



The Numbers Don't Lie

Custom Retailer

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Are you looking at the numbers? Your business is generating numbers everyday. Not only financial numbers, but numbers that can help tell you how to perform better. They usually don't lie and give you lots of information. For example, let's just take a few examples of some numbers that you can look at that will give you tons of information on your business.

- 1) Traffic counters. Traffic counters have been used by large retailers for decades, but it not only how many people walk through your door, but also how many people visit your web site, or call customer service with problems or virtually any type of contact that a customer has in responding to something you do in your business. By looking at these numbers, you get information that starts with **Traffic Counters on the front doors** ---- If 50 customers walk through your store, how many are actually buying something. Years ago when the consumer electronics business was almost all cash and carry, it was easy to measure percentages. During my discussions with retailers I would always say that if a customer left without buying something, the customer was not given enough reasons to buy. Did the customers find the store disorganized, prices too high, sales personnel not attentive, too crowded, displays sounding and looking substandard, products too intimidating....the lists goes on and on. The fact is that if they didn't buy, there was a reason why they didn't. Your ad or referral or previous positive buying experience got them in.....WHY DID THEY LEAVE WITHOUT BUYING? The value in traffic counters is comparative. Comparing last week's numbers with last year's numbers shows trends and effectiveness of promotions and advertising. For example, the purpose in advertising is too getting someone to react to your message. If you run an ad how many potential consumers came into the store. Which leads me to another point.....?

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- 2) **Keep Track of all Forms of Contact with Your Business**.....Today every ad should have a web address and contact information (email address) where a potential customer can contact you. Customers can be 24 hour shoppers and information seekers due to the “Net”. Are you making you business accessible 24 hours a day. The web can do that for you. Keep track of phone calls and emails. If you run a brand message in the weekend newspaper magazine, how many customers called, visited (traffic counters) and contacted you via email. You can measure this easily by just keeping track of the contacts that potential customers make with your business.

- 3) **Sales person performance by the numbers**.....How are your sales personnel performing. Do you know their average Profit Margin per Ticket? Average Ticket Sale? Today customers have very high purchasing power but they are making a purchase which they want to last for years... The days of the customers trading up in equipment has been over for years. Therefore, your goal is to turn the customer upside down and shake as much money out of their pockets as possible. Once that customer buys their home theater system, they are out of the market and they will find something else to spend their money on. Since the customers purchasing today are NOT hobbyist, their interests will go to some other category of consumer product (travel, boats, sports, cars, etc) once they buy from you. Therefore, measuring your sales personnel’s performance is important. What do you do with these numbers.....Lots. Peer pressure really works well. It’s like a batting average for your sales people.. If one sales person’s average ticket is \$693 and another is \$974, have the lower performing sales person look at what the higher per ticket sales person is doing to get the higher performance. I’ve probably heard all the excuses of why one’s performance is lower from one to another. From “The higher performance individual is hanging around the high end room more” to “My dog ate my homework” The reality is that they are working in the same environment with the same prices and promotion and therefore lowering performing sales personnel should be able to learn from higher performing sales personnel.

- 4) **Finally get them all to sell more**.....Years ago I gave a sales meeting based solely on the idea that if you sold every customer just 10% more in dollar volume, it would have significant effect on the stores success and the sales person’s person income. The approach was simple...Give yourself a raise.....If you are a commission based sales person and you’re making \$60,000 a year, do you want to make \$6000 more this year? Easy.....sell every

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customer 10% more. Easier than you think. If your average ticket is \$2000 can you sell that customer, on average, \$2200 worth of stuff rather than \$2000. That \$500 sales becomes \$550, that \$8000 sale become \$8800. For your business, if run the numbers, that 10% increase in volume, with (hopefully) most other costs not increasing significantly (rent, insurance, and other G & A expenses) a large portion of these additional profit dollars goes to the bottom line.

Unless you look at the numbers and measure performance, you have no base line for improvement. Whether it is with sales, advertising or any aspect of your business. Measurement and compare your numbers and you will find ways to improve and excel in the future.

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