

SELLING SUCCESS

ATTITUDE IS EVERYTHING!



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*Successful salesmanship is
90% preparation and 10%
presentation.*

—Bertrand Canfield

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What's This Session All About?

In the last few sessions, you learned how to identify your customers (your target market). You also learned about promoting the features and benefits of your product to your customers. These things will get customers to notice your business, but not necessarily to buy from you. To get customers to buy, you need to understand the art of selling.

How do you keep a customer after you get one? Through great customer service that consistently meets—or exceeds!—the level of service that customers expect.

In this session, we'll discuss the following topics:

Your image is your business's image.

It may not be fair, but many customers will make the decision to buy—or not to

buy—within seconds of walking into your business, or meeting you. You can use this fact to your advantage by taking steps to make a great first impression.

The art of selling. No matter who you are, you can learn to be a confident, effective salesperson, and develop a selling style that will distinguish you from your competitors. Your approach should fit your personality, highlight your expertise,

and be as comfortable to you as a well-worn glove. This chapter presents some of the best sales techniques for entrepreneurs.

Creating customer loyalty. It costs six times more to attract a new customer than to keep an old one. Obviously, once you've gone to all the time and trouble of getting customers, you'll want to keep them. You can provide outstanding customer service through open communication, a positive attitude, and a willingness to serve. The result? Loyal customers!



Image

An idea that people create in their imagination, based first on what they see, then on what they hear, and finally on the action of the person.

Your Image is Your Business's Image

Would you go to a dentist who had rotting and missing teeth? Or a hair stylist who had dirty, badly cut hair? Chances are, you wouldn't! Instead, you'd assume that a person who can't look after his own hair or teeth won't be able to look after yours.

For the same reasons, you probably wouldn't want to eat in a dirty restaurant, or hire a kid to rake your leaves if his rake has only four teeth. You'd make assumptions about the kind of food you'd be served, or the kind of raking job you'd get, based on those appearances.

To the customer, you *are* your company. The things you say and do, the way you look and act, the condition of your office, and your vehicles, and the tools you use—all of these things affect your business image.

Fortunately, you can use this to your advantage. You can influence the image people have of your business by giving them a good first impression.

In doing this, you shouldn't feel like you're having to censor yourself, or be some kind of phony. What links all the following suggestions together is that they show respect. It's always good to respect other people, especially when they're in a position to help you out, as your target customers are!

Dress for Success

The standards for work clothes vary depending on the type of business. If you run a nail salon, you'll want to project a different image than if you run a handyman business.

When you're doing business with other business professionals, the rules are set by tradition. There are certain standards for business clothing that create trust and stability, and help people to take you seriously.

In most cases, the safest approach is to dress conservatively or traditionally. Most business professionals have two different closets. One is for business, and one is for relaxation or sport.

Use Proper Language

Another part of making a good first impression is watching what you say. Proper business language follows these guidelines:

- **No crude language.** Never use slang, vulgar words, or swear words. It shows most business people that you can't communicate using polite language.
- **Use words you know.** Explain what you mean by using everyday words that you understand. Don't try to use business terms or jargon words if you don't know what they mean. If you're not absolutely sure what a word means, you can always look it up in a dictionary.
- **Be concise.** Get to the point when you speak. Long stories are all right for family reunions, but not for the business world.
- **Avoid controversy.** When you run a business, you'll run into all kinds of people. You don't have to agree with everyone's beliefs or lifestyle, but you also don't have to express that disagreement. It's always best to keep your political or religious views—or any other potentially controversial views—under wraps, at least until you know where your customer stands on the issue.

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I was born in Cowboy Country. Prescott, Arizona—home of the world's oldest rodeo. I worked with leather pretty much all my life. I got started helping my dad in his shop, and I kept at it all through grade school and high school.

After high school, I wanted to see the world, so I joined the Navy. Part of the time, I was stationed in Italy. What I liked most about that, besides the food, was the leather goods...the belts and the shoes, especially. Incredible design and craftsmanship, like I'd never seen before.

Benny Norsby comes from a long line of Norwegian shoemakers. His grandfather and great-grandfather made sturdy shoes and belts for working people in Oslo. His dad came to America as a young man, opened a shoe-repair shop in Prescott, Arizona, and worked there for over forty years.

When I got out of the Navy, I kind of drifted. Next thing I knew, I'd drifted through ten years and at least as many jobs.

I had kind of a quick temper, too, which didn't help me stay employed. All in all, you could say I was not a nine-to-five kind of guy.

Then, my dad died. I inherited his tools, and a little RV with room for a workspace in it. I started making hand-tooled belts, wallets, and purses. People seemed to like them. A lot of people said it was basically Western style. But at the same time, it was totally different, and the best quality they'd ever seen. So I guess I learned something in Italy!

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Be On Time

Being on time is very important in the business world. If you have a problem being on time for appointments, you'll need to overcome it. Time is money, so don't waste your time or other people's.

Business Dress Hints

- Wear clean clothes that aren't too tight, or too loose
- Your shoulders should be covered. Avoid tank tops, halter tops, and spaghetti tops.
- Your shoes should be clean and polished
- Your nails should be clean and trimmed
- If you wear nail polish, it shouldn't be chipped or worn
- Men should be clean-shaven, or have a neatly trimmed beard or moustache
- Tuck in your shirt or blouse
- Avoid tennis shoes, jeans, t-shirts, baseball hats, and sandals

Business Meeting Etiquette

A final aspect of first impressions is how you act during a business meeting. Here are some helpful hints:

- First, prepare your facts and information. Write down what you want to accomplish in the meeting, and memorize the main things you want to say before you go.
- When possible, make an appointment with the other party in advance. Be clear about the purpose of the meeting. This will demonstrate professionalism, courtesy, organization, and planning skills.
- Call to confirm appointments, and get directions a day or two before.
- Plan to arrive a few minutes early. When you meet, introduce yourself confidently and be sure to mention the name of your business. Look people in the eye, and shake their hands firmly.
- A good rule of thumb is to be very formal

When We Communicate

- 7% of our message is delivered by words
- 93% of our message is nonverbal!

The Introduction

Always introduce yourself by your first and last name, with a confident smile, making good eye contact and shaking hands firmly.

First impressions include dress, language, being on time and the way you act in a business meeting. These are all very important to keep in mind as you practice the art of selling.

at the beginning of the business relationship.

This includes referring to individuals as Mr. Smith or Ms. Jones. After getting to know the individual better, you can then decide if this formality is necessary.

- After spending a couple of moments getting comfortable with conversation, you should present your information and move on to the business at hand.
- Follow up after the meeting with anything you promised to provide. At the very least, send a thank-you note.

The Art of Selling

It used to be that salespeople had a bad reputation. Consider the popular stereotype of a used-car salesman: A shifty, sneaky guy who uses trickery and flattery to sell you a piece of junk that barely runs.

There really are salespeople like that, but they're a lot less common than they used to be. Nowadays, salespeople focus less on making the sale at all costs, and more on building a long-term relationship. Smart sellers understand that long-term success means keeping customers satisfied after the sale; they know that it costs more to get a new customer, or to win an unhappy customer back, than it does to sell to a loyal customer.

Traits of Successful Sellers

Being a salesperson offers fun, excitement, financial rewards, and fulfilling, long-term relationships. Many people enjoy sales, and most people can be taught to sell. Here are some of the traits of successful sellers:

- High energy and self-confidence
- Respect for the customer
- Willingness to serve

- Honesty and integrity
- Sincere belief in the quality of the product
- Technical knowledge
- Good communication skills
- Good listening skills
- Persistence and perseverance

You probably have a number of these traits already. The others, you'll need to learn and practice. Fortunately, developing one will help you to develop others. For instance, if you *really* believe you're offering a great product, you'll naturally feel self-confident about selling it. And if you *really* respect the customer, you'll naturally be honest, and a good listener.

Six Steps to Sales Success

The majority of entrepreneurs do the selling themselves. A few have someone else do it. Either way, you must understand the principles of good selling, and the steps necessary to make successful sales calls.

The following information on selling applies whether you go to the customers, or they come to you.

Step 1: Prospecting and prioritizing accounts

Before proceeding, determine:

- Your target customer profile: size, location, needs, problems, goals
- What unique value your business offers target customers
- How your offerings are better than those of competitors
- What resources you have to encourage consumers to buy your product

Consider all the possibilities. If necessary, seek

advice from associates who are familiar with you and your business. Think about sales possibilities locally, in the United States, and in the world (e.g., Internet sales). Next, step back and sort your list of sales prospects into the following categories:

- **Short-term/long-term prospects.** This list includes prospects you can develop immediately. Long-term prospects require more time to build relationships.
- **Most profitable/least profitable.** Analyze each prospect's profitability. You may find that larger accounts provide less profit per unit of sale, but more profit overall. Small accounts provide more unit profit, but take more effort and time.
- **Prestige accounts.** High-profile accounts provide great exposure for your business. You may decide to make less profit on some of these accounts, just to get your name associated with them.

Shawna Spencer made specialty jams. She wanted the best restaurants in her area to feature her products exclusively. This way, customers would sample her jams at the perfect time (breakfast), the perfect place (a nice restaurant), and the perfect price (free). In order to make this happen, she decided to meet the price these restaurants were paying for their current jams. Although she'd lose a little money on each jar, she'd more than make up for it with visibility, word of mouth, and increased sales. As for the restaurants, they paid a reduced price for a local, handmade jam that enhanced their high-quality image. This is a perfect example of a win-win situation!

Use your network of friends, family, advisors, customers, and business contacts to help identify sales prospects. If you're a sole proprietor, these contacts allow you to be with other like-minded people, and give you an opportunity to keep up

with new developments in your industry. Asking for referrals is one of your best sales techniques.

Another good technique is to use computer files to organize your prospecting and account information. There are many inexpensive software packages available today that are specifically designed for small businesses, and can help you keep track of new prospects and existing customers.

If you don't have a computer, don't worry. You can easily keep track of sales activity with a Rolodex, notecards and a calendar. The important thing is to write things down. Most of us can't remember exactly what we learned six months or a year ago, so when you learn something about your customers, document it! This will lead to better relationships and more sales.

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Benny usually sold his belts during the Prescott Frontier Days Rodeo, when there were lots of tourists in town. He'd rent a small booth, and lay out his best pieces for browsers to look at and handle.

Although most people loved his work, he really wasn't a very good salesman. In fact, it seemed like the less he talked, the more they bought! He often got frustrated when people had objections, or asked silly questions. Sometimes, it seemed like he was almost daring people to buy his work. When they did buy, it was usually despite him, not because of him.

I knew I wasn't a good salesman. But I didn't know just how bad I was 'til I a good friend stopped by the booth. He sold farm and ranch equipment at the John Deere dealership, and after listening to me talk to a couple of customers, he pulled me aside and said, "Benny, if you don't learn how to sell you're going to be out of business within the year."

He told me he'd just come back from a four-day selling class in Phoenix. He'd learned a lot from it, and thought it could help me, too. I told him



flat out, “We both know I’m not cut out for selling. You can’t teach a pig to sing, and they’re not going to teach me to sell.” He bet me they would though, and I said I’d try anything once. So I signed up and headed over to Phoenix.

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Step 2: Preparing for sales calls

Before you approach your first target customer, you need to do your homework! Whether you’re making a simple sales call on one person, or a complex sale where many people take part in the decision, proper planning is the biggest part of the selling process.

Face-to-face selling time is very short! Planning lets salespeople to get the most out of their time with buyers, by asking the right questions and presenting relevant information. It allows them to sell their products by solving problems.

In retail sales, the best way to prepare for selling is by knowing your products inside and out. Suppose a customer enters your store and asks for help. She’s looking for a special item that you don’t carry. Does she absolutely need that brand or type of item? Or do you have another item in stock that will work just as well?

When selling a service, you should anticipate the customers’ needs, wants, and questions. Here, the goal might be to explain why you offer more value than a competitor. This means you need to know how your competitors operate, what they’re charging, and why you deliver more value.

If you’re a manufacturer, you might stress the quality of your materials or workmanship, or the fact that only you offer your product (e.g., in the case of a family recipe or a handcrafted item). Again, the key is to know what else is on the market, and why your merchandise is better.



Step 3: First contact

Your first contact with target customers should make a positive impression, attract their interest, and get information that will help you make the sale.

To this end, you should prepare to ask open-ended, probing questions. Here are some suggestions:

- **New information.** Use new information questions to find out what the customer needs and values. (*What will you be using this for? How many do you go through in an average year?*)
- **Feelings.** Use these questions to discover opinions and desires relating to your product. (*How important is durability to you? Do you prefer to buy American-made goods?*)
- **Confirming.** Use confirming questions to verify whether you’ve made the right guesses, or drawn the right conclusions. (*It sounds to me like your main concern is turnaround time. Am I right?*)

Inexperienced salespeople tend to talk too much! Avoid this mistake; instead, concentrate on listening. How will you find out what your customers need if they don’t get a chance to speak?

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The class did me a lot of good. Before I took it, I figured that some people were born to sell, and the people who weren’t—like me—were out of luck. But after the class, I felt different. I started to feel like I could do it too, with a little practice.

And thanks to my teacher down in Phoenix, I realized something else. I realized I didn’t have to stand in some booth at the rodeo, answering a hundred questions an hour. I could make my pitch to stores, instead. I could talk to professional buyers who knew about leather—people who’d see right away what made my work different—and let them do the selling to customers.

Benny decided to put his theory to the test. He started planning a sales trip through Sedona, Flagstaff, Taos, Santa Fe, Park City, Telluride, Vail, Jackson Hole, and Lake Tahoe. He knew these towns were full of wealthy tourists looking for Western gear, as well as locals who'd admire his unusual style.

He looked up stores in each city, called them up, and got their buyers' names. Once he had his trip planned out, he started working up a real sales presentation. His selling class had taught him that he needed to describe the features and sell the benefits for each one of his products, and that's what he intended to do.

He'd also learned that a professional sales person is friendly, and that appearance counts for a lot. He started to smile a lot more when he talked to people, and he also decided to wear some of his products on his sales calls.

Before I left Prescott, I must've practiced my sales pitch about a thousand times. Once I felt okay about it, I tried it out on my buddies, and my mom. They gave me some advice on how I could improve. Then, I went back and practiced all over again.

The next time I tried it out on people, they thought I had it down pretty good. And I guess I did, considering that I sold them a couple of belts!

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Step 4: Make the presentation

After listening carefully to your customers' needs and problems, begin by framing a concept of your product.

Buyers often buy the concept of a product, rather than the product itself. For instance, a man who buys a new red sports car is not buying a vehicle; he's buying power and prestige. If he simply wanted a car for transportation, he'd buy an economy car, like millions of other car buyers!

Think about your last significant purchase. Were you buying the product, or what the product would do for you?

You should also present information about your product's features and benefits. Remember: Features describe how the product looks and performs, and benefits describe how the product meets a need or solves a problem. People buy benefits, not features!

What should a professional presentation look and sound like? Here are some basics:

- **Attitude counts.** A professional, sincere, honest, and energetic approach is best.
- **Your first comment counts.** Begin with a direct question or strong statement—based on your research—that shows your client how your product will solve his or her problems.
- **Benefits count.** Show your clients what's in it for them!
- **Creativity counts.** Canned sales pitches don't go far with today's sophisticated clients. Use your creativity to develop a unique presentation.
- **Rehearsal counts.** Don't go in cold; practice ahead of time.
- **Listening counts.** Don't be so focused on your presentation that you don't give your prospect room to speak. Listening is the most important thing you can do during a sales call.

Step 5: Overcoming objections

If life were perfect, every customer would buy everything you offered. In the real world, though, many customers have reasons they don't wish to buy. A good salesperson anticipates customer objections, and is prepared to respond to them.

Some typical objections are:

- Your price is too high
- Your company hasn't been around very long
- I'm satisfied with my current supplier and don't want to change

- Your competitor does it faster and cheaper

There are four steps to overcoming such objections.

1. Listen carefully to gather information on the problem.
2. Acknowledge the problem to show your understanding of the customer's issues.
3. Explore the problem by asking questions.
4. Respond to the objection by recommending a solution.

You may have to repeat this process many times in the course of a sales call. You should also keep in mind that the first few objections may not be the real issue at all. Persistence pays off, but only when matched with civility and an honest desire to solve your clients' problems. Remember, you can't force someone to buy! If you press too hard, you'll probably lose the sale.

Step 6: Closing the deal

Believe it or not, the biggest reason for lost sales is that the seller doesn't ask for the order.

Why is this? Well, the two main reasons most sellers won't ask for orders are fear of failure and fear of rejection. Nobody likes to feel like a failure, or to be rejected by other people.

But chances are, your client isn't rejecting you personally, nor have you failed personally. There are lots of reasons why clients don't buy, especially during the first try. They may not have the authority to sign a purchase order. They may have bought a month's supply the day before. Or they may want to get to know you better before doing business with you. There are almost as many reasons as there are customers!

Remember: If you offer a quality product at a fair price, you have no reason to fear the buyers' reaction!

Here are a few of the methods used to close sales:

- **Basic close by using an application form.**

Begin by asking the customer a question from the application. Write in the answer. Proceed to the next item. As long as the customer doesn't stop you, you've made a sale.

- **Close by offering alternative choices.** "Do you prefer green or blue?" "Do you need two of these, or three?" When a prospect makes a minor decision, the major decision is near!

- **Close by making a balance sheet.** When a buyer can't make up his or her mind, draw up a tally of the reasons for and against the purchase. Take a sheet of paper, draw a line down the center and help the prospect list the reasons for and against buying your product.

- **Close by asking questions.** If you have a prospect who seems interested but won't commit, ask questions: "Is there something you don't understand about my company or our product? Is there anything I didn't make clear?"

- **Close by citing examples.** People will listen to stories. Describe the experiences of customers you've satisfied in the past.

- **Close by isolating the objection.** Change a prospect's "I'll think it over," to a specific objection. Remark that the prospect obviously wouldn't spend time thinking it over unless he or she were seriously interested. If that's confirmed, say "Just to clarify my thinking, what part of the decision do you want to think over? What's holding you back?" Then probe until you isolate the objection.

- **Close using prospect's objection.** Have your prospect explain the objection, and get

him or her to agree that this is the only thing standing in the way of a sale. Then, overcome the objection with facts.

- **Close with a closing question.** If a prospect asks whether it's possible to get what you're selling in such-and-such a way, don't answer with a "yes." Instead, ask the prospect if that's the way he or she wants it. If the prospect answers "yes," the prospect has bought.

Step 7: Following up

A couple of days after you've made a sale, get back to your customer and say, "Thanks for your business!" Ask whether there are any problems; if there are, give them your immediate attention. A satisfied customer is the best source for new business. In fact, your new customer is a hot prospect right after making a purchase! This is an excellent time to sell something to go along with the previous sale. These add-ons could be additional colors, sizes, or complementary products.

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I wasn't so worried about my temper anymore. I knew how to take price objections in stride, even the really rude ones like "I could buy a belt like that at the discount store for ten bucks." And I learned to shrug off the weird things people ask, like "Do you have that in vinyl?"

Those kinds of things used to drive me up the wall. I didn't want to stand there and have my work insulted. And I didn't want to talk to people who didn't understand—or care—anything about the work my family and I had been doing for generations.

But you know, I learned not to take it personally. I learned that when people don't know something about what I do, it's my job to explain it to them. And I found that when I explained things to them with a smile on my face, they actually listened, instead of going away mad.

While researching his sales trip, Benny had zeroed in on the top five specialty retailers in Taos. He decided to approach Great Southwest first. It was a small specialty store, and he felt more comfortable starting there and working his way up. That way, he'd get to practice on some of the smaller retailers, before approaching the customers he really wanted.

When he was researching stores, Benny had tried to dig up some personal information on each buyer. One of the things he'd found out was that Tony Alvarez, the owner of Great Southwest, was a travel nut who spent about three months out of every year traveling all over the world. He started thinking about how he could use that information in his pitch.

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Creating Customer Loyalty

Businesses can't be healthy without loyal customers, and they can't grow without new customers. This is why it's so important to deliver great customer service! Friendly, personal, honest, flexible customer service is one of the small business's biggest advantages.

Researchers have studied how customers react to good and bad service. A customer who gets good service usually talks about it to several people. But as you may remember from Session 9, people go out of their way to talk about bad service! Studies have shown that they tell many people just how poorly they were treated, and will go on talking about it for weeks!

It's easy to see why this happens. Someone who's had a good shoe-repair experience probably won't mention it unless she runs into someone who mentions needing to get a shoe repaired. Otherwise, the subject's not likely to come up.



But if the same person has a bad experience, that experience becomes the kind of story that people love to tell, in order to blow off steam or earn sympathy: "You'll never believe what happened to me..."

Some people may even make the experience sound worse than it was. It's not fair, but it's human nature! Negative stories, as they travel from one person to another, often become more and more exaggerated. After a certain point, it can be very hard for a business with a bad reputation to clear its name!

That's why you should stop these problems before they start, by being friendly, fair, and organized. Deliver the service your customers expect!



Great customer service begins With YOU!

What the Customer Expects

- A clean and organized place of business
- Clean, well-groomed, and polite employees
- Immediate attention
- Eye contact
- Respect
- Knowledge
- Value
- Privacy

What Does Your Customer Value?

Five basic questions can identify your customer's idea of value:

1. What does my customer want?
2. How does my business meet my customer's needs?
3. How does my customer feel about my competitors?

4. What can I do to make my business better than my competitors'?
5. How are my customer's needs likely to change, and how am I preparing for these changes?

Customer Loyalty and Profits

It's a basic fact of business that loyal customers are more profitable than new ones. This is known as the **80/20 Rule**: 20% of your customers provide 80% of your sales.

Here are some reasons for this:

- Loyal customers may be less sensitive to price changes
- Loyal customers generate referrals and word of mouth
- Loyal customers are more likely to purchase add-ons
- Loyal customers make it harder for competitors to enter your market
- Loyal customers tend to need less handling, less education, and less selling time

Keep the Customers You Get!

After all the time, effort, and expense you put into getting a customer, it makes sense to continue the relationship. By providing excellent customer service you can keep that customer. This is important for several reasons:

- It's easier and less expensive to keep an existing customer than it is to develop a new one.
- Satisfied customers are more likely to buy additional items.
- Satisfied customers are an excellent referral source for new customers.

Let's look at some of the basics of earning loyal customers.

Be friendly and helpful

In your dealings with the public, you should always project confidence, enthusiasm, and friendliness. If you give out positive feelings, you're much more likely to get them in return.

This can be hard for small-business owners who are trying to do everything at once. If you're always feeling overwhelmed and stressed out, it'll eventually start to show in the worst place: with the customer! That's why you have to be especially careful about customer service when things are hectic. You don't want to chase away customers by snapping at them, or not returning their phone calls, just because you're having problems with some other part of the business.

The very first thing your business should offer is a pleasant experience, free of charge. Don't be so focused on selling that you ignore this. Remember that people who don't buy from you take away a positive or negative impression of your business, just like paying customers do. This impression affects your reputation in your market. Whether they're browsing, buying, or simply asking for directions, people want to feel comfortable, welcome, and respected when they visit your business.

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I was kind of amazed how nervous I was, heading over to see Tony Alvarez. I mean, he was the guy I'd picked to deal with first, because I felt I could take his business, or leave it! And I was still nervous!

But I also knew I was as ready as I was ever gonna be. Another ten days, or ten months, or ten years of rehearsal wouldn't make any difference. I knew my work, I knew it was good, and I knew I could explain why it was good. If one person didn't want it, fine. Someone else would. That's what I kept telling myself.

Benny arrived on right on time for his appointment with Tony, and started their meeting by making some small talk about his travels in the Navy. Tony responded well to that; he'd been to a lot of the same places, so they spent a pleasant few minutes talking about the things they'd seen and done.

Then, Benny launched into the opening of his pitch. "I've been working with leather most of my life, and looking around your store, I'd say you've got a very good eye for it. You've got a lot of handmade work here, and all of it's quality."

Tony looked pleased. "Well, I do take pride in our selection. You can get the cheap tourist stuff anywhere, so we aim a little higher."

"I'm glad to hear that," Benny said, "because I aim high myself. The kind of work you sell is exactly the kind of work I do. For instance, I've got some hand-tooled belts I think would complement the lines you carry. Would you like to have a look?"

"Sure," Tony said. "Let's see what you've got."

While Tony looked over the belts, Benny decided to see if he could get some new information out of him. "If you don't mind my asking, how do you decide what goes into this store? What makes you choose one belt over another?"

Tony thought for a moment. "Well, first of all, there's quality, like you said. After that, a lot of it comes down to gut feelings. I can look at two products with the exact same quality, but one feels special to me and the other doesn't. It's hard to put it in words, but I guess I like products that have a story to tell. And I think our customers do, too."

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Know your product

To help your customers meet their needs, you (and the people who work for you) need to know all

What do unhappy customers do?

- 4% of unhappy customers will complain to you.
- The other 96% won't complain. But they won't come back, either... and they'll tell plenty of people why.

about the products you offer. This means knowing all their features and benefits, of course, but it also means knowing their limitations and weaknesses. An important part of knowing your product is knowing what it *can't* do.

Be honest about your inability to meet your customers' needs! If you tell a customer that your product isn't what he or she needs, you'll lose a sale, but you'll earn respect. And that customer may later come back for some other product, or recommend your business to someone who *does* need what you sell. Look at every interaction with the public as a promotional opportunity. Even a person who will never, ever buy your product can send valuable business your way.

Get personal

More and more businesses are recognizing the importance of getting personal with the customer. You can start by simply learning the first name of your customer, and using it when speaking to her. Other personal approaches include adding customers to a mailing list; learning the birthdays of your customers and sending a card on that day; or spending casual (non-selling) time with customers to learn more about them. As we discussed earlier, learning about your customers, and writing down what you learned, is an important part of prospecting and selling.

Never argue with the customer

Customers come in all different personalities and attitudes, and you're not going to like all of them. Let's face it: Some people will pick fights with you no matter how friendly and patient you are!

Still, whether the customer is right or wrong, always keep your cool. Remember: No one ever wins an argument with a customer!

Suppose your check-cashing policy requires two pieces of identification, or perhaps you don't take checks at all. Your customer might tell you that it's

ridiculous that you won't take his or her or check. It won't do any good to insist that your policy is right, or to say that you can run your business any way you like. Instead, be sympathetic. Say "I'm very sorry this policy is inconveniencing you. But I'm new in business and I have to be careful. It's nothing personal! I'm happy to hold the item for you, if you like."

That said, part of the art of good service is knowing when to be flexible. You don't want customers to feel that you're insisting on a rule that doesn't make sense.

When a customer is really being unreasonable, you might find yourself getting angry. It's natural to feel this way, but you don't have to show it. Consider this: In many cases, people who are being unreasonable *want* you to get upset, because they came in looking for a conflict. When you refuse to get sucked into a fight, you're showing that you're stronger and smarter than the person who's lost his or her cool. The person who remains calm in a conflict *always* has the advantage.

With that in mind, let's talk about how to handle customer complaints.

Resolving Customer Complaints

At some point, you'll face a customer who has a problem with you or your product. Whether this ends in a positive or negative outcome is usually up to you.

Look at it this way: Customers who take the time to complain aren't attacking or insulting you; they're giving you a second chance to get it right. People express things in different ways, and some customers may be pretty nasty. But don't take it personally; no matter how angry the customer sounds, all he or she is really saying is, "This is wrong. What are you going to do to make it right?"

Here are steps you can take to resolve complaints.

Customer Service Basics

- Positive talk
- Listening
- Recognizing Needs
- Flexibility
- Going the extra mile
- Finding common ground
- Building Trust

Step 1: Listen

The first step in handling a complaint is to listen. When we say “listen,” we don’t mean listen to the customer’s angry tone or bad language! Try to get past all that, and listen to *why the customer is unhappy*. Consider how the problem has made the customer feel, and try to figure out what need your product or service failed to meet:

- The need for value or quality?
- The need to be respected?
- The need to feel important?
- The need to be understood?

When someone is very upset and you’re having trouble staying calm, try to mentally separate the way the person is acting from who that person really is. We all have bad days, where we don’t feel like our usual selves. Any number of things could be contributing to a customer’s bad mood, from a hard day at work to problems at home. So again, try not to take anger as a personal attack. It may have very little to do with you personally.

Focus on the problem, not on the personality. Learn to understand what’s in your control (your reactions and decisions) and what’s not (the way your customer acts).

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I was glad I’d asked Tony what made him choose one product over another. His answer about products that tell a story was the perfect lead-in for the next part of my pitch.

I told him, “I like what you said about telling a story, because I think my belts do just that. My family’s been working leather for generations, and I learned most of what I know from my dad. You can see all of that in my belts. And when I was stationed in Italy, I learned some new ways of doing things, and you can see that in the belts too.”

Tony nodded, but it was hard to tell if he agreed with me, or was just showing me that he was

listening. So I decided I’d ask him directly how he felt about the belts. “So what do you think? You can see that my belts are quality. But do they tell a story?”

Tony frowned, and Benny prepared himself for the bad news. But then Tony picked up a belt, ran it through his hands, and said, “Yeah, I think they do. There’s definitely something about them that’s different.”

“So you’re saying they’re special?”

Tony smiled. “I guess I am.”

“Okay. So correct me if I’m wrong...but sounds to me like I’ve made a sale.”

Tony laughed. “Yeah, I guess you have!”

Things had gone very well, considering it was Benny’s first real sales presentation! He’d done his homework, prepared for the call, and asked the right questions. He’d let Tony do most of the talking. He’d picked up on Tony’s cues, and responded in a professional way. He knew he’d get better the more he did it. He had four more specialty retailers to talk to while he was in Taos...and this time, he was looking forward to it!

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Step 2: Recognize the customer’s feelings

It’s not enough just to listen when someone is making a complaint. You must also offer a response that recognizes the customer’s feelings. This doesn’t always mean that you should rush to apologize, or even to agree. However, remarks like “I can certainly see why you feel upset” will help the customer understand that you’re listening and that you care.

Step 3: Sometimes an apology is the solution

There are times when only an apology will make the customer feel satisfied. If, for example, the





customer was treated rudely or unfairly, or if you promised a dress would be ready that day and it won't be ready until next week, you should apologize. All of these problems may also demand more action from you, like issuing a refund or credit, or offering a 10% discount on the next purchase.

Step 4: Thank the customer for bringing the problem to your attention

A customer who complains is giving you an opportunity to improve, which means she's really doing you a favor. Studies show that customers who complain usually represent only 4% of the unhappy customers you have. The other unhappy customers walked away silently and vowed never to return.

It might not be pleasant to hear bad news, but in some cases, it can save your business from heading over a cliff! You don't have to enjoy hearing complaints, but you should definitely appreciate them, and thank the customer for giving you the chance to make things right.

Step 5: Explain what you're going to do about it

Some people are happy and satisfied with nothing more than an apology. In other situations, you'll need to be flexible enough to find a solution that you can both live with. Consider what is fair, and think about how compromising now might have a better result over time. For example, if the solution is to give the customer a full refund, you'll lose some money (and maybe a little bit of pride). But on the plus side, you may earn customer loyalty because you stand behind your products. In the long run, that may bring in more money than you lost through the refund. Don't fall into the trap of thinking your customer is the enemy. Remember that the future of your business depends on keeping customers happy!

Customer Service Essentials

- When customers enter your place of business, greet them immediately and pleasantly
- When you make a mistake, fix it!
- Always make an extra effort to help customers find what they need
- Follow up on all customer contacts. Always record the customer's name, phone number, and order type. After customers call for product information or service assistance, follow up within two days to check on satisfaction. Remember: Learn it, document it, and act on it!
- Always look professional and tidy when dealing with customers
- Memorize the names of frequent customers
- Thank your customers every chance you get
- Always answer the phone within three rings
- Don't automatically dump customers on hold. If you must, ask if you can put them on hold, or call them back within five minutes.

Your Customer Service Plan

Every business should have a customer service plan within its marketing plan. This should include:

- Customer service goals
- Customer service benchmarks (how you'll measure success or failure)
- How customer data will be gathered, stored, accessed, and used
- After-sales service practices
- Return, exchange, and customer complaint policies
- Special order or custom service policies

- How different areas of your business deliver service
- A formal system by which customers can give feedback (e.g., questionnaires, report cards, online surveys, complaint forms)

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After a couple of years of traveling around the West and selling to stores, I got a call from a buyer at Neiman Marcus. They asked me to come to Dallas to show them my work. I'd never heard of them, so I just about fell out of my chair when I found out they were one of the most famous stores around!

I was a much more confident seller by then, but this was the biggest, toughest sale I'd ever have to make. If I were successful, I could stop traveling, and spend at least six months of the year back home in Prescott. I was really looking forward to that. I couldn't afford to blow it.

This time, Benny decided to prepare a written presentation to go along with his sales pitch. He made an outline of what he wanted to say, including which features and benefits he needed to talk about.

He made a list of questions he'd need to ask Neiman Marcus. He tried to figure out every possible objection they might have. He went back over all the objections he'd heard in the last two years: *Your price is too high. Your competition can deliver faster. It's not Western, but it's not European either. There's no way to market this stuff.*

He made a list of the most difficult objections to overcome, and worked very hard to develop logical answers to them. He also worked on his closing abilities, which were still a little weak.

I was determined not to take no for an answer. I'd made a balance sheet that showed all the reasons they should buy from me. This time, it wouldn't be enough just to talk about my work. I'd have to push a little harder.

Negotiating the deal took a couple of weeks. The meetings were demanding! Neiman Marcus had very high standards, and lots of procedures and policies that were totally new to Benny. But in the end, he made the sale...largely by being persistent, cheerful, and knowledgeable about his products. Today, he's one of Neiman Marcus's most popular specialty artists. He supervises a small shop in Prescott, and spends a lot less time on the road.

Benny's a very lucky man. Not only has he mastered his art, he's mastered the art of selling!

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What You've Learned

Establishing excellent customer service is the best way for small businesses to keep an existing customer. Good customer service leads to loyal customers. And loyal customers are an excellent source for referrals and word of mouth.

In this session, you learned:

1. Your image is your business's image.
2. Maintaining the proper appearance, language, and etiquette will all help you to make the sale.
3. Before you sell, plan! Proper planning is the biggest part of the selling process.
4. It's easier and cheaper to keep an existing customer than to attract a new one.
5. The person who stays calm in a conflict always has the upper hand.
6. Listen to what unhappy customers are saying, not to how they say it.
7. Every business should have a customer service plan within its marketing plan.

