

IMPROVE SALES: make paying fun for customers



By Phil Sasso Contributing Editor

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Q. What can I do to get my customers to be more consistent with their payments? My slow pays are growing. How can I stop customers from falling behind? What kind of consequences work best?

A. I don't think "punishing" customers is the answer. Perhaps you aren't establishing your expectations upfront and consistently reinforcing them.

Assuming you've started off right, I'd try a carrot before resorting to a stick. Consider using incentives to encourage customers to stay current – and even ahead of schedule. Drawings and games, for example, can make collections painless – even fun, while boosting overall sales.

"Lately, I've been doing a lot of raffles and giving away things like a free (tool) cart, TV and baseball tickets," says Spotsylvania, Va.-based Matco Tools distributor John Luehrs.

When possible, he tries to time his prizes to the season. For Valentine's Day he gave away a gift basket with a necklace and gift cards that the winner could give to his girlfriend or wife.

Whether he wants to increase sales, step up collections, or draw new customers, he creates a raffle targeted to that goal. When he tells techs in the shop about his newest contest, many will come out to the truck just to see the prizes and a lot end up buying something.

When choosing prizes, be aware that tangible prizes trump cash. While customers may appreciate money, it isn't as motivating as a tool or tickets. And Luehrs says the better the odds of winning, the more likely people are to participate, so he tries to have multiple prizes for his drawings.

Luehrs says prizes don't have to cost a lot. It's more about the perceived value. He saves tools that he gets for free or at a deep discount through a Matco promotion and uses them as prizes. He tries to



Envelopes with keys inside generated interest in a "pirate's chest" drawing.

keep the total cost of prizes under \$300 out of pocket.

"You want to make your margins and you want to pay for the contest," Luehrs says. So, you just have to do the math to make that work for you.

Instead of using self-promotional, flag-branded merchandise like hats, T-shirts or pens as prizes, he uses those as personal gifts to build his relationship with customers.

Even if your game's goal is to increase sales, a ground rule should be set that your customer needs to be current in payments to participate. That way you can increase both your bottom line and your cash flow.

Q. I do a raffle about once a month to bump up sales. They used to work well. Lately, they aren't drawing like they used to. Do you have any ideas of how to spice things up?

A. Once a month may be too often for your raffle. Most dealers I talked to said they run a contest or drawing about once a quarter or at most once every two months. If you have a contest going all the time, you lose the sense of novelty and excitement.

Also, try shifting from a plain-vanilla drawing to something more fun and engaging. Matco distributors Duayne



Festive packaging makes prizes more engaging on the truck, displaying prizes and packages.



A customer matches a ticket to a bag to win prizes in a holiday "grab bag" giveaway.

and Susie Sharpe of Kaufman, Texas have infused their games with a bit of fun and creativity. One of their most popular games is a pirate's chest sweepstake.

"We don't tell them what's in the chest, but tell them that it's a certain dollar value," says Duayne Sharpe. The mystery fuels the energy and enthusiasm for the game.

The game runs several weeks. First, customers who made a minimum \$200 purchase and whose account is current get to write their name on an envelope containing a key. In the final week, the customer gets to try his key. Only one key works.

"The anticipation builds up with all the guys waiting to try their keys," says Sharpe. "It was awesome!"

In a holiday "grab bag" giveaway, customers earned raffle tickets according to how much they paid on their account that week. Every Friday night they drew the winner of the prior week's gifts. Customers had to come on the truck to match their ticket to the gift bag to claim their prize.

Q. I'm burnt out. I've been a distributor for about seven years. I love the job, but I'm in a rut. Sales are flat and I'm not as stocked as I once was. What can I do to get motivated?

A. How can you get your mojo back? Good question. Here are a few random tips. Take a vacation or a couple long weekends away. Change up your route. Listen to motivational CDs. Meet up with other dealers and talk shop.

Here's another possible cure for that seven-year-itch: challenge other dealers in your district to a sales contest. You can put up cash or make the reward or consequences fun or funny. (See page 34 for one idea). The only limit is your imagination. ■

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