able order globally
- “Involuntary entrepreneurship” is now **creating tens of thousands of small businesses**

Good News (cont.)

- American consumers are **more confident** than at any time in the last three years thanks to **better prospects** for the economy and jobs

Not So Good News

- Gas prices continue to rise, driven by turmoil in the Middle East
- Millions of people are still “upside down” in equity of their homes
- Interest rates will begin to rise slightly
- Commodity prices have also risen

Have YOU Changed?



The New Abnormal

- Frugality fatigue
- Shopping is in our DNA
- 51% of Americans have abandoned the savings plan they put in place in 2008
- February sales were up in most markets

The Idea – Your Questions

- ***What*** is your business?
- ***What*** need does it fill?
- ***Who*** is the customer?
- ***Why*** is it special?
- ***Why*** is it better than the competition?
- ***How*** is that communicated?

Elevator Speech

1. ***Your name:*** _____
2. ***Name of business:*** _____
3. ***State a typical concern that might be encountered by the person(s) to whom you are speaking:***

4. ***Explain how your business addresses that concern:***

5. ***Say “which means.”***
6. ***Offer a benefit the person(s) would receive:***

Notable Slogans

- You are in good hands
- We try harder
- Think Different
- Just Do It
- Reach Out and Touch Someone
- Fly The Friendly Skies
- Don't Leave Home Without It

Two Things Drive Your Decision Making. . .

1. Who is your customer?
2. How does money flow through your business?

Define Your Customer!

- What gender is my customer?
- How old is my customer?
- A family/couple/individual?
- What is their income?
- Where do they live?
- Do they own or rent?
- How do they travel?

Define Your Customer (cont.)

- How many travel past my location? When? How often? How?
- What do they do? Where do they work?
- What do they read?
- What do they listen to or watch?
- Where else do they go?
- What other businesses do they visit?

TRADER JOE'S

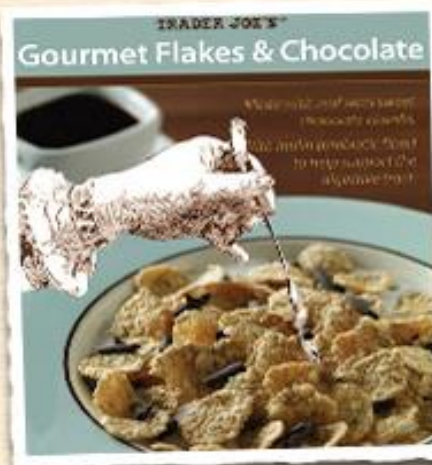
YOUR NEIGHBORHOOD
GROCERY STORE

[HOME](#)[TRADER WHO?](#)[PRODUCTS](#)[LOCATIONS](#)[FAQS](#)[Radio/Flyer](#)[JOBS](#)[CONTACT US](#)

Aloha!

WELCOME TO TRADER JOE'S,

your neighborhood grocery store. A quick trip through our island paradise - um, website - will tell you a little bit about who we are, how we do business and, most importantly, [where to find the Trader Joe's](#) in your neighborhood. 'Cause that's where the value, adventure and tasty treasures are discovered, every day. Thanks for stopping by.



Gourmet Flakes & Chocolates

Crunchy flakes of whole-some grains (with added inulin for even healthier digestion) are complemented by delicate twists of semi-sweet chocolate to create this sincerely delightful cereal. Each 15 oz. box is **\$3.29**. Simply lovely.



[Fearless Flyer Is Here! Click to view.](#)



What exactly does Joe know? Curious, are you? Just click on my nose to...

**SIGN UP FOR OUR
E-NEWSLETTER,
TODAY!**

The Customer's Questions

- ***Why?*** Is the price different?
- ***Why?*** Is the product/service different?
- ***Why?*** Is the experience different?
- ***Why?*** Are needs/wants met in a different way?

Differentiate the Business

- It is the only . . .
- It is the first . . .
- It is the best . . .
- It's got the best selection . . .
- It is the coolest, hippest . . .
- It's people are the best . . .
- It's the most convenient . . .
- It's always got new offerings of . . .
- It offers the best value . . .

Retail Trends

- Customer Service rules!
- People want to buy from people they trust
- Buy, act, stay and be local
- Stores must be so good that the customer can't help but tell their friends and neighbors about it
- Have core values and create a culture
- Be passionate and determined

Retail Trends (cont.)

- Create fun, be creative and add a little weirdness
- Because of the Internet and the transfer of control to the customer, your **BRAND** is what you do, how you treat your customers and how you do business
- In a few words or less, how would your employees describe the culture in your store?

Restaurant Trends

- New competition in non-traditional formats
- C-Stores are picking up their food offerings
- Customers are splitting their bills by exactly what they ordered
- Healthful vs. indulgent
- 7 out of 10 consumers say they are trying to eat healthier
- 70% want to know where the meals came from and their nutritional value

Restaurant Trends (cont.)

- Balanced children's dishes
- Transparency about meal content
- Local sourcing, sustainability and nutrition will top menu trends
- Consumers want to know the story behind the food
- Groupon – Other Coupon sites
 - Proceed with caution - You may lose money over time
- 62% of diners look for deals online

Restaurant Myths

- I' ll be rich
- I' ll sit at the bar and let the managers run the business
- I' ll be free to do whatever I want! Yeah right!
- I love to cook, so I should open a restaurant
- I' ll be the next *Food Network* star

Restaurant Math

- Volume \$ [covers]
- Average ticket
- Food costs [portion control]
- Beverage costs
- Break even [fixed expenses]
- Spoilage
- Shrinkage
- Profitability

Have Clean/Current Financials!

- Gross Volume
- Maintained Margin
- Operating Expenses
- Operating Profit (EBITDA)



Retail Math

- Volume \$
- Maintained margin %
- Break even (fixed expenses)
- Average ticket
- Inventory investment: Stock to Sales Turn
OTB By Dept
- Shrinkage
- Profitability

Profit is an Opinion. . .

Cash is a FACT

- Reconcile bank accounts
- Personally disburse all cash
- Emphasize drawer close out
- Bank deposits everyday
- Collect accounts receivable
 - Bill ASAP
 - Keep terms short
 - Call everyone – don't wait
 - Approaching 90 days = collection?
 - Pick up large checks

It is all about image!



Imagine your store as a stage
the products are the “Stars”







Merchandising Standards

- No merchandise in the decompression zone
- Use the prime real estate for your best selling, highest margin product
- No one shops below 12 inches
- “Sweet spot” is from your belt buckle to 6 inches above your head
- Use large products toward the back of the store

Merchandising Standards

- Use your “spot lights” to highlight product
- Use your cash wrap for “add-on” products and impulse products
- T-shirts should be folded with a folding board
- Clean, straighten, and replenish all day long
- **“Activity breeds activity!”**

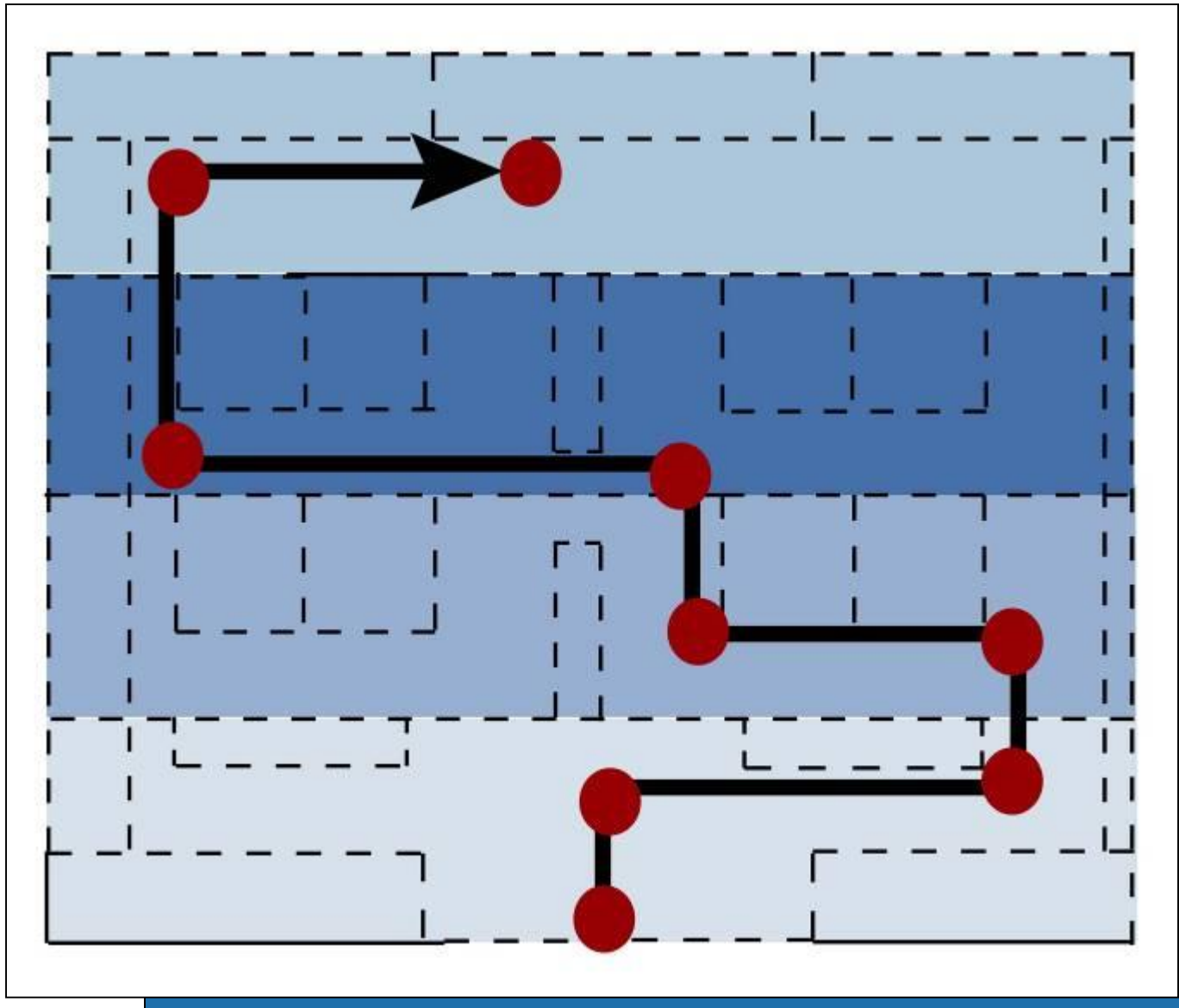




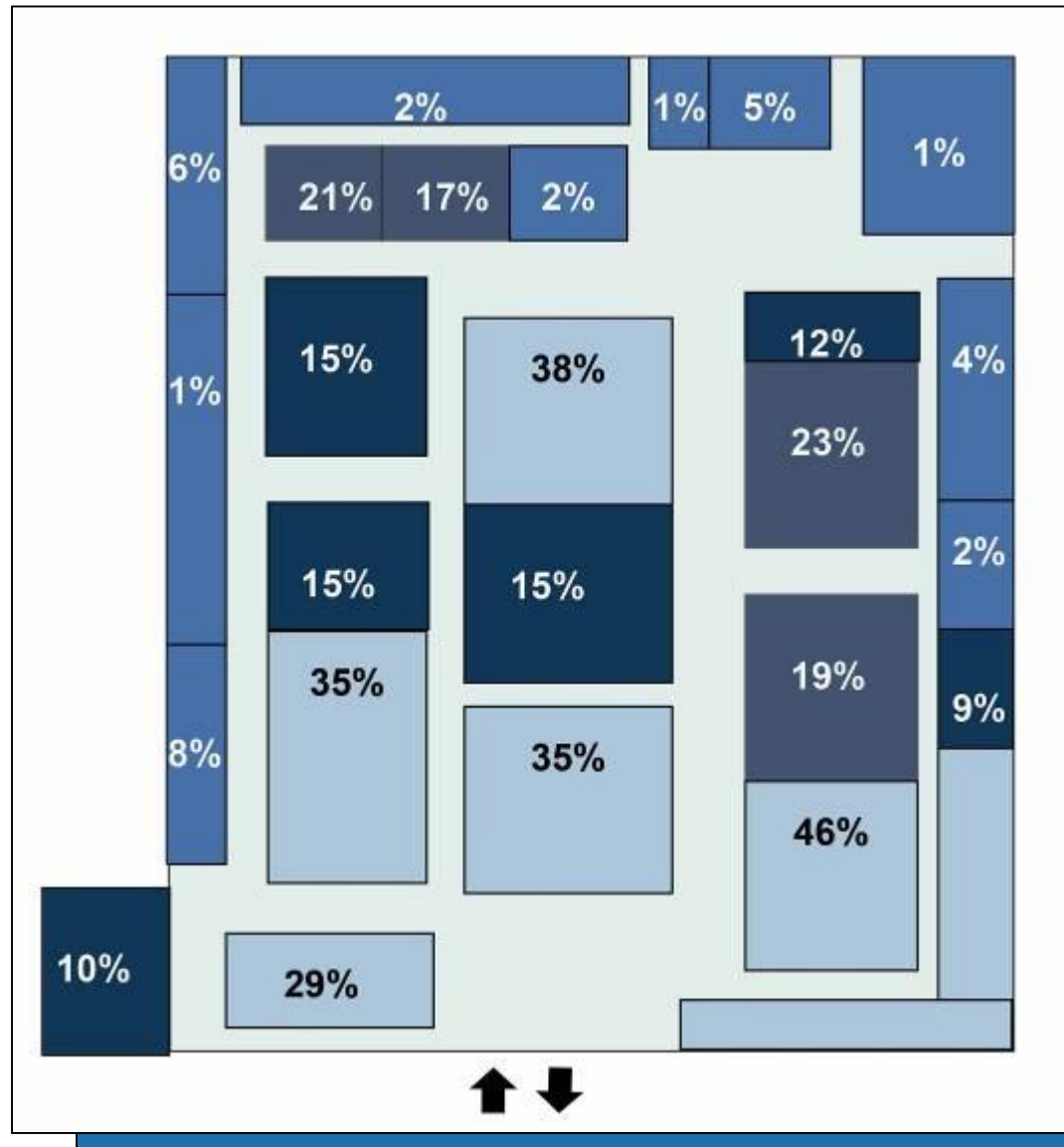




Store Traffic Patterns



Hot Spots - % Who Shop Each Section





Experience :: Service :: Sales

In one Main Street store, an owner determined that sales were quadrupled any time of the week that she was on the floor as opposed to when her sales staff was on the floor.

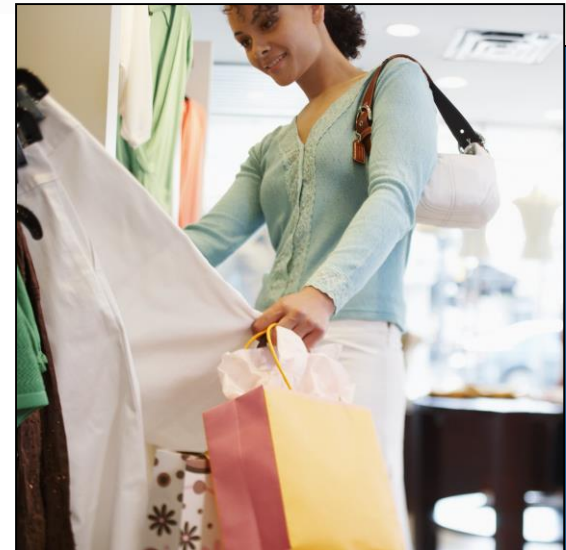
What do you think is happening?

Why People Switch

Reason	Percentage
Better Product	15%
Cheaper Product	15%
Lack of Attention	20%
Rude, Unreliable Service	45%
Other	5%

Engage the Customer

- Be in the front 1/3 of the store
- Eye contact and a smile
- Greet with a warm welcome
- Re-approach
- Open-ended question



Successful Retail Salespeople

- Relate to people easily
- Let the customer talk most of the time (preferably 80% of the time)
- Realize 90% of communication is non-verbal
- Can recognize and relate to objections and do not get defensive

Customer Retention – The First Line of Defense!!

- Voluntary information capture
- E-mail information
- Direct mail promotion
- Newsletter
- Co-promotions w/other businesses
- Thank you notes
- Appointment shopping/special order

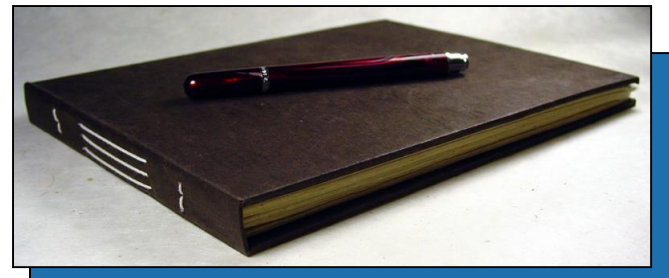
Customers are Gold

It takes 10 times more money to find a new customer than it takes to retain a current customer!



Capture Customer Information

- Have a guest book that has a field for their address and email address
- Invite them to receive notices for sales, promotions, special events
- Invite them to receive your monthly newsletter

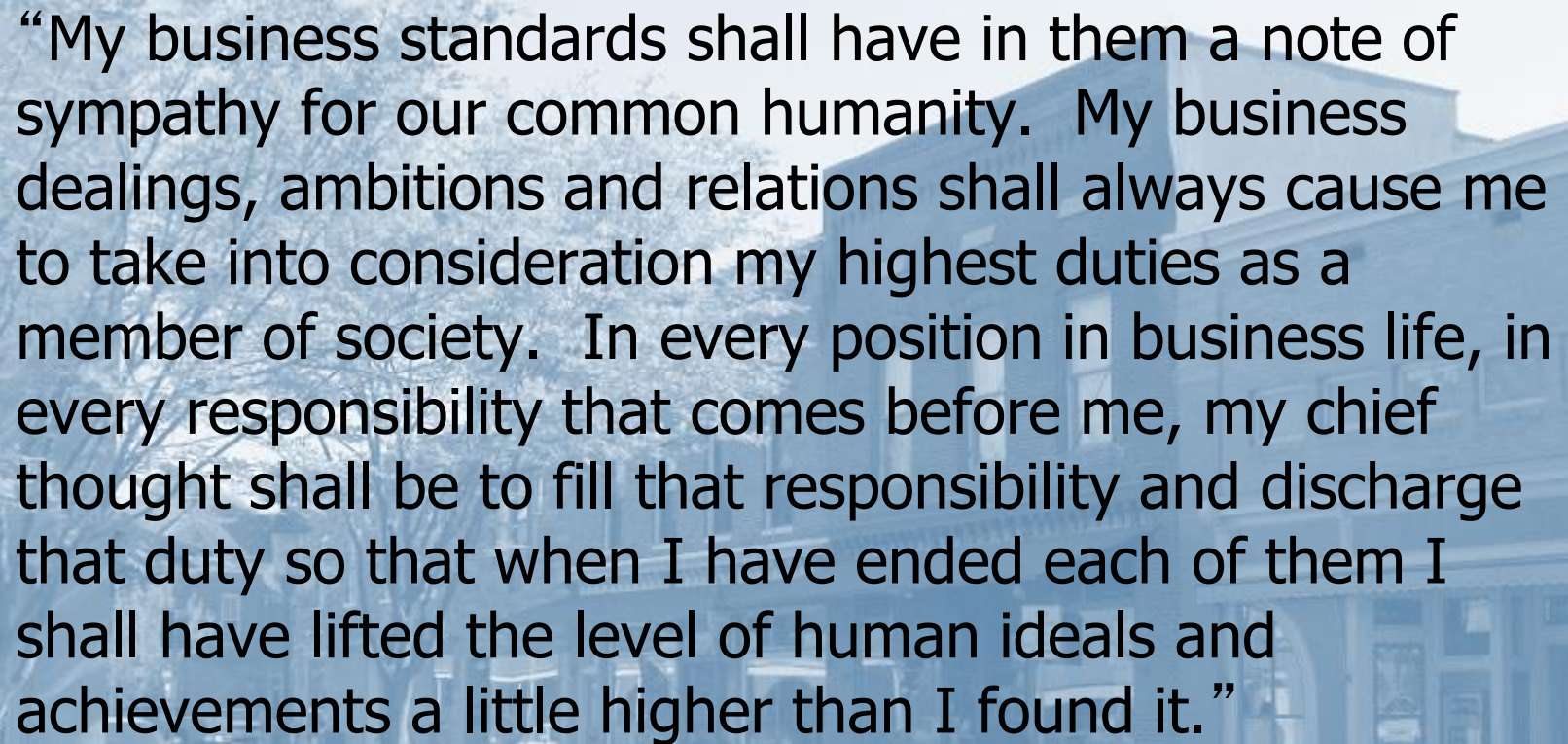


Keep Customers Coming Back

- Reward customers who enroll in your program immediately with bonus points or extra discounts
- Use your loyalty program to drive purchases during slow seasons
- Encourage high and frequent spending when you offer rewards for purchases that exceed certain dollar amounts

Educate the locals to:

- Value the downtown
- Keep dollars in the community
- Know what it takes to run a business in the downtown
- Support businesses and services
- Realize parking is accessible



“My business standards shall have in them a note of sympathy for our common humanity. My business dealings, ambitions and relations shall always cause me to take into consideration my highest duties as a member of society. In every position in business life, in every responsibility that comes before me, my chief thought shall be to fill that responsibility and discharge that duty so that when I have ended each of them I shall have lifted the level of human ideals and achievements a little higher than I found it.”

Written in 1867 by General Lester S. Willson, Purveyor,
Bozeman, Montana

Resources

- www.digitalfacades.com
- www.clownbike.com
- www.envirosell.com
- www.virtualrestaurant.com
- www.summit-strategies.com