

# Tricks of the Trade for Lifeline Retail

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# What does “marketing” mean?

- Advertising
- Promotion
- Publicity
- Selling
- Customer service
- Image and brand
- Pricing

# Marketing is the process of matching

- When you market you are matching
  - you and your people
  - your business
  - and your products or services

To your customer's needs and wants,  
worries and concerns

# Remember...

- Advertising, selling, promotion etc are just the tools in your toolkit to make the matching process happen
- The closer the marketing match, the more revenue your business will generate
- Your business exists to:
  - Generate revenue for Lifeline
  - Spread the message

# Winning Retailers....

- Don't think Not For Profit
- Understand that not all customers are equal
- Match their product to target customers
- Match their image and brand to target customers
- Understand the true value of existing customers

# Develop a profile of your customers

- Senior citizens
- Unemployed
- Professionals
- Mothers with children
- Teenagers
- Schoolkids
- Retailers
- Party goers
- Vintage fans
- Dealers
- Collectors
- Business people
- Tourists
- Family groups
- Baby boomers
- Sea changers

# Ask yourself.....

- Where are they?
  - Profile your geographic area, identify population trends in your area
- Who are they?
  - Identify lifestyle trends in your area
- What are their needs and wants
- What are their worries and concerns?

# Select your target customers

- Review your customers spending habits
  - Average spend by each group
  - Average spend by postcode
  - Products purchased by each group
- Ask yourself
  - Who are the most profitable?
  - Who are the easiest to target?
  - Who are the most desirable?

# Remember

- Focus on proactive not just reactive marketing
- Chase the value not just the volume
- You don't have to be all things to all people
- Different shops or divisions of the organisation may have different target customers or clients

# Don't forget donations

- Select target markets to drive quality of product
  - Target postcodes
  - Service clubs
  - Weight watchers
  - Office blocks
  - Shopping centres
  - Seasonal promotions - publicity

# Match products to customer needs and wants

- Celebrate your retail differences!
- Tailor ranges for your targets market
  - Aim for depth or width
- Price stock for your target markets
  - Make sure you price relative to the market
- Review stock levels and stock turns
- Increase deliveries to increase turnover
- Capitalise on the power of brands

# Match stock to customer traffic

- Set expectations with the look of the shop
  - Does it look and smell like an op shop?
- Know your customer “hot spots”
  - High profit, high image stock in prime spots
- Arrange stock to suit customers not staff
- Make sure display is logical – think “rooms”
- Rotate stock regularly
- Avoid “dressing table” displays, use multiples and groupings to sell

# Maximise the impact of windows

- Do your windows represent your business?
- Change your windows often
- Make sure nothing blocks the view
- Make the most of props to feature stock
- Think about multiples
- Promote price in the window
- Use windows to promote events

# Understand how the sexes shop

- Men

- It's a chore
- Go direct
- Get it over and done with
- Give me features and prices

- Women

- It's recreation
- Like to browse
- Touch, feel and try
- Talk about feelings and opinions

# Stand out and be seen!

- Does your image work?
  - Windows
  - Outside signs
    - A Boards
  - Clothing or collection bins
  - In-store
  - Posters, tickets, directional signs
- Promote Lifeline

# The true value of customer service

- Customer service is often about perception not reality
- Customers are “buying”
  - Solutions to problems
  - Good feelings
- Customer service is about revenue not just “have a nice day”

# The true value of customer service

- A typical business hears from only 4% of its dissatisfied clients
- The other 96% just quietly go away, 91% of those will never come back
- A typical dissatisfied customer will tell 8 - 10 people about his or her problem. 1 in 5 will tell 20
- It takes 12 positive service incidents to make up for 1 negative incident

# Why do you lose customers?

- 3% move away
- 5% develop other friendships
- 9% leave for competitive reasons
- 14% are dissatisfied with the product or a person
- 68% quit because of an attitude of indifference toward the customer by the owner, manager or some employee

# The importance of existing customers

- Compare the cost of finding new customers with building your business through existing customers
  - How many clients do you have?
  - How often do they use your service?
  - What is your average spend? (revenue per week ÷ number of clients per week)

# The true value of existing clients

- Multiply Clients x Visits x Average Spend
  - $1000 \times \$120 \times 2 = \$240,000$  Existing
  - $1100 \times \$120 \times 2 = \$264,000$  New clients
  - $1000 \times \$150 \times 2 = \$300,000$  Av. spend
  - $1000 \times \$120 \times 3 = \$360,000$  No. of visits

✓ ***Don't underestimate the lifetime value of a customer***

# Increase average spend

- Look for logical add-on sales
- Display and price stock in multiples
- Package products together
- Offer value add rather than a discount
- Display interesting stock on the rear wall
- Promote add on services
- Keep lights bright as they will attract customers
- Sell online

# Increase number of visits

- Develop a database for future marketing
  - Build an email database of customers
- Start a newsletter
- Promote and sell through a website
- Start a “frequent flyer” program e.g. coffee club
- Introduce “bring a friend” bonuses
- Send reminder cards for donations or special events
- Hold a special event e.g. closed door sale

# Analyse your sales process

- Ask yourself
  - Are you missing opportunities for client service?
  - Do you over promise and under deliver?
  - Was this process developed for the business or the customer?
  - Who takes responsibility for customer service?
- Remember
  - We tend to buy emotionally and justify with logic
  - Problems are an opportunity to shine

# Dealing with difficult customers

- Listen
- Demonstrate interest
- Think
- Talk
- Team Up
- Agree
- Take time out

# Professionalism in retailing

- Measures
  - Total revenue
  - COGS
  - Revenue per category
  - Average spend
  - Turnover per square metre
  - Stock turns
  - % of revenue on marketing
  - % of revenue on rent
  - % of revenue on staffing
  - Staff/volunteer churn


Thank you...  
Happy Retailing!

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1 2 3 4 5 6  
20 21 22 23 24 25 26

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