



RETAILING in the TWENTY-FIRST CENTURY

second edition

JAY DIAMOND

SHERI LITT

*On May 15, 2007, Steve Jobs announced the opening of Apple's first retail store during a press conference. Jobs said that Apple hoped to eventually open twenty-five retail stores in the United States and that the first two stores would open that weekend.

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Part Five

Promotion and Customer Service

Chapter 19

Customer Service

Personal Selling

- Prior to the 1970s, there was a strong personal relationship between the customer and sales associate
- After that time, personalized service gave way to self-selection
- Shoppers helped themselves at open counters
- As a result, sales staffs were reduced

Personal Selling

- Today, selling is being reintroduced
- Sales associates make the sales
- Off-price retailers, such as Stein Mart, recognize the importance of personalized service and offer it in their boutique departments

Nordstrom

- Still pays its sales associates on commission
- Customers are treated with personal services and thank you notes to follow up a sale
- Associates salaries often reach up to \$100,000

The Rules of the Game

■ Appearance

- Essential to their success
- A more relaxed dress code is preferred today
- Often wear merchandise featured in the store

■ Enthusiasm

- Warm friendly smiles and bright attitudes are necessary

The Rules of the Game

- Communication skills
 - Using proper diction and the appropriate language
- Product knowledge
 - Knowing the answer to questions the customer has regarding a product

The Rules of the Game

- Company knowledge
 - Sales associates need to know about return policies, credit availability, and merchandise
- Tactfulness
 - Sales associates need to approach sensitive problems in a mature fashion

The Rules of the Game

- Self-control
 - The customer-is-always-right should be adhered to whenever possible
 - Losing one's temper is inappropriate on the selling floor

Perfecting the Persona

- Proper training is essential for sales associates
- Types of training
 - Role-playing
 - Professional videos
 - On-the-job training
 - Mentoring system
 - Vestibule training
 - Online training (MOHR)

The Selling Experience

- Greeting the customer
 - Sales associates should smile and greet the customer by saying “Good morning!”
 - “May I help you?” should be avoided
- Needs assessment
 - An associate may need to question a customer to identify their needs
 - “Is the computer for your home or office?”

The Selling Experience

- Merchandise presentation
 - May entail a demonstration or a discussion concerning the product
 - Cosmetics and fragrances generally require an application
 - Some products need to be tried on such as apparel and footwear

The Selling Experience

- Handling objections
 - Consider why the customer is not ready to commit to a purchase
 - “Agree and counterattack” method is where the seller agrees with the objection but adds new selling points that refute it
 - Sometimes known as the “yes but” method
 - Asking questions is also a technique used

The Selling Experience

- Closing the sale
 - Occurs when the seller believes that all the preceding stages of the presentation have been satisfied
 - First attempt sometimes called the trial close
 - Customers offer clues to readiness to buy
 - “How quickly can I have the garment altered?”

The Selling Experience

- The follow-up
 - Occur when sales associates write to the customer to thank them for their business
 - Often used at prestigious retailers such as Nordstrom and Neiman Marcus

Off-Site Selling

- Catalog selling
 - Face-to-face contact is avoided
 - Catalog representatives must answer questions that the customer may have

Off-Site Selling

- Internet selling
 - The majority of orders are automatic
 - Some purchases require interaction between the customer and the company representative
 - Interactive modes of communication such as online chats encourage buyer and seller communication

Off-Site Selling

- Home-shopping selling
 - QVC and HSN have a great deal of communication between the show's personalities and the customers
 - Hosts must have a pleasant appearance along with the ability to answer the caller's questions

Customer Services

- Companies are responsible for providing a host of services to provide a pleasant shopping experience to the customer
- Tremendous competition has forced many retailers to provide quality service
- Companies must determine how to best service the customer

Traditional Customer Services

- Gift registries for couples that are getting married or expecting a child
- Free or nominal fee merchandise alterations are offered at most full-line and specialized department stores
- Personal shopping is available to customers that have little time or interest in shopping

Traditional Customer Services

- Credit accounts plans
 - Charge accounts
 - Customers are provided with lines of credit which must be paid in 30 days
 - Revolving credit accounts
 - Customers make monthly payments and can make additional purchases as long as the total does not exceed the established line of credit

Traditional Customer Services

- Credit accounts plans
 - Installment credit
 - Used for major purchases
 - A monthly payment plan is established that must be paid in full at the end of the prescribed period

Traditional Customer Services

- Dining facilities
 - Offered at department stores and companies like Sam's Club
 - Encourage shoppers to stay in the store for longer periods of time

Traditional Customer Services

- Leased departments
 - Stores rent a portion of their premises to outside companies
 - Travel services and beauty salons are common leased departments in department stores

Customized Services

- Special shopping times
 - Offered before or after normal shopping hours
 - Cater to a specific customer segment
 - Henri Bendel has a Girls' Nites program, which features workshops on beauty, weddings, and other topics

Customized Services

- Interpreters programs
 - Available to serve foreign visitors
 - Harrods and Macy's provide this service
- Corporate gift service
 - Special services are provided to cater to businesses that regularly purchase gifts for employees and clients

Customized Services

- Choosing one's own sale day
 - Bloomingdale's developed a program that focuses on faithful shoppers
 - Customers receive a 15% discount on everything that is purchased for one day
- Child care facilities
 - IKEA offers child care to its customers
 - Children are marked with a special tag for identification while their parents shop

The 10 Commandments of Customer Service

- 1) Put Your Customers First
- 2) Make It Easy ...
- 3) Know Your Customers
- 4) Cultivate a Service Culture
- 5) Be Consistent
- 6) Play Fair
- 7) Empower the Front Line ...
- 8) Use Technology ...
- 9) Recover Quickly

Call Centers

- Centralized facilities operated by external companies to service the customer
- Avaya, Inc. is one of the global leaders in providing global networking and services

Guidelines for Better Service

- There must be enough available sales staff
- Training is essential in order to make certain the store's "rules" are followed.
- An enthusiastic approach is essential
- The old cliché of "Do unto others . . ." goes a long way in serving the customer.
- Employees should picture themselves when shopping and then transfer that insight to the customer's perspective.