

Improving Personal Selling in Small Retailer Firms

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Good personal selling in retail stores is hard to find today. The small retailer who works at building a good personal selling effort will develop a valuable competitive edge over large competitors.

The basic elements for developing a program to improve personal selling in your store are discussed in this publication. If you are willing to develop your own program based on the framework and examples presented, your personal selling program will be a more effective and rewarding one.

Good personal selling in retail stores is getting harder and harder to find today. This is particularly true in the large multi-unit retail establishments that have increasingly stressed self service at the expense of good personal selling.

The de-emphasis of personal selling by large scale retailers leaves a gap in customer service that the small retailer is in a good position to fill. By emphasizing good personal selling, the small retailer can gain a competitive edge not easily matched by the bigger stores. It is much easier for your large competitors to dominate in such areas as merchandise assortments, pricing, and advertising, than to provide a well developed personal selling effort.

Good personal selling, however, does not automatically occur simply because the retail store is small. Nor does high quality personal selling result merely by paying sales people more money. Rather, good personal selling results from a carefully developed program which accounts for the major elements necessary in all successful personal selling programs.

This publication discusses a basic framework for such a program as it applies to personal selling in small retail stores. By patterning your own program for improving personal selling along the lines suggested in this publication, you are likely to improve the quality of personal selling in your store.

Good Personal Selling

Before discussing the framework for improving personal selling, let's define good personal selling at the retail level.

Personal selling in retailing is essentially a matching of the customer's needs with the retailer's merchandise and services. In general, the more skillfully this match is made the better the personal selling. If salespeople make a good match not only is a sale made but a satisfied customer is created (or maintained). Thus, a long term, profitable relationship can be established.

In the illustration below the salesperson is pictured as an individual attempting to match the needs of customers to the retailer's merchandise and services. If the match is made effectively,

the salesperson is more likely to make the sale and satisfy the customer who will continue to patronize the retailer. The illustration suggests that there are three basic skills needed by salespeople to make this match effectively.

Has The Salesperson Made A Good Match?

Retailer's Merchandise and Service	Needs of Customer Satisfied	Sale is Made	Continued Patronage
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- Salespeople must be skilled at learning the needs of the customer.
- They must have a thorough knowledge of the merchandise and services offered by the retailer.
- They must have the ability to convince the customers that the merchandise and service offered by their store can satisfy the customer's needs better than that of their competitors.

A Program for Improving Personal Selling

Developing a program for improving these three basic selling skills in your salespeople is the essence of building a better personal selling effort for your store. The framework for the program consists of three basic elements:

- selecting people who are suitable for particular sales positions;
- providing training; and
- devising an appropriate compensation plan.

Selection

Finding good salespeople is a problem for both large and small retailers. Both are frequently heard talking about how hard it is to find "good" people. What they fail to realize, however, is that much of the problem is of their own making because they do not define clearly what they meant by good sales people. In short, these retailers do not specify what qualities they want in the salespeople they are seeking. It is no wonder then that they are not satisfied with many of the people whom they hire.

An effective way to help avoid this problem is to use job specifications. This device has been used successfully for many years by large industrial firms. And, it can be used with equal effectiveness by small retailers. A job specification is basically a written statement, typically no longer than one or two paragraphs, delineating the requirements for a particular job. For example, a job specification for a retail sales position in a sporting goods store might appear as follows:

An Example of a Job Specification for a Sales Position in a Retail Sporting Goods Store;

- type of Job;
- retail sales of sporting goods; and
- requirements of the Job.

This job involves mainly in-store sales of full line of sporting goods ranging from items of low unit value (such as golf balls) up to higher priced merchandise (such as complete sets of golf clubs and skiing equipment). The emphasis is on big ticket items. Telephone follow up selling is expected and there is occasional stock work.

The value of the job specifications is that it forces the retailer to be more explicit about what the job requires and thereby provides a guide for appraising the capabilities of prospective employees. For example, since the job discussed above emphasizes the big ticket items, the retailer should look for people who have this kind of experience. There are many instances of salespeople who can do an excellent selling job on low unit value merchandise but have trouble closing sales on the big ticket items. Job specifications help to avoid such problems.

Training

When the word training is mentioned, the small retailer typically associates this with the formalized programs conducted by some large department stores and national chains. However, sales training by the small retailers does not have to be, nor should it be, a formal and structured program. Actually, any conscious effort the retailer makes aimed at improving the three basic skills needed for effective retail selling is a form of sales training.

To get you on the road to thinking about the kinds of approaches you might use, here are several examples of sales training methods used by some small retailers.

An excellent method for developing a salesperson's skills at learning customer needs is through role playing. Role playing consists of acting out the customer-salesperson relationship by the salespeople. One person plays the part of the customers, and the other plays the part of the salesperson. Next time around, they reverse the roles. Role playing enables salespeople to see various sales situations from the customers' point of view. The skill necessary to quickly "size up" customers (learn about their needs) is rapidly sharpened through role playing. A particularly good time for you to try out this method is during slow periods when your salespeople are just "standing around" anyway.

A good approach for improving the second skill—knowledge of the merchandise and services—is to make use of regularly scheduled sales meetings. Such meetings offer an excellent opportunity to discuss the features of a new product, changes in store policies, new merchandising strategies, or other matters relating to the store's merchandise and services. These sales meetings do not have to be formal and precisely scheduled events. Instead, you can conduct them right on the sales floor during slack periods or shortly before the store opens for business.

What is important is that you hold these sales meetings regularly and frequently (one per week at a minimum) and that each meeting has a specific theme or focus. For example, at one meeting you might want to discuss the features of a new line of products which the store is now carrying and how to introduce these to the customer. The next meeting might focus on changes in the store's merchandise returns policy. The meeting after that you might talk about the sales strategies for the upcoming inventory clearance sale. If you hold these meetings regularly, you will be pleasantly surprised at how much better informed your salespeople will be about the store's merchandise and service offerings.

Training aimed at improving the third skill—the ability to convince customers that a store's merchandise and service offering is superior—is perhaps the most difficult. Some people believe that an individual either has this skill naturally or does not, and hence training makes little difference. While there may be some degree of truth in position to the extent that people do differ in their natural communication abilities, training can still make a difference. Such training can range from encouraging your salespeople to take a formal course in salesmanship to informal sales seminars which you can organize at your store. These seminars may be nothing more elaborate than sitting down with your salespeople for a half hour over a cup of coffee to discuss ways by which your store's merchandise and service offering can be better communicated to customers.

These sessions, if conducted informally (but regularly), will foster a constructive interchange of ideas about selling. For example, one salesperson might have developed a good argument which he or she used to successfully close a sale when it looked like the customer was ready to walk

out. Good salespeople do like to talk about and share their success stories and can contribute to a sales development program.

Compensation

Unfortunately there is no one best way of compensating retail salespeople. Compensation plans depend upon the type and size of store, the number of employees, and the policies of the firm. There is however, a general principle that should be observed in any type of compensation plan. This is that compensation should be closely linked to performance.

The key to gaining a real understanding of the principle and being able to apply it to your compensation plan is in how you define performance. Performance does not mean simply sales volume. While the importance of sales volume cannot be over emphasized, other factors such as providing information to customers (which can lead to future sales), creating goodwill for the store through friendly and courteous service, and a willingness to help out in non-selling tasks are also important and should be rewarded. Failure to recognize these other aspects of performance is a mistake made by many retailers. Hence, they tend to reward only the salespeople who make the most sales and neglect others who have acceptable sales volumes but do a better job in other aspects of performance. Of course, if a salesperson does well in non-selling work and not in sales, this weakness must be dealt with through increased sales training.

Thus, if you feel that your salespeople are doing a good job, regardless of the volume they produce, let them know it. See if you can devise a way of reflecting your appreciation in their compensation. One retailer developed a rather ingenious approach using repeat business as a reflection of customer goodwill. This retailer developed an increasing schedule of commissions for sales to the same customer. This encourages the salespeople to treat customers right so that they would come back and ask for them by name. With some careful thought you can develop your own plan to more effectively reward good personal selling performance.

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