

The
RETAIL
ACADEMY

**DOUBLE
YOUR
SALES**



LETTER FROM SAL

Hey there,

When I was in New York for the NRF Big Show, I overheard two girls on the subway talking about how "money was evil". For a good 20 minutes (that's how long my ride was) they pretty much derided any person who had money. Kim K's life was "unattainable". Some other celebrity I'd never heard of had "forgotten where she came from".

I didn't say anything (I know, shocking right!) but I was completely swept up in my comparison of how GREAT money is. I mean, I'd flown to the US first class (thanks to my frequent flyer miles and a measly \$120), I was staying in a nice apartment, but most importantly, I was on the other side of the world, attending a conference to learn something new.

Meanwhile, my business was supporting my family and my team and I was adding to the local economy. Sure, I'm no where near being a billionaire, but life is pretty good when you have money. You can support others and give to charity. You can make the world a much nicer place. And you don't have to be a b*tch in the process.

Your business is there to make you money, so that you can live the life you want, what ever that looks like.

So let's get out there and do it, shall we?

YOU'RE IN THIS FOR THE MONEY

OK, for some of you, the chance to have an uncapped earning potential with flexible work hours, was the main reason for you opening a retail business.

For others, maybe money wasn't the key driver.

Perhaps you saw a gap in the market for a product you loved and thought "there's an opportunity".

Or you wanted to spend more time with your kids.

Maybe you long to travel the world AND have a stream of income without being tied down.

Or perhaps you just couldn't handle working in an office any longer....

In all honesty, it doesn't really matter why you started this business. **What matters NOW, is that it makes money.**

It's not a business if you're constantly topping up funds from your savings or mortgage, years later.

Even if money isn't your key motivator, your business still has to pay its way AND pay you. Because hey, if you're not there to serve your customers, who the heck will they go to?

The good thing is, making more money doesn't have to be super hard.

In this Workbook, I'll be mapping out simple ways for you to double your revenue!



PROFIT FIRST

It's super easy to get caught up in the notion of being a 7 or 8 figure business.

Surely if you turn over a million dollars, you gotta be profitable, right?

Constantly striving to hit a bigger turnover is a great goal BUT, if you aren't actually **MAKING** money and you don't have a big chunk of venture capital keeping you afloat, then **profit is way more important.**

Let me give you an example of one retailer, we'll call her Polly.

When I first looked at Polly's retail store, it had seen significant growth in the few years Polly had been in business. Her store was turning over \$750,000 a year – a place most people would quite happily trade places for, right?

There was one big problem. **There was NO PROFIT in Polly's business.**

She wasn't paying herself a six-figure wage.

She didn't have a massive team of people.

She was in debt.

And she wasn't spending any money on advertising and marketing.

So, what was going wrong?

Well, it was a bit hard to actually find the answers, because not only did Polly not have up-to-date accounts, she also didn't have a point of sale system in her shop front.

Polly's finances were so lean, she felt she couldn't afford to invest in a decent website and a point of sale system.

The flip side to that of course, was that we had **no way of knowing what products were making money and what was draining the business.**

The lack of financial records also meant that **pinpointing quick and easy ways to boost profits, or cut overheads, was going to be completely hit and miss.**

In fact, when confronted with this information, Polly chose to completely ignore the facts and continue on the way she was - burying her head in the sand and basing all her business growth on the hope that things would magically get better.

Not the way a CEO runs a business, right? And I'm sure you can guess what happened...



ACTION 1

**PUT YOUR BIG GIRL
(OR BOY)
BUSINESS PANTS ON**

Your Money Pillar is the most important pillar of your business. Understanding how money flows into, around and out of your business is what allows you to make business decisions.

Cash flow is the lifeblood of your business and of course, when I say “cash”, I mean virtual funds as well as the paper kind - what’s in your Paypal account, your Stripe account and any money put through your merchant terminal. When I talk about cash flow in this Workbook, I mean **any money coming into and going out of your business.**

You need these funds to buy stock, to pay bills and employees, **to pay yourself** and to grow your business.

Now, getting all fin-speak-y, if you have a positive cash flow, that means you have the money to pay for all of these things, with a bit left over (yay!).

If you have high positive cash flow, you have a good supply of additional funds to grow your business, after paying for all of your outgoings (this is where you want to be, if you’re not already).



GET THE BEHIND THE SCENES LOW-DOWN ON HOW JANE LU OF SHOWPO & JEN GEALE OF MOUNTAIN BIKES DIRECT TO SEE HOW THEY GREW THEIR 8-FIGURE RETAIL EMPIRES WITH NO OUTSIDE CASH

Ok, imagine I’m standing in front of you, all boss-lady like.

In order for you to have positive cash flow in your business, which is what we all want, right, you need to get your head out of the sand and start acting like a CEO of your business. For example - no longer pootling along and waiting until the bills come in, before you check your bank account (#cuepanicattack) to see if you can actually pay them.

You need to put your big girl/boy business pants on, and jump into the numbers.

Yes, it can be confronting.

And yes, it can be scary.

But this is what separates a successful business from the not-so-successful ones.

YOU ARE THE OWNER OF A SUCCESSFUL BUSINESS

Even if it doesn't always feel that way!

Fact is, you've made it this far, which is WAY more than most people.

Others dream and wish and talk a lot.

But you are here, doing this thing you love, building your retail empire and changing the world, in your own special way.

LET'S MAKE MONEY!


There are only 5 ways that you can increase your revenue & profitability

- 1) Get more customers
- 2) Increase the value of every sale
- 3) Increase the frequency
- 4) Increase your prices
- 5) Increase your profit margin

So first action step you need to undertake, is to THINK and ACT, LIKE A MILLION DOLLAR RETAILER.

Let me ask you a this... Do you think a successful, profitable million dollar retailer has no idea about their finances?

Um, heck no!



Any serious business owner should have a book-keeper or accountant, or preferably, both.

I'll be frank here and say that just about every 1:1 client that I work with, has little to no idea how to understand their financials. In many cases, they don't even have accurate reporting! It's the first thing we cover together and usually, after that first meeting, we can significantly change the whole business, just by getting clear on the numbers.

If you don't already have this person in your "business advisory board", then it should be the first thing that you outsource.

Why? Because, like we've already covered, cash flow is the life blood of your business. These people are professionals. They can advise you on how to grow your business and they can help identify problems in your business.


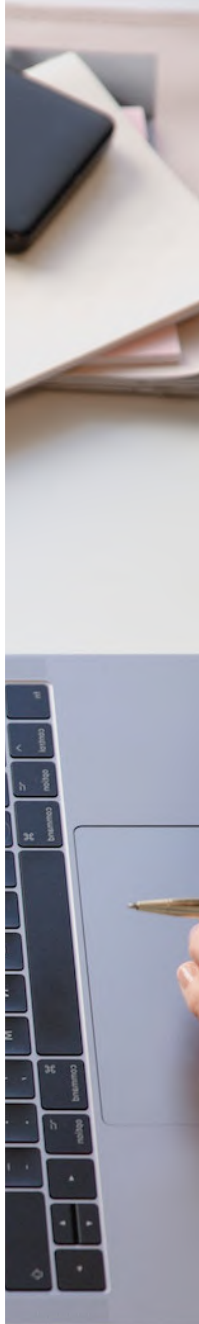
Quite often, the answer to just about any biz question, lies in the numbers. And even though, for most entrepreneurs, interacting with these professionals (whose brain are often wired very differently to ours) can be a punish, it's **imperative that you are a good steward of money** and that you accept this responsibility as part of your CEO role.

So if you haven't got a bookkeeper or accountant who looks over your number each quarter, I want this to be the first thing you focus on.

Ok, Sal-bossy-rant over, let's take a deep breath, pull those big girl/boy biz pants up, and let's jump in.

Before we can even get into the strategies, you need to know what it costs to run your business. Otherwise, how will you know how many sales you actually need to be making to be cahs-flow positive?

How much are your fixed costs, like rent and wages **and I want you to include a wage for yourself here**, and on average, how much are your variable costs. Be honest. There's no point fudging the numbers here, even if they are scary, because you won't be able to create a workable system, if the numbers are wrong.



A PICTURE SAYS A THOUSAND WORDS

Here is where we start to paint the picture of your business.

When you know what it costs to run your business, you can use this to work out what your yearly, quarterly and monthly break even point.

Hint: I like to work in months, so that you can account for seasonal variation.

Remember, when we focus on exponential growth, we're not not dwelling over past numbers!

Your break even point is the amount that you need to turn over, to pay ALL your overheads.

Ok, so now that you know how much it costs to run your business, your break even point and your current cash flow Let's get back to making more money and growing your business.

Does it look feasible that you'll be able to grow your business to the point you want on your current cash flow ?

In some circumstances, the answer may be yes. I did two fantastic interviews with 8 figure businesses who grew completely organically. AND are profitable! I'll pop a link to these inside the portal

Jane Lu, from the Aussie fast fashion brand ShowPo has grown her brand to a \$60m USD empire, servicing 100 countries, by harnessing the power of social media.

Jen Geale, from Mountain Bikes Direct, shed just about every overhead and gave the business 6 months to become profitable. It certainly worked, because around 6 years later, that company is turning over 8 figures.

After weighing up all the options (and getting advice from your accounting professional), if the answer is no, then you have two options.

- 1) Increase your revenue AND profitability and/or
- 2) Look at external sources of investment

I've left some space below for you to brainstorm this part if you need to, and remember to jump into the Facebook group if you want to discuss how other people have grown their businesses financially.



ACTION 2

THE EASIEST WAY TO DOUBLE YOUR SALES

DO YOU WANT FRIES WITH THAT?

We all know the saying the McDonalds coined, "Do you want fries with that". Nowadays it tends to be icecreams and upsizing meal deals, rather than fries, but we'll get to that in a minute.

In fact, I've even heard (and it could just be an internet legend, so don't quote me on this), that if you're an employee of McDonalds and you don't upsell, you will get three warnings and after that, you're fired.

The fact is, this upselling technique is worth literally BILLIONS of dollars to the company. It's where all the \$\$\$ are made.

One of the savvy things to be constantly asking yourself is "What could I be selling, that I'm currently not?"

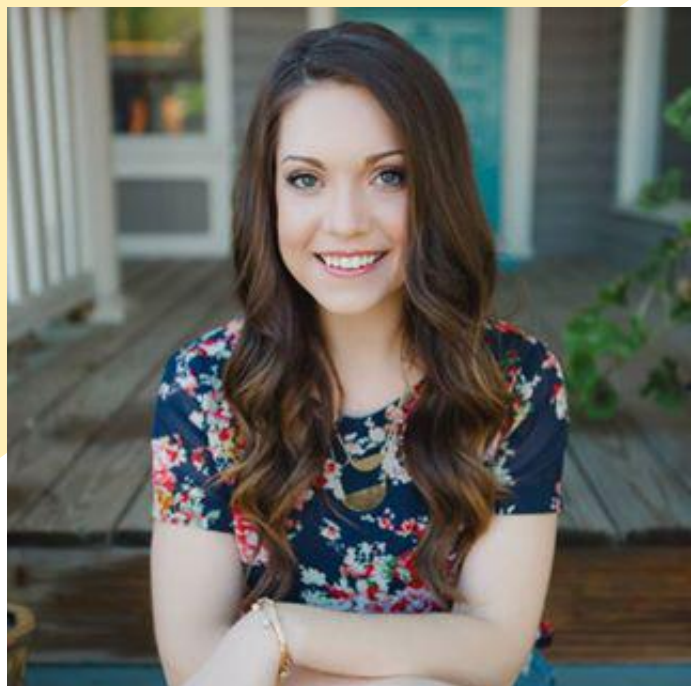
It's Not Just For The Big Guys....

I want to introduce you to Trista. She owns a physical & ecommerce store called Whit & Whimsy selling beautiful fashion items.

Now Trista and her team managed to DOUBLE their stores sales, from a \$58 average order value, to \$118 IN JUST A FEW WEEKS (and keep them there), because Trista pulled up those big girl plants and **put a plan in place to make money.**

Now in the beginning, she just wanted to increase her Average sale (also known as Average Order Value, or AOV) by \$10.

To Trista, it seemed like an amount that wasn't going to pressure her staff or her customers (personally, I think the amount was WAY too low, but read on to find out what happened)....



Ok, so Trista pulled her (small) team together and they thought of some strategies to increase sales by \$10. Being a fashion store, they thought the easiest way to increase the average order value, would be to sell a \$10 pair of earrings.

Trista had a bunch of earrings sitting in her storeroom (sound familiar anyone?) and decided that she and her team could easily suggest a pair of earrings to each customer.



The plan was sound - people already loved Trista and her team for their awesome outfit curation.

But something totally unexpected happened.

Customer weren't all buying the cheap earrings!

Trista's customers LOVED this extra attention and accessory suggestions, they started asking for recommendations on belts, bags and necklaces.

With this added confidence boost, Trista and her team became more "bold" in their product suggestions and **the result was a massive DOUBLING of revenue in just one month!**

Who else would like that???

MAKING MONEY CAN ACTUALLY BE THIS EASY

But as entrepreneurs, we always seems to want to find the hardest way to do things, rather than the easiest??!!

It's time to stop making money, harder than it needs to be, ok?

The strategy that Trista put in place is called Upselling, or Cross selling.

Upselling is where you get the customer to move to a better, (read more expensive) option.

Remember in the McDonald's example? Most of the menu items are now in meal-deals, so when you order one, they'll immediately suggest the large. Or if you try to JUST order a cheeseburger, they'll ask you if you want that in a meal deal. Say no, and they'll invite you to add a drink. Politely decline and you'll probably be asked if you want to add a dessert.

Fact is, there's a pretty good chance you'll say yes to at least one of those options, which instantly turns you into a more profitable customer by increasing your Average Order Value.

Now cross-selling focuses on increasing your AOV by adding complimentary products to your order. Products that are going to increase the customer experience or make their original purchase so much better.

When I recently bought a new portable microphone, the sales associate immediately asked me if I'd need an extension cord and explained that the cord that came with the mic was only about 2 feet long, so if I planned on using it at any distance, I'd need the extension cord, which was just \$15.

Guess what, I bought it.

Why wouldn't I? He told me WHY I needed it, when I would need it and it was only \$15.

Instant money maker AND I was really thankful for his advice.

And don't think for a moment, that you can't do this in your ecommerce store!

You can use add-ons, like Zipify One-Click Upsell, or Beeketing Upsells (I'll link to these in the portal for you).

PROFLOWERS

You can see here, on the proflowers.com website has an UPSSELL, on the right side. You can “upgrade” to the Deluxe version OR an even BIGGER arrangement in the Premium version.



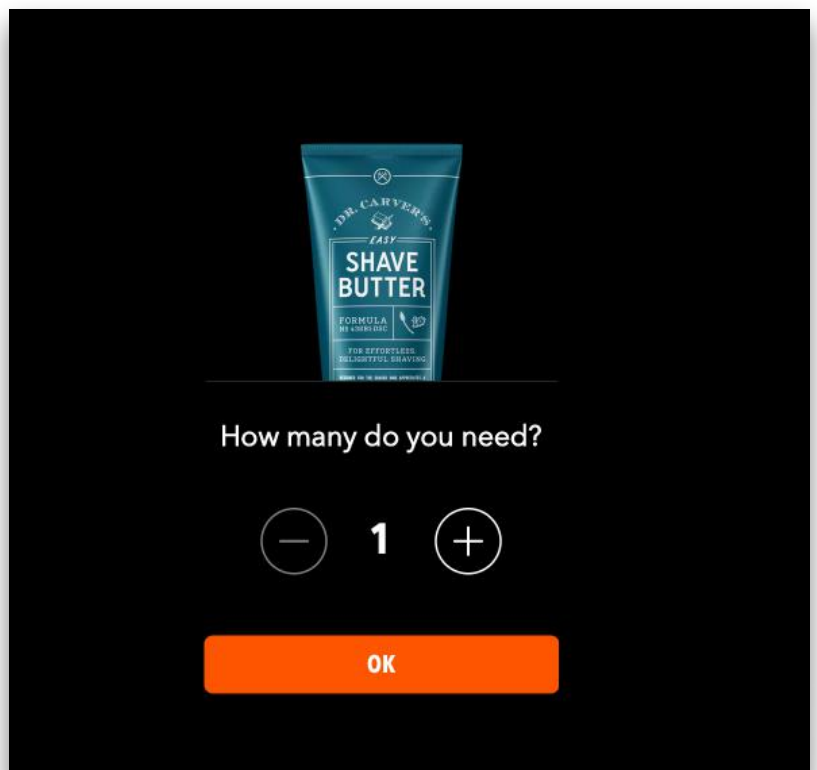
Plus if you look carefully, there is also a CROSS SELL for a jar/vase peeking in at the bottom. You actually have to scroll down and select "no jar" if you don't want to purchase (sneaky, but I'm guessing that \$9.99 is taken by a pretty good amount of buyers!)

DOLLAR SHAVE CLUB

In this example, Dollar Shave Club don't even offer an incentive, they just ask you straight up - "How Many Do You Need".

As a customer, it immediately makes you think that you need more than one, so you feel compelled to buy more.

#kaching



BINDI NUTRITION

Cross-selling is the weapon in your sales-boosting arsenal - selling a complimentary product that will usually give an enhanced benefit to the purchaser.



A great way to encourage customers to buy more, is bundling your best sellers. Customers love having their buying decisions made easier, so in this example, Bindi Nutrition has bundled up two best sellers to give athletes better performance. These products are often purchased by customers in their subsequent orders, so offering them together is actually better for the customer (and the retailer)!

VISTAPRINT

Have you ever shopped at Vistaprint?

If so, you know how bloody awful the checkout process, with all those upsells can be, right?

But the thing is, IT WORKS!

In fact, **putting that upsell process in place, was the one thing, that turned Vistaprint into a cashflow positive business.**

Just as an insight, Vistaprint now spends over \$20 million per year, purely on marketing.

They are constantly testing and measuring, to see what gets them the greatest return and what the tipping point is, that gets the biggest AOV vs the point where people abandon cart.

When I looked at their process recently, I noticed the endless pages of upsells and cross sells have been replaced with a (almost never-ending) page of cross sell products.

The Vistaprint upsell pages was sooooo long, I had to cut it in half to show you the whole thing!

The screenshot shows the Vistaprint website's upsell page. At the top, there's a navigation bar with the Vistaprint logo and various service icons. Below that, a header reads "You're All set! - standard gloss". The main content area is titled "Frequently bought together" and "Try these recommended products to complement your order". It features a grid of 24 product cards, each with an image, a title, a brief description, and pricing information. The products include items like "Premium Ballpoint Pen - Black Ink", "Warehouse Mugs", "Mouse Pads", "Business Address Labels", "Small Product Labels - Grids", "T-Shirts", "Small Stickers - Circle (Green/Grey)", "Note Pads", "Portfolios - A4", "Classic Cotton Tote Bags", "Bills Flyer", "Envelope Bag", "Notebooks", "RFID Card Pockets - 16 x 210 mm", "Desktop Business Card", and "5.2 x 10 cm Business Small Boxer". Each card includes an "Add to my Order" button and an "Edit My Image" link.

This section provides a detailed view of several product cards from the upsell page. Each card includes a product image, a title, a short description, and pricing details. The products shown are:

- Vertical Premium Business Card**: Regular price \$26.00, Save 50%, New Only \$9.99. Choose Quantity: 200 - \$14.99.
- Heisley 5x7 Cards**: Regular price \$26.00, Save 50%, New Only \$9.99. Choose Quantity: 10 - \$13.00.
- Standard Business Card**: Regular price \$26.00, Save 50%, New Only \$9.99. Choose Quantity: 200 - \$14.99.
- Address Stamp - Large**: Regular price \$26.00, Save 50%, New Only \$9.99. Choose Quantity: 1 - \$29.99.
- Ladies' T-shirts**: Regular price \$26.00, Save 25%, New Only \$9.99. Choose Quantity: 500 - \$49.99.
- A6 Flyer**: Regular price \$26.00, Save 25%, New Only \$9.99. Choose Quantity: 500 - \$49.99.
- Vertical A6 Postcard**: Choose Quantity: 500 - \$79.99.
- SignatureSoft Men's T-shirt**: Choose Quantity: 500 - \$79.99.
- Scubby Holder**: Choose Quantity: 1 - \$9.99.

 Each card also features an "Add to my Order" button and an "Edit My Image" link. At the bottom of the page, there are payment logos for VISA, Mastercard, and PayPal, along with a "Go to Cart" and "Next" button.

If a customer purchases a low end cross sell, that's around an extra \$8 per order!

Imagine if you could add another \$33 on just 3 out of 10 orders. If you're doing just 10 orders per day, that's an extra \$100 per day

Or \$36,500 per year.

If you're doing 100 orders per day, that's an extra \$365,000 per year.

We're talking BIG amounts of money, for very little outlay of time and money. A number that literally could be life (and business) changing for you. So what are you waiting for?

DON'T BECOME A DOUCHEBAG, SLEAZEBALL SALESPERSON.

Actually, I'm pretty confident that you won't go all Wolf-of-Wall Street!

However, the key to boosting those sales, is to ensure that what you're upselling is a genuine benefit to your customer and not just an excuse to get your cash register ringing.

Here's a head-spinning thought.....

Have you ever taken a moment to appreciate the fact that upselling your customer may actually be a benefit for them?

Crazy, right??!!

Before you shake your head, let me give you a couple of examples.

Say a beaming couple comes into your store (or website) and wants to buy a stylish crib for their impending newborn.

Now, you COULD just sell them the crib and (potentially) the mattress that goes with it.

If you're a sales guru, maybe you even go so far as to suggest a sheet set as well.

But in reality, I can say in all honesty as a parent, a single set of sheets is not enough! In your sleep-derived state and The. Endless. Washing.

You need AT LEAST an addition two sets of sheets AND a mattress protector - better yet, two.

For those of you who are hyperventilating at the thought of adding all of these purchases to your customers ever-growing cart, feeling like you're trying to fleece these loved up parents to be, out of their cold hard cash, the simple fact is....

If you DON'T sell them all of these items, then you're actually doing them a disservice.

Mind blown yet?

When that baby sickens up in the cot in the middle of the night, do you think that couple will be cursing you, because you sold them an extra set of sheets and another mattress protector?

Or will they be thinking, "I'm so glad that helpful lady thought to tell us about needing these extra things. We never knew we'd need them. I'm definitely recommending that store to all of my pregnant friends!"

ACTION

So how do you implement this in your store, get your team on board and potentially end up with results like Trista?

It's easy to want to go all ninja warrior and start upselling and cross selling EVERYTHING. And hopefully, over the next few weeks, you'll get really good at this, and you'll be able to implement cross/upselling everything you possibly can.

Start with your top 5 selling products, and identify the complementary products that would benefit the customer if they purchased together.

Give yourself a target (try \$5 or 10% of an average order value to start off with). Pull your team together and think of some ways you can increase the average sale order by \$5 (or 10%)

STEP 1

Look at your top 5 best selling products and see what you can upsell with them, and how they will benefit the customer.

Product	Upsell Product	Why It Benefits the Customer To Have Both
1		
2		
3		
4		
5		

STEP 2

Speak to your team and ask them which items people generally (or should) buy together.

- 1 _____ goes with _____
- 2 _____ goes with _____
- 3 _____ goes with _____
- 4 _____ goes with _____
- 5 _____ goes with _____



ACTION 3

**GET CUSTOMERS TO
BUY MORE OFTEN**

Understanding what a customer purchase process looks like

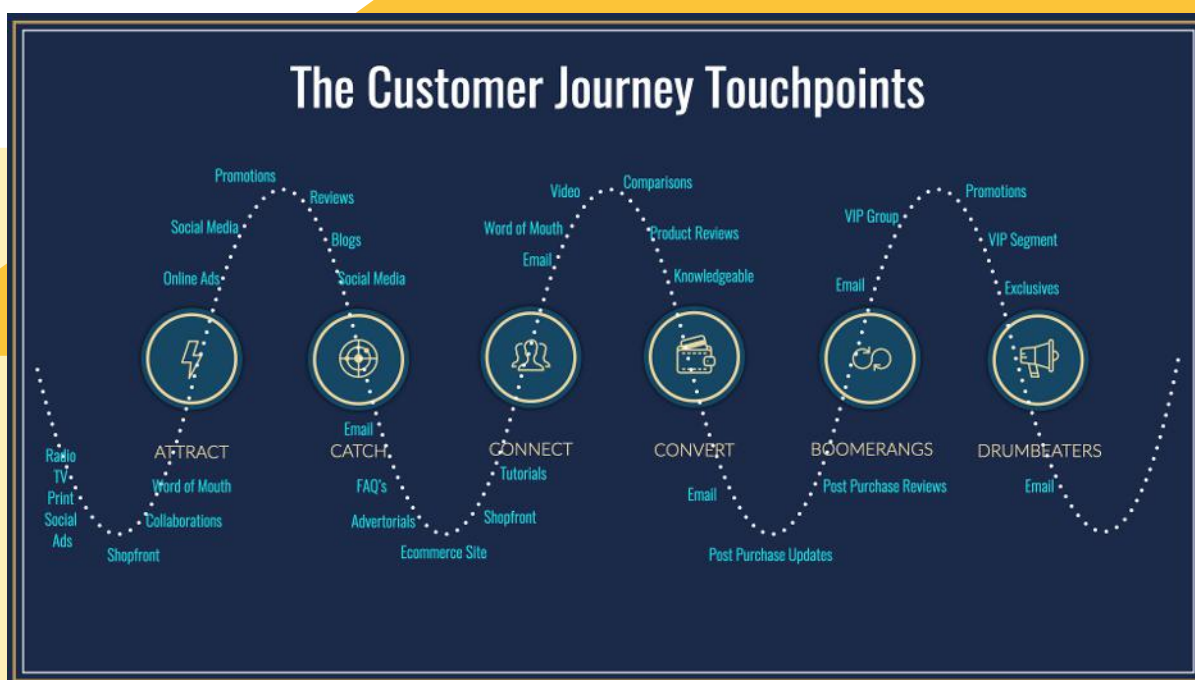
Ok, so in order to get your customers to buy more often, you HAVE to know what their purchase journey looks like.

Are you thinking “Huh, Sal?”

They come to my ‘store’, they buy stuff, I get them to follow me on social and send them a few emails (when I remember)....

What I mean is, you have to know what all the steps look like, from before they even knew about you, through to how and when they purchase AND what they do post purchase.

Here's a great pictorial representation of what a retail customer journey looks like. As you can see, there are a lot of touchpoints that occur, before they purchase AND it's important to continue to nurture and market to them POST purchase!



Where your customer is within their ‘journey’ and how they are FEELING at that stage, also dictates how you market to them.


Think about it like this: You aren't going to send a “we miss you email, please come back” to a person who's just purchased, right?

Likewise, you don't say “hello again” to someone when they walk in store, if you've never seen them before. It's just plain weird.

Your customer can move between steps quickly or slowly. It's imperative that you understand their behaviour, so you can communicate with the right way, at the right time. When you do this well, getting customers to buy more often can be an automated, yet personalised experience.

A win-win, right?

OK, so now you know what your customer's journey looks like, how they're feeling at each step and how you can leverage those feelings, let's dig into how you can get them to come back more often...

- 
- The average repeat customer **spends 67 percent more in months 31-36** of their relationship with a business than they do in months 0-6.
 - A five percent increase in customer retention can lead to an **increase in profits of between 25 and 95 percent.**
 - Repeat customers **spend 33 percent more** than new customers.

As I said, pretty interesting right.

And whilst we absolutely **HAVE** to be driving potential new customers to your store/website **EVERY SINGLE DAY**, it can't be. **at the expense of your existing customers**

It's easy to get caught up in either driving new customers to your store (I'm just going to use the word "store" here, but I mean website as well, ok) **OR** marketing to your current social media fan base. But the fact is, you gotta be multi tasking here.

Side note, that's why I'm so passionate about using lead magnets to drive new customers - they're a set and forget kind of thing, allowing you to focus on other marketing campaigns.

And as the stats repeatedly show, it's **WAY** easier for you to sell to your existing customer base, than it is to acquire and nurture a new customer.

The probability of selling to an existing customer is 60-70 percent. The probability of selling to a new prospect is 5-20 percent.

HERE ARE MY TOP 6 (EASY) WAYS TO GET CUSTOMERS TO BUY FROM YOU MORE OFTEN

1. CHANGE OUT YOUR WEBSITE HOMEPAGE AND/OR STORE WINDOWS

Simple, free and something you can do right now.

Existing customers are going to walk past your store and visit your website on a regular basis, to see what's new.

If you have a physical store, but don't don't get a lot of online sales, if you ask your customers, you'll find that anywhere up to 90% of them will look at your site before coming into store .

On a side note, this is another reason why your inventory online should always be up-to-date – if your site shows products out of stock, but they're really in your warehouse/stockroom, then you are losing sales to your competition!



Ideally, stores should be changing out windows AT LEAST every second week (preferably weekly).

If your windows or homepage stay the same for a month, is there any reason for a customer to come back in?

For ecommerce stores, changing your home page on a weekly basis will keep your customers intrigued and buying more often

2. RATINGS & REVIEWS (AKA SOCIAL PROOF)

Ok, so apart from the obvious, there are several reasons why I think you MUST have reviews on your website (or Google My Business site if you don't have a website yet).

Firstly, Google loves this thing called User Generated Content, or UGC. Having fresh UGC on your site will boost your rankings on google, without you having to do a thing! Your customers are adding all this content, long-tailed keywords and constant updating...and all you have to do is ask them to rate and review. #forthewin

Best of all, if you install a review plugin like Yotpo, the entire system is completely automated.

hint – it's even better if customers can upload pics

Next reason that I love ratings and reviews, is that they answer questions for you, without you having to do a thing (you can tell by now, that I'm all for boosting sales without any extra work, right!).

When customers pop their reviews on the site, conveniently, they are going to describe what works for them and what doesn't. What they love and what they don't.

For example, I was recently looking for a face serum. Doing some research, I popped over to the Sephora website and looked at the reviews.

★★★★★ **good primer!**

Good primer! I have extremely dry and flakey skin... it is sooo hydrating and smooth! One pump is sufficient for the entire face. Downside is that the bottle is heavy to bring out as it is glass. I do my makeup in the car so all my makeup is in my bag. It doesn't smell as coconut as it says but overall it served its purpose very well!

★★★★☆ **Amazing for dry skins**

This is an amazing primer especially if you have dry skin, it can makes your skins feels hydrated and ready for foundation. But if you have oily skin, you might not used this

As you can see, if you have dry skin, this product is great. If you have oily skin, it's not.

Neither mean the product is good or bad (so don't hide negative reviews). Different products suit different people, so keep those reviews coming (on autopilot) so that you can be pushing customers to buy more often, without you having to do the "hard sell".

3. FACEBOOK MESSENGER MARKETING AND/OR SMS MARKETING

Did you just screw up your face in contempt?

Me too!

I actually think that SMS marketing and Facebook messenger marketing is a bit too in your face. I feel like it's crossing a bit of a line.

BUT

It works. If it didn't marketers wouldn't use it.

So, if you're struggling to engage your audience and get them to buy more often, give it a try. It's a low-cost way to get straight in front of your customers.

4. RETARGETING ADS (GOOGLE/FACEBOOK/INSTA/PINTEREST)

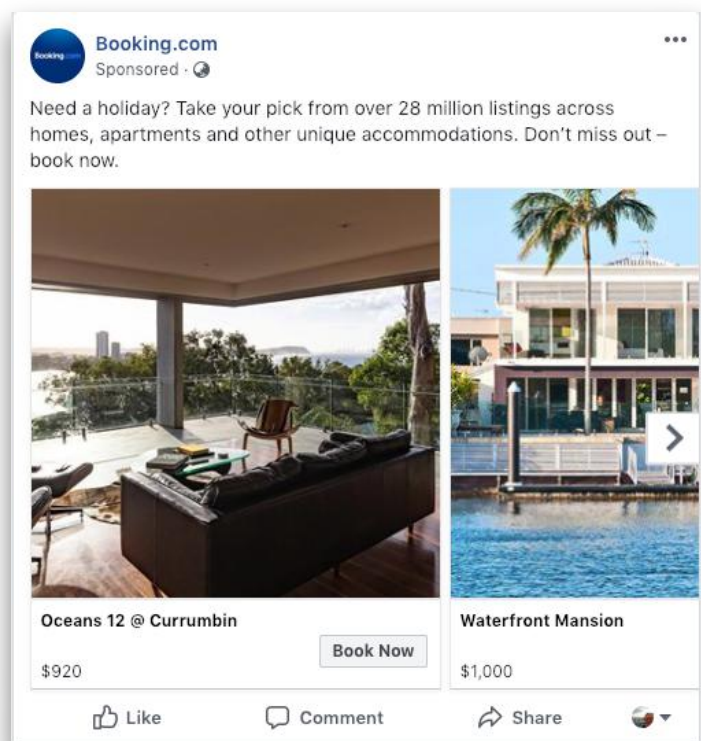
Possibly my favourite way to get customers to come back again and again.

With over a million people hanging out on Facebook every day it's pretty much guaranteed that your customer is there at least some of the time.

Linking your product catalog to Facebook Ads Manager will allow you to show your customers the exact products that they've looked at on your website.

This can 100% be tailored to each individual, so they aren't seeing stuff they aren't interested in.

Here's an example of how I was retargeted by Booking.com when looking for accommodation. Because I was looking at multiple hotel sites, having this in my feed instantly made me click back to Booking.com



5. EMAIL MARKETING

You've probably heard this stat before, but it's so important, that I just have to emphasise it.

Email marketing has a 122% ROI, compared to the next closest marketing channel of social media, at just 22%.

So, you simply **MUST** be using it, to increase your customer return rate.

Sending quality content and offers, using email marketing for post purchase nurturing and even using email to retarget your abandoned cart customers. There are so many ways that you can use email marketing to increase your sales.

hint: refer back to the December 2018 Action Plan on how to re-engage your customer with email marketing

double hint: if you're using Klaviyo, take some time to look at the automations that have been pre-configured for you

6. PERSONALISATION

Every year, I attend multiple retail and marketing conferences so that **YOU** can know what's hot and what's not. And I have to say, the one trend that is not going to go away is personalisation.

Not only do our customers want marketing and advertising tailored to what **THEY** want, the fact is, customers **LOVE** showing off what they own.



Personalisation takes a run of the mill product and elevates it to the next level. Over Christmas, all my nieces and nephews asked for was personalised Toblerones from myer.com.au!

Coca Cola's "Share a Coke" campaign with names on labels was the key to bringing the company an increase in sales after a decade of decline. "At the end of the day, our name is the most personal thing we have. It's our fingerprint...our identity...in one word. The campaign capitalized on the global trend of self-expression and sharing, but in an emotional way." said Lucie Austin.



ACTION 4

INCREASE PRICES

How many of you just rolled your eyes, or huffed and puffed, or immediately said to yourself, "I can't. I'd lose sales"?

If that's the first thing that popped into your head, I want you to consider how well you provide the customer experience.

If your fave coffee shop charges 30 cents more than the place next door, do you abandon the cool ambiance, giving up that (cute) barista who knows exactly how to make your coffee and the endorphin rush you get when you "treat" yourself??

Heck no!

That's because great customers are **PREPARED TO PAY MORE** for a fantastic experience

In fact, I dug up an Oracle study that showed

86% of buyers will pay more for a better brand experience, but only 1% feel that vendors consistently meet expectations.

On top of that, this in-depth study found that by the year 2020, customer experience will overtake price and product as the key brand differentiator.

Here's the thing, if the only thing your customer is shopping on, is price, you may as well close up shop now (ok, don't really, just think about your business model).

Stores that trade on price, need significantly more volume, just to keep afloat. They require huge turnover of products, just to make the same amount of revenue.

SO HOW MUCH MORE WILL CUSTOMERS PAY?

I did a lot of digging around with several reputable research companies (think PWC, the NRF, Walker, Custora, Oracle) and here's what I found (remember, this is not just an indication, this is cold hard research)

The payoffs for valued, great experiences are tangible: **up to a 16% price premium on products and services, plus increased loyalty.** In return, among U.S. consumers, there's a sharp increase in willingness to give up personal data: 63% say they'd share more information with a company that offers a great experience.

So, here's how you can differentiate yourself from the competitors AND the department stores.

Cos PWC found that **54% of U.S. consumers say customer experience at most companies needs improvement.** That's quite an experience gap, just waiting for you to jump on board and leverage!

Happy Customers Are Loyal Customers

"74% of senior executives believe that customer experience impacts the willingness of a customer to be a loyal advocate"



www.superoffice.com

So How Do I Create A Better Customer Experience?

In a full-circle moment, creating an amazing customer experience can only really be done once you understand your customer journey.

Think about why people want to come and shop with you.

What can you do, to increase the customer experience, so that price is not the motivator?

For example, it could be great service, a beautiful, ever-changing fit out, knowledgeable staff or exclusive products.

Know why you're different, and trade on that.

When you make a customer feel special
your A-class customers.

Is it "FAIR" To Raise Prices?

Raising your prices is not just all about customer experience.

Many retailers simply don't know what it costs to run their business, so they just go "with what everyone else is doing".

I still remember one competitor charging \$25 for an item I was retailing for \$39.99.

The product was imported and by the time I'd allowed for duties and taxes, currency fluctuations and retail markup, that was the price it needed to sell at, to be profitable.

When I asked this competitor how they could price so cheaply, their answer was "that's all my customer will pay".

Of course, after I explained that their RRP was actually LESS than what the product was costing them to buy in, they quickly changed it.

In (yet another) full circle moment, can you see now WHY it's so important to know what your break even point is?

Knowing what your **operating costs** are directly affects the price at which **you can sell a product for**.

Understanding how enterprise retailers change their pricing gives you a good insight into how you can manage your own.

In those 'big box' stores, prices can change on a daily/weekly basis. This is because they know that the next order they do, is likely to be at a higher price. In order to 'buffer' that cost, they'll proactively change their pricing.

As independent retailers, we can get a case of 'the guilts' and think it's unfair to charge more for a product when we paid a lower amount for it. It's time to let that mentality go.

This is business baby! And you're in this to make money.

CASE STUDY

Meet Rebecca.

Shes the founder of Sattwa Skincare, an eco-lux, cruelty free and vegan skincare range.

After 10 years in business, Rebecca had never raised her prices. As you can imagine, in that time, the cost of goods had gone up significantly.

As a result, her profit margin had dwindled to the point that when she sold wholesale, **she wasn't actually making any money.**



She told herself that "this was the cost of brand awareness. It was a small price to pay to get her product into stores. Eeek, right!!

After working out her break even point and dissecting her cost of goods, Rebecca made the very difficult decision to increase her prices.

Fearing that she'd lose customers, she didn't implement the 'full' increase I suggested, but it was enough to claw back that difference and make her products profitable. When sales increased, she realised that her customers weren't motivated by price. She'd built a great customer experience, product and brand and her customers were loyal.

Rebecca increased her prices three times in the next 18 months and didn't lose any sales, but did see a big difference in her bank account!

In addition, the premium pricing allowed her to market her products to people who spent more per order (her Average Order Value sits at between \$140 and \$170 - up from just \$55!)

CHECKLIST

Know Your Numbers

- Dig out any financial records you have - Profit & Loss, Balance Sheet, even POS records
- Use the Table to work out your Break Even Point
- Speak to your financial advisor/accountant and look at your growth plan to work out the best way to meet your goals

Money Maker #1 - Increase The Value Of Each Sale

- Figure out your AOV (average Order Value)
- Decide on a new target AOV and timeframe
- Map out the best products that could be upsells
- work on the complimentary products that are perfect cross-sells

Money Maker #2 - Get Customers To Buy More Often

- Use your website/POS to analyse your top customer's journeys
- Map out the process that a customer goes through, from Awareness to Loyalty
- Pay close attention to consistency: in your images, layout, text font and descriptions.
- Choose 1 or 2 strategies to implement to get those customers to come back more often

Money Maker #3 - Price lifts

- Understand WHY your store is different from your competition
- Using that knowledge, head back over to your Customer Journey Map and see where you can leverage your differentiation at each stage
- Lift those prices, baby! Go and increase your top selling products by just 10% and see your profitability soar

