

A CYGNUS PUBLICATION

YARD & GARDEN

THE POWER EQUIPMENT DEALER'S SOURCE FOR MANAGEMENT, MARKETING, AND MERCHANDISING

□ Dealer Survival Guide □ volume 2

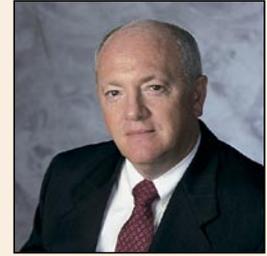
A supplement to Yard & Garden magazine

□ Marketing, Merchandising
and Customer Intimacy

□ Brought to you exclusively by

STIHL®

AN OPEN LETTER TO INDEPENDENT SERVICING POWER EQUIPMENT DEALERS



“Dealer Survival.” Two words with profound connotations. Two words we believe and invest in at STIHL Incorporated. And while other outdoor equipment manufacturers project the end of an industry as we know it, and the end of independent servicing dealers as we know them, we couldn’t disagree more. Why? Let’s look at some facts:

- 1) Thanks to the ongoing efforts of servicing STIHL dealers nationwide, STIHL Incorporated turned in another record sales year in 2000. And it’s worth noting; that’s a record year on top of previous record years in 1999 and 1998!
- 2) We exceeded our sales goals last year based on the performance of servicing dealers, not the performance of home centers, E-commerce, or any other short term retail strategy.
- 3) With your support, we successfully launched the largest range of power tools in our history, the STIHL HomeScaper Series™.

So we remain confident, even optimistic, about the future of our industry and most importantly, servicing dealers. We are certainly not naive, nor do we believe that business is getting any easier for anyone. But we do recognize that premium grade products, disciplined distribution, and smart marketing can overcome industry transitions.

It is for these reasons we so firmly believe in promoting and investing in business success tools such as the Dealer Survival Guide from Cygnus Publishing. We’re extremely proud to be the sole sponsor. And we’re pleased to offer it to you as another means to help you get the job done today and tomorrow.

On behalf of STIHL Incorporated, I wish all of you good selling in 2001. Let’s make it another record year.

Sincerely,

A handwritten signature in black ink that reads "Fred Whyte". The signature is stylized and cursive.

Fred J. Whyte
President
STIHL Incorporated

The STIHL logo, consisting of the word "STIHL" in a bold, italicized, sans-serif font. The letters are orange. A registered trademark symbol (®) is located to the upper right of the letter "L".

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Noël Brown, editor in chief

Welcome to Volume 2 of the *Yard & Garden Dealer Survival Guide*. This issue includes some of our most popular articles on a very important topic to dealers: driving customers through the door.



Here we cover three key parts of customer/dealer relationships. First, we've included tools for the most effective advertising and public relations that will generate customers. Second, we focus on merchandising and showroom techniques that will maximize the positive shopping experience once those customers come through your door. Finally, we discuss concepts that help you deepen the customer relationship and foster loyalty that will ultimately lead to future sales.

The Survival Guide series has been created to be a valuable resource to dealers looking for industry-specific advice on areas of the business that dealers say are essential to their success. Volume 1, which was a supplement to the September/October 2000 issue of *Yard & Garden*, covered the key topics of business planning and financial management. We have prepared this issue on marketing, merchandising and customer intimacy to help dealers prepare for, what hopes to be, a big selling season. Good luck and good business to you!

Yard & Garden would like to extend our special thanks to Stihl, Inc. for their exclusive sponsorship of this issue of the Dealer Survival Guide. We hope you will find a way to thank them, as well.

— Daniel G. Newman
 group publisher

Making a Marketing Splash

What dealers can do to make their message heard

By Noël Brown

Consumers have a myriad of choices. There are products — at seemingly every price point — to solve every problem. There are countless retail outlets in which to purchase them. In fact, with catalogs, home shopping channels and the Worldwide Web, consumers don't even have to leave the living room to shop.

But for as many choices as there are, there are only so many consumer dollars to go around. So anyone and everyone in retail is vying for the consumer's attention.

Dealers are trying as hard as anyone to generate awareness, floor traffic and ultimately sales. But with a limited budget, how do you know where your marketing dollars will do the most good?

By doing a little homework and a lot of careful planning, each dealer can find his own customized solution to that very question. The key is to know who your target audiences are, then find the marketing methods that work best in your market to appeal to those audiences. Put together your own campaign.

"The first thing to remember is not to think of each marketing function as a separate entity," says Larry Rivers, Sr. of Rivers Advertising in Lincoln, Nebraska. "Everything a dealer does should be integrated into a marketing plan. All elements should work together."

Other experts agree. "Never rely on only one method at a time. Since marketing is an experiment, you could easily run out of money before you find out which methods work best for you. Allocate what money you have to several methods simultaneously to find out which ones produce the best results," say authors Paul and Sarah Edwards and Laura Clappitt Douglas in the book, "Getting Business to Come to You."

"It's important to make a plan," says Dean Skylar of Skylar & Assoc. in Grosse Pointe Park, Michigan. "Decide well in advance what to promote, why you are promoting it, and the best marketing vehicles for each promotion."

Make a name for yourself

Equally important to your campaign is to send a consistent message in every medium you use.

"A dealer must identify his position in the market," says Rivers. "He must formulate a unique positioning statement that sets him apart from his competition,

and identifies his services to the customer. An example would be, 'Quality is job one.' We all know that means Ford Motor Co."

In fact, we can all think of positioning statements that help us identify with certain companies. "When it absolutely has to be there overnight." Federal Express. "Delivered hot in 15 minutes, or it's free." Domino's Pizza.

There are several elements to your business that distinguish you from your competition. Outstanding service. Premium product. Knowledge of equipment. Determine your positioning statement, then feature it on everything from your business card to your bill of sale. Everything that connects to your business should include that statement.

Toot your own horn

A crucial element of every marketing plan is to make a name for yourself in your community through networking and public relations. This is one of the least expensive and most effective forms of marketing.

"Let yourself be known to the media and your community as an expert who can be called upon to give advice," says Rivers.

Make headlines. Call the editors of your local papers and take them out to lunch. Develop a relationship. Add them to your mailing list so they can see what's going on at your dealership. Personally invite them to special events. Call them with story ideas that you can help with, such as a spring story on "How to get your mower ready for summer," or a fall story on "Six easy steps to fall cleanup."

Network, network, network. Join your local Rotary Club or the Chamber of Commerce. Go to the meetings and spread the word about your business. Always have business cards on hand, and make it known that you are the person to call when an equipment or service need arises.

Start a mutual admiration society. Don't just hand out cards, but collect them as well. Let the folks you meet know you're always looking for more business. Refer friends and customers to non-competing businesses. Those businesses will often return the favor. Keep in touch with the contacts you make. Every new relationship can turn into referrals or sales.

Be creative. Where else could you make a name for yourself? Volunteering for charities and local organizations is often another way to make contacts. Sponsorship

of local sports teams can be another alternative. Are there any organizations you can provide services to that will turn into future referrals? Every community offers different opportunities. Just make sure your investment of time and funds is worth it to you and your business.

"The goal is to get others to become advocates of your products and services," says Skylar.

Set your priorities

Of course, the top priority of any marketing plan is to grow sales. But it is important to be careful about who you want to attract — beyond the upscale consumer and the commercial customer. Divide your budget for each customer segment into two categories.

"Part should be for 'acquisition' (new customers) and part should be for 'retention' (repeat customers)," says Skylar. If you are still developing a customer database, he recommends spending 75% of your marketing dollars on new customers. But once you have a well-developed customer database, you should spend 75% on customers you already have.

Skylar explains that "in the old days" there was no shortage of new customers. But today, it is more difficult and more expensive to bring new customers into the store. So it is wise to develop your existing customer base as much as possible.

"Your goal should be for customers to spend 100% of their available dollars in your store," says Skylar. "Right now, they are probably spending 20% to 25%. If you do your marketing job right, customers will come to you when they have a need. If not, they'll buy what they need while shopping at discount stores or large home centers."

Make a plan

What other marketing methods will complement your networking efforts? We will discuss several methods, including database marketing (direct mail), newsletters, special promotions and advertising. But first, the experts say to take advantage of a few things to optimize your marketing dollars.

First, review the co-op plans offered by your suppliers. What will they help with? "Many dealers don't cash in on all they could for co-op funds," says Rivers. "They also don't utilize all the different marketing tools offered by suppliers."

Many manufacturers offer well-written, well-designed postcards, newsletters and brochures for a reduced cost to dealers. Buying these items in bulk are much less expensive than designing and producing them on your own. Be sure you know what is available.

Also, wheel and deal with your manufacturers for help on certain promotional materials. If you've got a

great idea that doesn't happen to be in the co-op agreement, call your manufacturer and let him know what you are doing and that you'd like help. Manufacturers provide these opportunities because they're looking for sales to grow, too. If you're promoting their product, see if they'll supplement your promotion.

On the flipside, don't be afraid to say no to certain co-op deals or marketing materials if they are not a good fit for your dealership or market. Even a really good deal can be a waste of money if it's not tightly targeted to your audience.

"Too much money is wasted on advertising that won't be much of a benefit to the dealer," says Skylar. "Make sure any special advertising offers are part of your store's strategy and not just part of the media's."

Skylar also warns against spending too much money on "passive forms of advertising" like Yellow Pages and other directories. They are considered passive because you have to wait for the customer to come looking before you can give him your message. It is better to focus the dollars of a limited marketing budget on "active forms of advertising."

Get all your ducks in a row

Finally, before implementing your marketing program, make sure you "get your house in order." Before generating floor traffic, how does the store look? Are displays well-stocked and creatively laid out? Do you have extra inventory on the items you are featuring? These are common-sense details, but are important elements to your plan just the same.

Make sure your establishment exudes the image you portray in your marketing message. If you claim to be the "complete source for outdoor power equipment," make sure you have it all, including accessories and attachments. If you promise quick turnaround, make sure you have the staff to execute just that.

"Sell the machines, but also sell the merchandising," says Rivers. "You're not just selling through your direct mail campaign. You're selling with your displays, too."

Make sure there are no empty promises in your marketing message. In the age of sensational advertising, it is tempting to promise the world to get the message heard. But be careful. "Some want to be everything to everybody," says Rivers. "It's better to promise, say, five important things, then deliver in spades on those five."



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Let the Mailman be Your Salesman

Using direct mail to generate sales and repeat customers

By Noël Brown

Without a doubt, one of the marketing methods most touted for small businesses with very specialized audiences is direct mail. It can be done on a small budget, and, when tightly targeted, is very effective in generating sales and customer loyalty.

"In addition to generating inquiries and sales, direct mail is used to create awareness of a business or product, to build credibility, and to reinforce one's position in the marketplace," say the authors of "Getting Business to Come to You," by Paul and Sarah Edwards, and Laura Clampitt Douglas.

"Database marketing provides vital information to target smaller groups of customers with similar needs, making marketing more efficient and effective. As important, it also offers measurability, and with it, accountability for a business' marketing efforts," says Philip Kotler in his foreword for the book, "TargetSmart! Database Marketing for the Small Business" by Jay Newberg and Claudio Marcus.

Both Steven Peters of Rivers Advertising and Marketing, and Retail Marketing Consultant Dean Skylar agree. Not enough dealers are making good use of their databases in keeping in contact with customers.

The key is a good list

Crucial to an effective direct mail campaign is developing a good mailing list. There are several ways to do so. The ideal way, of course, is to gather your list of previous customers. As the authors of "Getting Business to Come to You" point out, "There are no better prospects than those who have purchased from you before."

There are many ways to develop your own list. "I take names and addresses off of checks people use for payments," says Doug Burns of Doug's Lawnmower in Covington, Ohio. Burns has developed a list of more than 1,000 customers and prospects.

Where else do you take information from customers? Warranty cards and service tickets should also be entered into the list. "Customers are typically not opposed to giving this information to you," says Skylar. "They are in your store for a reason. And they want to hear from you."

Another way is to hold various drawings and raffles. Customers complete entry forms that capture the demographic information needed for a mailing list. However, in "Getting Business to Come to You," the authors warn to "be sure drawing and contest prizes are something that only your market would want so that you don't get a lot of useless names."

Also, remember to take advantage of information from your suppliers' promotions. "Toro runs the purple tractor sweepstakes," says Burns. "We take the information off of the entries before sending them in to Toro."

"Database marketing provides vital information to target smaller groups of customers with similar needs."

If you have not yet developed a list of customers, it is possible to buy or rent lists from list companies or list brokers until you develop your own. Brokers can offer some pretty specific demographics. The information can include whether the prospect is a homeowner, the size of the lot and the yearly household income.

The quality of lists varies quite a bit, so take a look at "The Ideal List" on the next page to see what elements make a good list before calling.

"I recommend renting resident lists vs. occupant lists," says Skylar. "Resident lists include demographic information, and can be rented for unlimited one-year usage. Occupant lists provide the mailing address only."

Three list vendors to consider are Americomm in Louisville, Kentucky, AmericaList in Middleburg Heights, Ohio, and American Business Lists in Omaha, Nebraska.

Be sure to keep lists as "clean" as possible. When mailings are sent first-class, the post office will inform you via returns of people that have moved, incorrect addresses, etc. Be sure to make those changes. "Send out at least one mailing quarterly, purging the names that are not current and adding new names regularly," recommend the authors of "Getting Business to Come to You."

The Ideal List

According to the authors of "Getting Business to Come to You," here are things to look for when renting or buying a mailing list.

1. The names and addresses are accurate and current (many lists have 20% inaccuracy).
2. These prospects need your product or service.
3. They can afford to buy your product or service.
4. They know or have heard of you, your company, your product or your service.
5. They have a positive regard for you, your product, your service.

Write often and follow-up

How many times should you use this list? Experts say at least three times a year; five to seven times per year is ideal.

"I send mailings five or six times a year," says Burns. "We start the year with a 'Hello, it's time to get your units in for service' mailing in January. I use a bulk rate permit that helps save postage costs. I have the mailing down to 31 cents per person per mailing — that includes printing the piece."

According to "Getting Business to Come to You," the rule of thumb in marketing claims it takes seven contacts to produce a sale.

The authors go on to say the statistics for a traditional direct mail piece is not encouraging — but there is a lot you can do to increase your odds for success. "The overall average response rate for direct mail is one-tenth of one percent. But if your product or service is appropriate for direct mail and you have been using the methods recommended for designing a creative promotion piece and finding a perfectly tailored list, you could reach a response rate of 30% or higher. But that is the exception, not the rule."

They go on to say "There are a variety of ways you can multiply your direct mail response. Using prepaid response cards can help dramatically, as can following up either with an additional mailing or a phone call." In fact, the most effective results come from combining direct mail with a telephone call.

You can use these mailings to tighten your relationship with existing customers. "Identify opportunities to start rewarding customers," says Skylar. "Department stores find this method very successful. Invite them to a customer-only private sale the day before the sale is

scheduled to begin. It makes them feel special. All it takes is a postcard."

The authors of "Getting Business to Come to You" discuss variety. "Your current client list should be contacted on a regular basis by postcard, letter, a simple flyer, or a newsletter, perhaps presenting a special offer or promotion."

It may be a good idea to hire a consultant to help you develop your first materials. But with so many technological advancements, it can be as simple as investing in a desktop publishing program to create your own materials on the computer. Many laser printers produce professional-quality art. Also, be sure to ask your manufacturers for artwork, too. They often have line art and photography of the products you want to feature — for free or at a minimal cost.

If initially creating your own mailings seems too difficult or expensive, go back to your suppliers for help. Steve Dunigan of Dunigan's Outdoor Equipment in Jackson, Michigan, takes full advantage of the materials his manufacturers have to offer. He uses over-sized, 4-color postcards that boast commercial equipment to send to his landscape contractor customers. The cards are blank on the backside, allowing him to put his own message on them. He also uses as a mailer a pre-designed newsletter to commercial clients. The stories appeal to that audience. All Dunigan has to do is have his own "column" printed in the space allowed and — voila! — it becomes his own personal mailing.

And remember, timing is everything. Be sure to allow enough time before a sale or special event for both production and delivery of your mailing pieces. For instance, if you opt for bulk rate postage, it could take as long as a week for customers to receive the mailing.

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Newsletters: Tell Your Story

Many dealers have found newsletters a cost-effective, high-quality mailing piece. In "Getting Business to Come to You," the authors point out many benefits of producing a newsletter.

"Your own company newsletter can be among the most cost-effective methods of promotion. It permits you to keep in touch with your customers, give them good news, and announce special products or services. It is also a good way to offer incentives, to alert customers to important trends in the industry, and, above all, to give them an opportunity to know you better. A newsletter is a great device for conveying information you might otherwise find difficult — or even impossible to report to your customers and prospects, such as news of an award you have received or some outstanding facts about your company."

The authors also make the following points about newsletters:

- Two areas that can be especially well-handled via newsletter are price increases and product or service problems. It provides the opportunity to explain the cause of a price increase, and uses subtle selling techniques to make such an increase more palatable.
- Newsletters are also the ideal way to tell customers about specialized products or services you offer that may not apply to all or may not be mentioned in the normal course of business selling.
- A newsletter provides you with a chance to sell some of the intangibles about doing business with you.

Developing your own newsletter

Coming up with the name of your newsletter is an important first step. Be creative. Tie it into your dealership name if possible, to further develop your business identity. For instance, Jeff Peek of Jack Peek Sales in Palmetto, Georgia, donned his newsletter "The Peek Experience."

In your masthead — that's the top of the newsletter that features its name and other crucial information — be sure to include your unique positioning statement, the date (For example, a quarterly newsletter would say, "Summer 1997.") and any other information you want noticed easily, such as your telephone number. Just be careful not to make it too busy. You want it to be attention-grabbing without being too cluttered with information.

Next, you need a format or layout for your news-

letter. There are many software programs that offer templates for these types of mailings. Or, hire someone to create your own custom template. A designer could create the layout, then give it to you on disk to use over and over again.

To create visual interest in the piece, include photographs, cartoons or graphics whenever possible. Adding a dash of color is also a good idea, if feasible. If you are having your newsletters printed, adding a second color may not be much more expensive than just printing in one color.

Another way to add color, but keep the cost down, is to have a large quantity of newsletter paper printed with only the masthead, much like printing letterhead stationery. Then use your template to create each issue's stories and print them out on masthead paper on your own printer to save costs.

You can also save costs on envelopes by making the newsletter a self-mailer. Be sure to leave space for your return address, mailing label and stamp.

Though a newsletter can be any size, it may be best to start with a traditional 8.5-by-11-inch paper size. It is easy to run through your own printer, and can be folded in thirds for mailing.

What is a good length and content for newsletter stories? To keep reader interest, keep stories only a couple hundred words long. Use catchy headlines. Vary your topics so you can capture the attention of more readers.

Be sure to include information about sales and events, but don't make every story about your business. Customers will look forward to your mailings if you include "News you can use." Include how-to topics about lawn care, chain saw safety and at-home equipment troubleshooting. Remember, you are aren't just selling equipment, you are selling your expertise. You are selling solutions. Reflect that in every issue.

It is always a good idea to include some sort of coupon or certificate in your newsletter. It will add value for the customer, and will provide you with a measurement tool of how many sales were generated from the mailing.

Another cost-saving tip would be to consider letting your suppliers purchase ads in your newsletter. The revenue would help cover your investment. 

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Advertising Tips

Experts shed some light on media purchases.

By Noël Brown

Advertising is often a mystery. There are too many choices of where to place ads. It can get very expensive. Even with the best demographic analysis, no one can be sure if the target customer even sees the message, much less comprehends it. And it is very difficult to track results: Did sales pick up because of my ads, or is it because of the weather?

“Advertising is one of the most misunderstood and misused of all marketing activities for small businesses,” assert Paul and Sarah Edwards, and Laura Clampitt Douglas, the authors of “Getting Business to Come to You.”

As much of an enigma as this topic can be, we know advertising works extremely well for some dealers, and produces no tangible results for others. So how do you figure out what is best for you?

Advertising myths

This book sheds some light on the approaches to advertising. First, here are five common myths, as discussed in the book “Getting Business to Come to You”:

- 1. Advertising is what you have to do to get business.** Fact: Advertising is only one of many ways to get business. In fact, there are many other marketing methods available that do not involve buying time or space.
- 2. Advertising is too expensive for small businesses.** Fact: Advertising doesn't have to break your budget. The high cost of most traditional advertising has actually opened the door for many less-costly avenues and techniques that can be just as effective for small businesses.
- 3. There is one best advertising method.** Fact: Advertising always begins as an experiment. Because most individuals who are in business for themselves don't have a lot of money to spend, too often they begin by putting it all into one approach to advertising that they heard worked well for someone else.
- 4. One shot will do it.** Fact: Advertising is an investment that takes time and repetition. Advertising works on what is called the Rule of Seven, which asserts that a message typically needs to be noticed by any given customer seven times before he or she will take action. The corollary to the rule is that it takes an average of three times to get noticed once. That means that you have to expose a potential customer to your products an average of 21 times before he is likely to call, come in, or place an order.
- 5. Advertising does the work for you.** Fact: You

can't sit back and wait. While advertising can be marketing while you are working, it also demands that you engage in an active and interactive process with the prospective clients or customers it reaches. The more active you are in promoting yourself through all your marketing activities, the better results you will get from any advertising you do.

No universal 'goods' or 'bads' in advertising

Unfortunately, we can't tell you which advertising medium would be best for all dealerships. Fact is, every market is different. While television advertising may be cost-prohibitive for a dealer in Chicago, it might be well within the budget in Chillicothe. Same for newspapers, radio and all the other marketing avenues that may be available in your area. However, we can give you some tips to make educated choices.

We turn again to the book “Getting Business to Come to You” for insights on what to look for when investigating advertising options. Here are tips to Getting the Most Reach for Your Money:

- 1. Verify the claim.** Find out whether a medium's claimed audience is audited or unaudited. If they are audited, the numbers were confirmed by an independent entity; if unaudited, they come from the medium's management and may not be accurate.
- 2. Get a breakdown of the audience.** Carefully investigate the specific demographics of the medium's audience. Determine the categories that might truly be potential customers, and work your cost per thousand based on those numbers.
- 3. Calculate the total cost.** In calculating the cost per thousand, be sure to include total costs, including amortization of your production costs over the span of the advertising period.
- 4. Track your response.** Once you have run some advertising, despite the inherent difficulties and probable inaccuracies, try to determine approximately how many responses or reactions you got. This information will tell you whether an ad is paying for itself and which ads are bringing in the most business.
- 5. Set a budget.** Set up an advertising budget based on the percentage of your gross sales that come from advertising; then don't exceed that budget. 

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Make Radio Advertising Increase Sales

Tips that will help your radio ads come in loud and clear

By Bob Janet

Most retailers advertise for one or more of the following reasons:

- Their competition is advertising
- A media or manufacturer representative tells them they should advertise
- To make sales

To make a sale is the only reason to advertise. There are a few things to consider because it seems like when most retailers advertise on the radio, the station profits more than the dealer running the ads.

Many dealers have profited from radio advertising. Many times, however, money is wasted because of misunderstanding the medium of radio.

Nine points to consider to profit from radio advertising

1. Radio advertising is one of the most intangible purchases you make. No one ever knows how many customer prospects are listening at any specific time. You must determine when your target market is listening, and run radio spots only at that time.

2. Radio rates are negotiable. Radio has no fixed cost. Radio's rent, electricity, labor cost, etc., will remain the same even if you don't run advertisements.

3. Radio stations overlap markets. Today, there are so many radio stations with so many different formats for your customers to listen to that it's very difficult to determine which station is right for you. You must test the market with advertisements that can be tracked by types and quantities of sales made. This testing takes time and money. But once you determine the proper place for your advertising dollars, increased sales and savings abound. Test by asking your customers what radio stations they listen to and when.

4. The something else factor. Station representatives will tell you that 96% to 98% of all adults listen to the radio sometime during the day for several hours. What they don't mention is that most people are doing something else while listening.

Radio becomes a background for all these other activities, so your advertisements become background also. Plus, your prospect can't go back and refer to price, address, or the hours you're open.

5. Repetition, repetition, repetition. Radio ads gain impact through repetition. Your ads have to be scheduled so they will impact the same listeners (your target

market) at the same time, and as often as your budget will allow.

This is achieved in one of two ways:

- Through vertical advertising — Instead of running four ads a day for six days, and getting lost among other advertisements, run 24 ads in two days. This also creates excitement as it appears as though something very special is happening. You get a repetition effect because every time the listener turns on the radio, he hears your ad.

- Through same-time advertising — Advertise at the same time each day, as your target market will be listening at the same time each day.

6. Out-promote the competition. Be more creative. Never let the radio representative write your ad. Do it yourself or use a professional advertising writer.

7. Use your own voice or that of someone who's part of your organization. Preferably use someone the customer will identify your business with when they call or shop your store. Never use the radio station announcers. They are doing everyone else's ads, including your competition's, and you don't want to sound like everyone else. Plus, who will read your ad copy with more enthusiasm for your products and services than you?

8. Event marketing. Use radio only for special events. Concentrate your advertising spots during short periods of time. Dominate the station with two or three ads an hour. Create the perception that something really special is going on at your store. Don't buy package deals with spots spread all over the time schedule. It doesn't matter how inexpensive the ad spot cost. If no one is listening the ad is of no value.

9. Elements needed in your recorded advertisement:

- Excitement in your voice
- Excitement in your offer
- A chatty headline
- Write and read your ad as if talking to one person face to face
- State your offer at least three times
-

State your store name a minimum of three times

Radio advertising can be a great part of your advertising package when used to sell your target market. Take as many of the variables out as possible and continually test your effectiveness. 

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Don't Touch That Dial: Making the Most of TV

Tips on buying TV spots and producing the best commercial

By Noël Brown

The prevalence of local cable television has made TV advertising a viable option for many small businesses. According to the book "Guerrilla Advertising" by Jay Levinson, the cost can be as low as \$20 for a 30-second spot during prime time (8 to 11 p.m.) in almost any U.S. city. Not only is television cheaper than ever before, but cable channels

— particularly special-interest channels — offer more options to tightly target customers demographically.

Television can be especially effective for outdoor power equipment dealers, because it is visual and allows you not only to show your prospects the products you have to offer, but it also allows you to demonstrate your products — a luxury no other advertising medium offers.

According to "Marketing for Dummies" by Alexander Hiam, TV's great strength is the ability to show. "You can demonstrate a product feature, show a product in use, and do a thousand other things just with your visuals."

It can be a great deal, demographically speaking

Many cable channels can offer advertising in very specific areas, so you don't waste your advertising dollars appealing to customers out of your territory. Also a benefit, you can be much choosier about which channels and which programming is best for your ads. For instance, in many areas, power equipment dealers can choose to advertise on channels such as the Home and Garden Network (HGTV), targeting upper-middle-class gardeners. On the other hand, you can avoid channels that may not interest your prospective customer.

When considering any television advertising, the most important information to know about the station, the program and the time slot is "who is watching now?" You can usually get very detailed demographic information about the audience, including age, gender, location, income bracket and more. You can also find out how many people have access to that channel or show, as well as, on average, how many people are watching at the time. These figures can be confusing, though, so here is a rundown of some of the language, thanks to Hiam in "Marketing for Dummies."

- **TVHH** (television households): How many TV sets are in the market
- **HUT** (households using TV): How many TV sets are turned on
- **Audience share**: What percentage of the HUTs are tuned to a specific program
- **Rating**: What percentage of the TVHHs are tuned

Dealer TV

More dealers are finding television an effective medium for their message. "I'm a firm believer that people need to see things," says John Alves of Allen Lawnmower in Agawam, Massachusetts. "We want customers to have the mindset that if they think of lawn mowers, they think of us."

Dan Pregont of Powertown in Janesville, Wisconsin, started doing commercials because he wanted a more visual medium. "We can show our store, and make a lasting impression."

Both started by using manufacturer commercials, but have since moved to producing their own. "Thirty seconds isn't a lot of time, so we wanted to get our name out there ahead of anything else," says Alves. "We're here to sell ourselves."

Some tips from these dealers on buying timeslots:

- **Seriously consider TV.** "In our market, TV is cheaper than print," says Pregont. "We end up spending less for a more effective ad."
- **Negotiate.** "Don't buy the time packages they try to sell you," says Alves. "They dangle a few good spots among a bunch from 2 a.m. I'd rather spend a bit more to be on when I know my customers are watching."
- **Choose carefully.** "Prime time to the stations is 5 to 11 p.m., which is pretty broad," says Alves. "We're on where we know we are effective: 'The Today Show,' the news, HGTV."

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to a specific program

- GRP (gross rating point): Total rating points achieved by your media schedule (Your media schedule is all the times you run an ad over a specific period.)
- Reach: Number of exposures your ad makes
- Frequency: Number of repeat exposures your ad makes

According to Hiam, you should make sure that your ad representative provides the numbers as they will best serve you. "Always convert overall ratings into a number that represents your own target market — that number is bound to be smaller, of course, because your target will only be a portion of all those viewing any particular program." Initial numbers may look like the show is very popular. But until you know how many of those viewers are your target customers, don't be swayed. Hiam says, "Rating points emphasize the size of the program's audience, not the match between the audience and your target market. So be sure to convert the ratings into figures that represent reach into your target market and exclude those who you don't need to advertise to."

What makes a good television commercial?

You can carefully choose your market, your station and your time slot, but if you don't have an effective commercial, you might as well throw that money out the window. Since none of us are advertising experts, how will we know that our commercial will generate store traffic and ultimately sales? In "Guerrilla Advertising," Levinson brings up an important point: "Most people have a going-in position of not paying attention to commercials. So you have negative momentum to overcome. But you can break this barrier — both visually and verbally."

Levinson provides a good summation of what elements are necessary to make an effective television commercial. "The secret to TV is no secret at all. It begins with a strong idea, evolves to a visual expression of that idea, combines with a compelling opening line or sound, then becomes further empowered with copy and demonstration. Finally, it ends with a call to action — telling viewers exactly what they are supposed to do now, verbally and visually."

According to Hiam, "TV looks simple when you see

Choosing the Best Format

Certain types of commercials tend to be more effective than others. Here is a listing of the best — and worst — approaches to commercials, according to Hiam in "Marketing for Dummies."

More effective styles	Less effective styles
Humorous commercials	Candid-camera-style testimonials
Celebrity spokespeople	Expert endorsements
Commercials with children	Song/dance and musical themes
Real-life scenarios	Product demonstrations
Brand comparisons	

it, but it's not. Hire an experienced production company to help you do the ad." He says that, yes, you can go to a local cable station and shoot your own talking-head ads at very little cost, but you run the risk of embarrassing yourself with a cheap, poorly produced commercial. "If you're going to do TV, do it right. Either become an expert yourself or hire one," says Hiam. Hiring freelancers can be a less expensive alternative to hiring an entire production company.

Levinson offers a few cost-saving tips to keep production affordable. For instance, tell your producer you don't want "storyboards" during the production process. Storyboards are pictures from your proposed TV spot with words beneath them, like a comic book. Levinson says to avoid them for two reasons. One, they are an added cost, and two, they can hinder spontaneity during the film shoot.

Another cost-saving tip is to have the soundtrack produced first, before filming begins. Levinson says that voices on film add time and complexity to the filming process (probably the most expensive portion of the process), and allow more of a chance for Murphy's Law to cause problems during filming. 

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Show Your Stuff

Dealers exhibit at trade shows to stimulate floor traffic.

If you can't bring the customer to the dealership, then bring the dealership to the customer. Dealers are getting more creative in their marketing techniques, often talking about various trade shows and exhibitions in which they not only attend, but exhibit at.

"I bring equipment and exhibit at several home and garden shows throughout the year," says Mark Kasten of Rental Land in Cape Girardeau, Missouri. "I even show up at bridal shows. Couples building a home together will need equipment to maintain it."

To supplement the cost of exhibiting, Kasten works with the local radio station that sponsors some of the shows. No money exchanges hands: They work together

If you choose to exhibit at a show, be sure to bring plenty of equipment to display, so people can see what you have to offer.

through bartering of services.

If you choose to exhibit at a show, be sure to bring plenty of equipment to display, so people can see what you have to offer. To generate interest to come into the dealership, offer coupons or certificates at the booth for a free item or a discount if prospects visit.

To further develop your image with customers and prospects, you may want to follow suit with Don Guyton at Buckeye Power Sales in Columbus, Ohio. "We had pictures of our showroom blown up and mounted on foam board," says Guyton. "We hang them up at shows so consumers can see that we are a professional establishment and a comfortable place to shop." 

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Trade Show Tips

Here are 12 trade show tips from the authors of "Getting Business to Come to You":

1. Have some visual element or activity that serves as a magnet to catch the attention of everyone walking by.
2. The exhibit should have one central theme.
3. Have others available to help work your booth.
4. Make sure all the staff of your booth are sufficiently familiar with your product or service so they can answer most questions.
5. Don't waste expensive advertising specialties, four-color flyers, brochures or complete catalogs on trade shows. Produce an inexpensive piece for prospects to take, and offer to send more information to all interested passersby.
6. Never let a prospect leave the booth without getting his or her name and address.
7. Remain standing and interact with people who pass.
8. Prepare several specials to add incentive for buyers to make an immediate purchase.
9. Always have plenty of order forms, cards, brochures, flyers and pens available.
10. To save set-up time, prepare yourself with a diagram of your booth layout, a checklist of items you will need for display and for use, and a thorough personnel plan.
11. Keep a selection of permanent samples in the booth.
12. Make sure every staff person in your booth is engaging with the passersby instead of chatting among themselves.

Beyond the Dealership Walls

*An attractive showroom is key in creating a positive image.
But it takes more than that to make it stick.*

By Gregg Wartgow

“**S**o many dealers think that if they provide good service, their customers will keep coming back and business will be great. Well, I’ve got news for them. Good service only goes so far, and it’s not going far enough these days.”

Those are the words of C. Dean Sisson, an image consultant specializing in showroom design. He says that in order to survive in today’s marketplace, a dealer needs to create an identity for his business; a positive image that will entice today’s consumers to shop there. It starts with having the right attitude.

“A dealer’s perspective on what he does for a living can make a big difference in the image his store portrays,” Sisson says. “He really needs the attitude that he’s solving a customer’s grounds care problems, not just selling that customer a piece of equipment.”

In today’s marketplace, a dealer needs to create an identity for his business; a positive image that will entice today’s consumers to shop there.

Brands shape your image

An important component of solving grounds care problems, Sisson points out, is having quality name brands that will attract consumers. If a dealer carries quality brands that are recognized by consumers, the consumer is more likely to view that dealer in a positive light. So it’s important for the dealer to carry recognizable brands.

It’s equally important for the manufacturer to have a solid dealer network selling and servicing its products.

“It’s a partnership that must be created and based on mutual respect,” Sisson says. “I emphasize the word ‘partnership’ because so many times I see dealers trying to do anything and everything the manufacturers

tell them. But dealers can’t forget to demand respect for themselves, too. Without respect from his manufacturers, a dealer will never create that strong identity for his dealership that is so needed in today’s marketplace. For the most part, manufacturers nurture those dealers that are doing things right and are creating positive images for their dealerships.”

One mistake Sisson says some dealers make is taking on the wrong brands. He says many dealers carry the name brands recognized by today’s customers, but are trying to compete with the big-box stores by carrying the same brands they do. That can be a mistake, according to Sisson.

He says a good way a dealer can differentiate himself is by carrying more upscale brands customers won’t find at big boxes. That’s becoming harder to do as and more and more manufacturers are putting product on the shelves of the mass merchants. If a dealer does carry a brand found at the mass merchant, he has to clearly communicate the fact that he only carries the more upscale models.

Image building starts early on

Image is often created before the customer ever steps foot into your dealership. For example, a guy buys a new lawn tractor from your dealership. His neighbor sees him on it. The neighbor asks where he got it and the guy tells his neighbor about your dealership. That word-of-mouth is a powerful image-shaper.

“The dealer has to remember that he’s creating an image with every customer who comes into the store,” Sisson says. “He’s creating it based on the satisfaction of each customer as each customer leaves the store. And each customer will surely communicate that image to other potential customers in the future.”

In this word-of-mouth scenario, you have very little control over how your image is portrayed; aside from taking good care of your existing customers to help ensure favorable word of mouth. You do have control over:

- How you treat a potential customer on the phone when he calls your dealership for more information
- What the customer sees when he pulls up to the dealership

Always sound chipper on the phone

“A customer calls you saying he saw an ad in the paper and is wondering what your hours are; here’s a prime opportunity to create a good first impression,” Sisson points out. “If it’s busy and you’re short and snippy with the customer, you’re making a bad first impression, inevitably creating a negative image. And that negative image will stick until you change it. So be careful about the tone you use on the phone. It may seem like nothing, but it can make a big difference in whether or not that caller becomes a customer.”

The most important time to remember to be professional, Sisson says, is when you’re rushed, tired, and have a lot on your mind. You don’t want the caller to know this, so you need to be particularly careful in how you talk to him. Convey a definite confidence, having a firm but responsive voice. Friendly voice inflection is also important. Have a smile in the voice at all times. And do not sigh.

Your storefront conveys an image

After that initial phone call, the next opportunity to reinforce your image is when the customer pulls up to your dealership. You can either build on the positive image you created on the phone, or mess it up. If your parking lot is laid out poorly, your storefront is unattractive with poor signage and color, and the area in front of the building is not kept clean, a negative image is portrayed. If that’s the case, it’s going to be tough to change the image that customer has of you.

Showroom: the nitty gritty

“If you’ve created a positive image to this point and have gotten the customer to visit your store, you can’t let them down now,” Sisson exclaims. Doing whatever possible to make sure the customer is given prompt attention goes without saying. But if your sales reps are busy helping other customers, you need an environment that will encourage the customer who’s waiting for help to hang around and browse for a little while.

“All the elements of showroom design come into play here: the way the product is displayed, signage, color schemes, and things like lighting and temperature,” Sisson explains.

Five Elements that Portray a Good Image

1. Develop a strong dealership reputation.
2. Store appearance — A clean, attractive, well-laid-out showroom certainly bolsters an image of professionalism.
3. A dealer’s community involvement portrays a good image.
4. Convenient locations portray a positive image.
5. Consistent communications — Yellow Pages, newspaper ads, direct mailings, business cards, uniforms, etc., all must have the same logo, color scheme and tone. “The critical element is that you’re communicating the same identity with each ad,” Sisson says. “Each time you see a Home Depot ad it looks the same. They pound away at you until it sticks. An independent dealer can do that, too. And it won’t cost any more than what he’s doing already.”

“While the customer is browsing, your showroom has to be communicating certain things. Trimmers are over here, mowers are over there. We have this brand and that brand. This machine costs this much, and so on. Make it easy for your customers.”

If you do, your positive image will be cemented in their minds and they’ll keep coming back to you. 

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Showcase Your Place

Tips on how to create the most attractive retail environment

By C. Dean Sisson

Showroom design and layout is as much art as it is science. Designing and laying out your showroom requires careful consideration. Business environments should have a professional image that supports customers' confidence, promotes customer information, provides customer comfort and conveys an importance equal to any national product you sell. Presenting the right image is an investment in your future.

Following are some tips about how to best present your product, your services and yourself.

Service and parts counters

The counter is a destination point. Often it is placed in a direct line with the entrance. Depending on the distance from the entrance to the counter, placement in line with the entrance can short circuit customer flow to the rest of the store. Customer traffic patterns are important because they need to direct customers along all product categories in your store.

Preferably, the service and parts counter should be offset to one side from the entrance. The counter need not be at the very back of the store, but is most effective if it is at least 2/3 of the way. It is no accident that grocery stores place milk and dairy products (destination items) at the farthest point from the entrance and bakery and produce near the front.

Customer comfort

While we strive to make our place of business pleasant for customers, we can sometimes miss the target. Customer comfort is elusive, especially when we neglect to consider the impact of the space, smell, temperature, and lighting and color in our planning process.

There are several elements to consider about customer comfort:

- Small showroom spaces enhance even small amounts of clutter. Too much merchandise jammed into the space can overwhelm customers. It is more important how you display products than how much you display.
- Larger spaces can look empty if product is too spread out. Balancing amounts of product to available space is key to a properly designed show-

room. The ratio of product to space can be viewed in terms of a percentage of clear space to product space.

If you have less than 20% clear space (aisles), you may be too tight. Small stores (2,000 square feet or less) should have perimeter aisles along walls about 42 inches wide. A main aisle from the entrance should be about 60 inches wide with other aisles about 48 inches wide.

Larger stores that often have space for larger equipment should have a main aisle of 72 inches or more. You need this just to move equipment in and out. Other aisles should be proportionately larger.

- Smell plays a part, too. Oil and gas fumes that penetrate into the showroom have a negative impact and customers want to get out fast. It can cost you a sale. To reduce odor, incorporate an odor-eater unit or use a pine scent.
- Temperature has the same effect as odors if it is too cold or too hot. Temperatures should be adjusted for customer comfort. A temperature of 72 degrees is a good target for both summer and winter.

Lighting

Lighting and color have great impact. One problem many dealers have to contend with is how sunlight can compete with store lighting. When you have large window areas, your indoor lighting competes with outside light. On sunny days, your store will appear dark although you have the "recommended foot-candle power." You can balance outside light by blocking the lower 3/4 portion of the window. You gain two advantages by doing that.

First, you can use displays to block that part of the window, increasing your display space. Second, the natural light that does come in is higher and closer to your ceiling light fixtures, resulting in better inside lighting. If blocking the windows is not an option, consider awnings to restrict the outdoor light. Accent track lighting, using 50- or 75-watt par30 Halogen flood lamps can also help highlight your products and counteract too much outside light.

Color

Color added to this equation promotes customer comfort. The study of color in the retail environment is a science. Create your color scheme based on your business entity. Begin with light-colored walls. A white base provides great contrast for the color scheme selected.

Using multiple manufacturer display units and signs can inject too many color palettes and text styles into the showroom. There are many shades of red, green or yellow.

Your color statement should be made by your corporate image, not your multiple brand colors. You can incorporate brand names and logos into your scheme effectively under your own color umbrella. While brand recognition is important, customers need confidence knowing that they are purchasing not just equipment and parts, but your business reputation. Your business must convey an importance equal to the national brands you carry.

Value-added service

Another area of concern is how to merchandise 'value-added' services. In showrooms, we have a sign behind the counter that tells about your service rates, blade sharpening, delivery and other services. While you need to communicate your rates and services, most dealers rely on text alone to convey the messages.

Pictures accompanied with text are more powerful. Where possible, display a photograph of your mechanic with 'Engine Specialist' or other descriptive words with their certification alongside. Photos can be solo or at their workstation for more flavor. If you offer free delivery, photograph the truck or van labeled 'free delivery.' Coupling photos with text conveys your message with emphasis.

Fixtures

The fixtures you use to display your equipment also say a lot about the image of your business. Using shabby or used fixtures in poor condition to display your line reflects on the customer's perception of the products you sell.

Generally, used fixtures in reasonable condition sell for about \$20 per linear foot. New equipment runs

Seasonal and Theme Displays

A good showroom opportunity involves seasonal and theme displays. These types of displays can be fun, and they are temporary, allowing you to be creative. Where possible, seasonal displays are best when they are set apart from regular displays: either a separate space, or set up with grid panels that surround the display to enhance it.

Winter displays before Christmas can include the use of bows and ribbon on equipment representing gift giving. Include imitation snow on the floor or tree, and place winter clothing on a mannequin if possible. Spring displays can be as simple as placing a section of a split rail or picket fence behind a promotional garden tractor.

Be sure to accessorize the displays for add-on sales. Theme displays are displays that communicate a project or task during a season. Such displays can include a chain saw on a woodpile or a tiller surrounded by flowers and vegetable plants. Bring in potted plants, mulch and a shrub, and place the tiller in a bed of mulch representing tilled earth. Place the display near the entry or along the main aisle to catch customer smiles.

Seasonal signage can be creative, too. The seasonal display signs should match the format of your regular signs but with seasonal images or phrases added.

about \$28 per foot. If you are cash shy, look into leasing. Remember, if the fixture is not the right size (height, base and shelf size) for proper merchandising, it is not right at any price.

The most flexible fixturing will be all-steel fixtures with perforated shelves, tempered perforated hardboard that simulate slatwall, or laminated slatwall. For fixture sources call your power equipment association or Retail Solutions.

Effective signs

Signage is another important issue. How much is enough? What is a good sign format? What should be said on a sign? All are questions that deserve attention. Customers appreciate being informed without requiring direct personal sales contact, at least at first. Good signage provides basic information and in fact should stimulate questions that require professional sales staff

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contact. Balance your information between signs and personal contact, gauging the amount of signage by some of these methods:

- Provide a sign for every major product category you carry. Category signs vary in size based on ceiling height and showroom square footage. Typically, they can be 12" x 48", 15" x 60" or 18" x 72". The bottom edge of the sign panels should be 96 inches from the floor. Type size must be large enough to be seen from the farthest point in the store.
- Provide signs that promote the important name brands you carry. These signs do not necessarily need to be signs provided by the manufacturers. Remember that you can have brand name recognition under your own signage scheme.
- Once product categories are shown, you need product information signs. These require a consistent format. A sign format is the arrangement of information on the sign. Typically, you can divide a sign into three parts. Product type and brand, features, and use, in that order. The size can be 8.5" x 11", and type size should be large enough to be seen at a seven-foot distance.
- You need pricing signs. These signs should follow the same format. Identify product, state price, and state financing or package additions.

Other signs can inform customers about the category, grade or brand of equipment and its uses. This is effective where you offer a broad selection of a given product line. Customers will automatically select a category to focus on. It also provides an opportunity to 'self upgrade' to a better unit when they review the main features that distinguish commercial vs. standard grades. From this point, your sales staff adds the necessary input to close the sale. Placing these signs relative to the product locations creates an effective information point. Magnetic sign holders, available in sizes from 5" x 7" to 7" x 11" can be set on power equipment. Or, use small floor-stand sign holders.

Keep all signage in the same format and you provide your customers an easy, consistent and informative way of understanding product information and pricing. The signs shown here are standard 8.5" x 11" paper printed with a laser printer using Word or other word-processing software and inserted in to an acrylic sign holder.

Remember, with all signs, neatness, spelling and a professional presentation are all elements that consumers expect.

A plan, a list, a timeline

Most projects, when planned professionally, will reduce wasted time and resources committed. This alone makes your investment dollars go further. One main consideration in planning a makeover is "knowing what you really want to do." A business plan that incorporates a showroom makeover is really your first step. Next is a checklist.

Once you've decided exactly which elements you want to change, make yourself a timeline for the project. Start by selecting the date you want the showroom finished. From that date, back up the number of weeks or months necessary to complete each project. For instance, allow for construction time if needed. Designing a floor layout takes approximately three weeks, painting and fixture delivery takes about four weeks and installation and merchandising usually takes about three weeks.



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Display Tips at Your Fingertips

*Help from all over the industry to make
the most of your showroom*

By Noël Brown

Look at your showroom. While every dealer sees something they would like to change, each dealer comes at it from a unique perspective. Depending on how much you've done, how much space you have, and what the customers in your community prefer, some ideas may help you but not another dealer.

So we've compiled a list of ideas from a myriad of sources: dealers, distributors, manufacturers, consultants, books, magazine articles, the Internet and more. No matter what your plans are for your showroom, chances are, you'll find something here that will help.

- **Create an ambiance.** Remember the little details that enhance customer comfort. Background music and pleasant fragrances will make customers more comfortable; they will stay longer and buy more. Remember, however, to be subtle with both music and fragrance. If the music is too loud or the smell too powerful, it will have the opposite effect.

- **Be a spy.** Visit other stores and observe what they do to create a pleasing shopping environment. Don't only take cues from other independent retailers; check out the big box stores as well. The designers of those stores have been trained in subjects like display technique and customer comfort. Why not take advantage of their expertise and incorporate some of their ideas into your own plan?

- **Be consistent.** Always remember the image you want your store to portray and be sure to present it consistently. Everything to do with your business — store appearance, merchandising, displays, advertising, the store logo, signage, mailings, and more — should complement each other and reinforce the image you want to present to customers.

- **Showcase the moneymakers.** Make sure you give the most floor space to the SKUs with the highest profit margins.

- **Keep it together.** Keep related departments and product categories together. Keep customer convenience in mind when laying out your floor plan.

- **Put the milk at the back of the store.** OK, you don't carry milk and dairy products, but you can learn

from the grocery industry. They've spent millions of dollars in studies that show you should position the staple items in the back. They know that customers only coming in for that one item will often end up buying additional items on "impulse" when they are forced to walk by them.

- **Go with the flow.** Remember to organize shelves, racks and fixtures according to how you want customer traffic to flow. You want customers to peruse the whole store.

- **Minimize non-sale space.** Be aware of how much of the facility is dedicated to non-selling space. There is a

Don't only take cues from other independent retailers; check out the big box stores as well.

retail rule that non-selling space should take up no more than 10% to 15% of the total store space. This, of course, does not apply as well to power equipment dealers, because they have the service shop to factor in (which, ideally, is also a profit center). But the rule does remind dealers to minimize non-selling space.

- **Size matters.** While moving to a larger location or expanding your current one would be cost-prohibitive, there are things you can do to create the illusion of bigger space. Color is an important factor. Bright and dark colors will make a space seem smaller, while white and neutral shades make the place seem larger.

- **Keep it bright.** One of the old perceptions of power equipment dealerships is that they are dimly lit. Good lighting will showcase your products and improve your image. If you have options, keep in mind that fluorescent lighting can be harsh and is best used in buildings with high ceilings. Halogen lights resemble natural light and can create dramatic spotlights, which is ideal for your bigger ticket items.

- **Dress it up.** Department stores know what they are doing by placing mannequins throughout the store, donning the fashions of the season. By dressing a mannequin in a full set of safety apparel, you will not only

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reinforce a message of safety, but you will remind customers of the apparel they need to do the job.

If you're looking to invest in mannequins but don't want to buy them new, keep your eyes peeled for local clothiers having going-out-of-business sales. You can often get mannequins and clothing racks for a very good price.

- **Slow down customers to speed up sales.** Set up free-standing displays of key accessories in open areas. A tower of trimmer line or a mountain of chain saw oil in open spaces will not only slow customers down, but it will increase your accessory sales on that item.

- **That's the ticket.** How you display pricing is almost as important as how you display the product. Create uniform price tags with the prices either neatly penned on each tag or computer-generated for a professional look. These tags will not only improve the aesthetic appeal of your displays, they will reduce haggling and keep customers informed. Some dealers use the tags as education tools, including a couple bullet points about the features or about financing options.

- **Get the point.** Keep counter areas stocked with all those last-minute accessory items that customers don't always remember: oil, files, chain, trimmer line, safety glasses, etc. These point-of-purchase displays are guaranteed to jump-start accessory sales at the time of purchases. One point to remember, though, is to keep these areas neat and avoid a cluttered look.

- **'Tis the season.** Many dealers put bows on tractors at Christmas time and create seasonal displays as the seasons change. But there are many less obvious "equipment buying" holidays to showcase products. Father's Day, Mother's Day, even Valentine's Day are all opportunities to get customers thinking about gifts for loved ones. How about birthdays? A display with a special birthday package will give customers ideas for those tough-to-buy-for people.

- **Get your ducks in a row.** There are rules for keeping displays looking organized and customer-friendly. Product on wall displays should be positioned from left to right, from top to bottom, from smaller to bigger. Color is important, too: It is best to arrange product, from left to right, starting with light colors and going to the darker.

- **Hire an expert.** Some dealers may think hiring a consultant is so expensive, only big businesses can afford it. But bringing someone in to advise you on showroom technique is usually not cost-prohibitive — and can actually save you money. The consultant can help you pinpoint the areas that most need improvement, prioritize your projects, and provide you with suppliers and resources that will actually turn out to be less expensive than if you tried to find them yourself. Consider it a wise investment. You want to do it right the first time, don't you?

Good lighting will showcase your products and improve your image.

- **Check the grapevine.** Some dealers who are active in local associations and business groups such as Rotary or the Chamber of Commerce have a retailer "think tank" at their fingertips. What techniques do other retailers use to create a comfortable shopping environment? Discussions on showroom technique, floor traffic tips and other marketing solutions can provide you with ideas for your own place. **YG**

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Making the Most of Parts

Dealers share tips on how they promote and maximize sales on these high-margin items.

By Noël Brown

Some of your smallest products reap the biggest margins. Are you taking full advantage of the profit opportunities in your parts department? Most dealers would probably say no. Parts are not the main focus of the business, the budget, the bottom line or the advertising program.

In fact, most dealers tend to get the majority of their parts customers by default. Most sales are either to current wholegoods customers or to customers that found their way into the dealership when Wal-Mart didn't have the part they were looking for. "Word of mouth" is the main advertising medium when it comes to generating parts customers. "Parts and service" is about the most play parts get in newspaper and Yellow Pages ads.

And where do you typically keep the parts? In a little room behind the counter, filled with rows and rows of bins and boxes that would confuse and overwhelm the average customer. Rarely do customers see any parts displays in the showroom.

Granted, parts just don't have the visual appeal that a shiny new mower or powerful chain saw provide. And yes, most customers wouldn't know a drive belt from a seat belt until a dealership employee helps them determine exactly what they need. And true, most people don't even think about parts until their unit breaks down.

Promoting your parts offerings

Still, some dealers would say you are missing out if you aren't promoting your parts at every given opportunity.

"Think of it this way," says Steve Donahoo of Dinkelman's Sales & Service in Centralia, Illinois. "There are so many places that sell lawn mowers. But most of them don't carry the parts — and I want that parts business. The margins are so much better on parts."

Donahoo says there is no contest between, for instance, the mass merchants and dealers when it comes to parts. At best, mass merchants carry a handful of the fast-moving parts — and they typically have no one with the expertise to help customers determine what they need.

And the kicker, he says, is that even though the mass merchants are known for low prices, the few parts they do sell are not cheaper than the dealer's price. "I've compared prices," says Donahoo. "Even though they have a reputation for being cheaper, they're not in this case. And their selection is so limited. They just aren't interested in that part of the business." Donahoo says this is an opportunity for dealers.

Top-of-mind awareness

Because most customers don't think about parts until they need them, it's important that your business is the first one they think of when they need parts.

Dale Kunz of Central Equipment Co. in Lexington, Kentucky, gets customers thinking about it even during the initial wholegoods purchase. He sets up the corresponding parts right alongside equipment in displays.

"We keep the fast-moving parts on the showroom floor," says Kunz. "We also use display endcaps to feature parts, and we rotate them to coincide with our monthly parts specials."

Donahoo has several parts displays throughout his store as well. "It will up your turn ratio quite a bit." By his estimation, there are three important things to remember when employing parts displays in the showroom.

1) Keep it neat. "There is nothing worse than a parts display that is disorganized, dusty, poorly stocked or where the boxes are open or falling apart," says Donahoo.

2) Rotate. "It's very important to keep rotating the stock in the displays and put newer stock in front of the customer. That way displays will be fresh," says Donahoo.

3) Stick with it. "Some dealers decide to try parts displays, but become discouraged and remove it too quickly," says Donahoo.

"If a customer sees a rack of blades, he still might come up to the counter to ask for help — because he doesn't know what blade he needs. But the display is still doing its job."

To test his theory, Donahoo took down his show-

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room blades display. "Blades sales fell by a third. It's definitely effective," says Donahoo.

In fact, he not only has displays featuring parts, but he also has displays that feature repair tools and how-to books. "They buy the books, the tools and the parts," says Donahoo of customers determined to fix their own equipment. "One way or another, I'll make money."

Get the word out

Some dealers think it's a good idea to include a plug for parts in all their advertising media. "We always mention our extensive parts inventory in our ads," says Donahoo. "When something breaks, customers don't know where to go. They're scrambling to find what they need. They'll know from our ads that we are the place to go."

Al Eden of Edens Ltd. in Anamosa, Iowa, makes parts the major focus in their Yellow Pages ads. "In our Yellow Pages ads, we say that we'll ship parts. We list our 800 number, and our extended hours," says Eden. "We make sure everyone knows — even other dealers — that we are the place to call for any kind of parts, including hard-to-find and obsolete parts. If we don't have it, we can get it."

Kunz has monthly parts specials that he and his team try to pre-sell to their top customers. "We sit down and plan 12 specials, one for each month of the year," says Kunz. "Then we try to pre-sell the parts. Every one of our parts people has a 'Top 10 Customers' list. We call those people and remind them of the specials." Kunz also features the parts specials on their billing statements.

Both Kunz and Eden are developing websites for their dealerships as another vehicle to feature their parts offerings.

Eden even incorporates the help of the sales reps who call on him. "We give them our business cards," says Eden. "They let other dealers know to come to us to get hard-to-find parts. It works out well for all of us."



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Keeping It Organized

When it comes to organizing the parts department, it seems there are as many ways to do that as there are dealers. Some organize by bin number. Some find benefits in other systems. "We have all parts in numerical order," says Tom Mundy of Tom's Lawn & Garden Center in Jasper, Indiana. "This helps when mechanics are looking for specific parts, and we don't have time to pull them. They can just go in and find them by number."

Dealers seem to have different ideas about how many of each part to stock as well. "We look at the inventory reports every month," says Dale Kunz of Central Equipment Co. in Lexington, Kentucky. "If we get three or more hits in a year, we stock it. Then we watch the reports: three or more hits, we bump it up. If the part starts getting fewer hits, we'll bump it down to a non-stock item."

Terry Coffin of Beards Outdoor Power Equipment in Crestwood, Kentucky, has a different theory. "If we sell three in a year, we stock one. It eliminates stock-piling, and keeps our inventory down," says Coffin. "Usually, by the time you reorder, the part is in before it's needed. It works out well."

Coffin says one of the biggest mistakes a dealer can make is to stock too much. Steve Donahoo of Dinkelman's Sales & Service in Centralia, Illinois, agrees. "Be careful not to get carried away and make spring orders too large," says Donahoo. "The special deals and free freight are enticing, but make sure to evaluate the cost of freight vs. the cost of carrying overstock. Get the best deal for you."

Profit by Merchandising Like a Pro

By investing a little time and effort, you can turn your dealership into a top-notch selling environment and boost part sales.

Merchandising parts has become a hot topic over the past few years. Many dealers have become much more enthusiastic about bringing parts and accessory items out from behind the counter, making it easier for customers to shop them. This is often referred to as “parts up front.”

Several equipment manufacturers have been quite successful in getting dealers to install product displays. Many dealers who have say they’ve seen a definite increase in product awareness — and sales. Furthermore, many parts and accessory items that were once slow-moving have become fast-moving items now that they are out in the open.

Although many positive things are taking place concerning the merchandising of parts in this industry, they are happening much too slowly. With all the mass merchants selling equipment, expanding consumer awareness of your broad selection of parts and accessories for outdoor power equipment — something the mass merchants are not good at — can be wise and profitable.

As we all know, grocery stores, hardware stores and mass merchants are expert merchandisers. Think about the last time you were in one of these stores. It’s likely that you found yourself filling your shopping cart with items you never originally intended to purchase. You purchased them because the items were out in the open, were merchandised effectively and caught your eye.

If you’re willing to invest the time and effort, you too can create a top-notch sales environment that will tap this lucrative opportunity. Follow the steps listed below and you’ll be an expert merchandiser, too.

Step 1 — pleasant environment

It’s essential that you provide a pleasant environment for your customers. Your store should be clean, have good lighting and be well-organized.

Step 2 — maximum product exposure

It’s important to direct floor traffic flow to maximize product exposure. Arrange your displays so every customer must pass impulse items and accessory displays. Also, parts displays should be located close to the parts

counter. And make sure your employees can easily leave the parts counter to wait on customers.

Step 3 — use signs

Signs should be used effectively so they clearly communicate your message. Signs should:

- Inform customers. For example, “We accept Visa and MasterCard.”
- Remind customers. For example, “March is spring tune-up month.”
- Persuade customers. For example, “Now save 30%.”

Make sure your signage and your displays work together. And don’t overuse signs and banners. Too many may cause confusion in the minds of your customers. Plus, your store will look cluttered.

Step 4 — displays promote inventory

Create displays to categorize and promote inventory. Identify your best selling area, then utilize it. Take full advantage of your “hot spot” near the front door or close to the counter.

Seasonal and special promotional items should be located in this area. Keep things alive by making sure these displays change every two or three weeks.

Utilize a combination of display fixtures to get more merchandise in front of your customer. The most common are:

- Wall fixtures, island fixtures
- End caps and counter displays

Step 5 — organize displays

It’s important to keep displays neat, organized and well stocked. Keep adequate inventory on hand. Avoid having empty shelves and pegboard hooks. Consider pricing oil mix, oil, filters, etc. in quantity. You never know when a customer may decide to purchase a whole case.

Finally, one of the most important, and often overlooked, areas for many dealers is house cleaning. Make sure you keep your dealership clean, and keep products neat and organized.

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Parts Merchandising Tips

- Plan displays before filling them. Stack no higher than five feet high to avoid creating a claustrophobic environment.
- Put eye-catching displays in front for effect.
- The value of sales space decreases the farther it is from the entrance. A traditional rule of thumb is: 40% of sales will be in the first quarter of the store; 30% in the second quarter; 20% in the third quarter; and 10% in the part of the store farthest from the entrance.
- Display high-margin, top-selling items between belt and eye level. The product with the highest markup should be seen before the product with the lowest markup. The eye moves from top to bottom.
- Key departments should be immediately off the main traffic aisle.
- Floor space should be divided by category and then by brand to make shopping easy for the customer.
- Design a floor plan that forces customers to walk by as much merchandise as possible. Customers tend to follow a "path" if one is provided. Locate parts and service counters at the rear of the store. This way, the customer must walk by everything to get there.
- Personal space is important to shoppers. On average, males prefer two feet between themselves and the next person, while women prefer a three-foot distance. As aisle decreases, so does a customer's willingness to browse. The main aisle should be at least six feet wide. Secondary aisles should be at least four feet wide.
- Periodically, change the location of high-traffic items.
- Display shelved merchandise vertically rather than horizontally. Group goods on a top, middle and bottom shelf rather than strung out along one shelf.
- Display compatible goods near each other (cross merchandise) whenever possible. This boosts the chance for add-on sales, and makes shopping easier for customers.
- Use endcaps at (end of aisle) to your advantage. Feature a high-demand, traffic-building, low-margin item, along with an item that has a high margin but lower turn rate.
- Get parts from behind the counter. As many as 50% of part purchases are made on impulse. But customers have to see them first. Leave items that might require more technical advice closer to the counter so shoppers can consult with sales associates or the parts to avoid buying the wrong part.

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Step 6 — price to sell

Make sure all inventories are priced. Seldom does a customer make an impulse purchase for items that are not priced. Also, make sure your pricing is current and that all like items are priced the same. Spell out the savings on sale items. For example, "Regular price \$15, sale price \$10. Save 34%." (See "Parts Merchandising Tips," on this page, for more ideas.)

Step 7 — Ask for help

Don't be afraid to talk with your parts suppliers for help in the area of merchandising. They're a great source for valuable tips on marketing and merchandising. Take advantage of it, and you'll be well on your way to becoming a merchandising expert. 

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Is Your Business a Customer-Intimate Company?

Find your niche with the upscale consumer.

By Noël Brown

It would seem the upscale consumer is the ideal customer for outdoor power equipment dealers. It's a perfect fit. They are homeowners with yards that require care. You've got just the product for their needs. They are brand-conscious and have disposable income. You've got premium product at a price point they can afford. They are demanding; they want excellent service and expertise. You specialize in excellent service and product expertise.

Yet, many dealers don't specifically target this market segment. Some feel they don't have to. After all, some dealers say, isn't anyone who walks into a dealership an upscale consumer? They wouldn't be able to afford premium product if they weren't.

Actually, that's not always the case. In fact, many dealers get caught up in trying to be all things to all people. They try to carry every kind of product — even product lines unrelated to outdoor power equipment. Some dealers try to market promos general enough to appeal to all aspects of the community. Some dealers run themselves ragged trying to be an expert in all things.

The companies that survive and grow are the ones who have a crystal-clear focus on who their target customers are.

Not that carrying other product categories is necessarily bad. Diversifying product offerings often can jump-start sales and keep cash flow steady all year long. But some dealers get into too many different areas, then end up fulfilling the old saying, "jack of all trades, master of none."

Experts today say there is too much competition in the retail world to be a winner at everything. The companies that survive and grow are the ones who have a crystal-clear focus on who their target customers are, then strive to be the absolute best at serving them.

The book "The Discipline of Market Leaders: Choose your Customers, Narrow Your Focus, Dominate Your

Market" by Michael Treacy and Fred Wiersema discusses how a business can succeed by zeroing in on one point of expertise.

"When a company focuses all its assets, energies and attention on delivering and improving one type of customer value, it can nearly always deliver better performance in that dimension than another company that divides its attention among more than one."

The authors sum it up by saying, "Different customers buy different kinds of value. You can't hope to be the best in all dimensions, so you choose your customers and narrow your value focus."

Many dealers couldn't survive any other way. "We targeted the upscale consumer market out of necessity," says Dave Moynihan of The Mower Works, Inc. in Clarksville, Maryland. "This community would not allow us to be marginal in anything. There is too much competition." Moynihan says 80% of his customer base are upscale consumers.

What kind of business are you?

"The Discipline of Market Leaders" shows there are only three types of companies that succeed in this world of cut-throat competition.

The first is operational excellence, which is defined as providing customers with reliable products or services at competitive prices, delivered with minimal difficulty or inconvenience. This really isn't a good fit for dealers, since the "big boxes" will always have less-expensive, more easily accessible products.

The second is product leadership, defined as providing products that continually redefine the state of the art. Though dealerships often offer product lines that are technologically advanced, dealers have no control over product design or timing of new features.

The third area — ideal for outdoor power equipment dealers — is customer intimacy, defined as selling the customer a total solution, not just a product or service. This concept is a step beyond telling the dealer to "sell service."

Treacy and Wiersema put it this way: "A company that delivers value via customer intimacy builds bonds with customers like those between good neighbors. Customer-intimate companies don't deliver what the

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market wants, but what a specific customer wants. The customer-intimate company makes a business of knowing the people it sells to and the products and services they need."

Successful independent dealers are already on the right path toward becoming a customer-intimate company. Some dealerships have achieved the concept. Does this sound familiar?

"The most common characteristic of customer-intimate companies is that they offer a unique range of superior service, from education to hands-on help, so that customers can get the most out of their products ... their competitive advantage is found in their people, who leave customers wondering: 'Why can't other retailers offer me the same level of personalized attention?'"

A handful of dealers achieve this by going beyond the pre-purchase product explanation or in-store demo. Some dealers hold seminars on safe use, maintenance, and related lawn care technique. Others not only deliver product, but give on-site demonstrations at the person's home. Still others not only pick up a product requiring repair, but actually repair the product in the owner's driveway.

Who is your ideal customer?

Treacy and Wiersema give thorough, thought-provoking advice on how to identify customers as well as how to attract them. The act of choosing customers is very much like choosing a mate: Compatibility is key. In fact, they want you to think of your relationship with customers as nothing less than long-term, noting "a steady customer is a lasting asset; a one-time customer is a poor investment."

The authors put the customer relationship into perspective by advising to avoid "pure transactions." As a customer-intimate company, it doesn't help the business long term to serve customers that already know what to buy and are shopping only for price. Frankly, if customers don't need advice or expertise, they won't find the customer-intimate company's offering very compelling.

"The upscale consumers that come into my store need my expertise," says Michael Hutchison of Valley Turf Equipment in Purceyville, Virginia. "They have a vision. They know what they want to accomplish, but don't know how. It's up to me to find the machine that best fits his needs and explain how it works," says Hutchison.

The ideal consumer for the customer-intimate company must fit three criteria, according to Treacy and

Wiersema. First, they must have the right attitude. In other words, they must appreciate the expertise a dealer has to offer. Second, they must exhibit what the authors comically refer to as "wanton customer incompetence." Most dealers know exactly what this is. How often have you seen a customer who can't even hold a trimmer right side up until you give them a lesson on proper equipment technique?

Here's where the upscale consumer shows promise for more sales down the road: "The third fit is financial. The ideal financial fit occurs when the customer has large, untapped potential." Most dealers understand this, too. How many customers start out with a trimmer, come back for a chain saw, buy a bigger house with more acreage so they return for a rider, and so on? Repeat customers are the lifeblood of many successful dealers.

Where is the most potential for sales?

As with any customer segment, there are basically two ways to grow your business with a focus on the upscale consumer: growing sales with existing customers and growing the number of customers. Your existing customers will serve you well for both.

First, tap into the unrealized potential in existing customers. How else can you help these customers? Where else can you build sales for each? Review each account. Remember, don't just sell the riding mower: Sell the solution. Sell the manicured lawn. Sell the afternoon at the beach — the customer will cut his mowing time in half after buying the riding mower ... giving him a whole afternoon of free time at the beach.

Second, satisfied customers talk about being satisfied to other potential customers. Word of mouth is a big seller. And it's the one form of advertising that's absolutely free.

Treacy and Wiersema agree, "Existing customers who extol the virtues of their relationships are often the most productive source of new customers."

"Word of mouth is a big push for sales for us," says Hutchison. But he heeds a warning: "It can work both ways. Remember, one negative goes everywhere. Lots of positive comments don't go nearly as far."

Tom Montgomery of Central Power Equip. in Oklahoma City, Oklahoma, cautions dealers to "walk their talk." He says, "We try to go the extra mile with every upscale customer. But we also know, if you're gonna promise the moon, you'd darn well better deliver it." 

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Deepening Relationships

Know your customers — and make sure they know you

By Noël Brown

Most dealers would say when it comes to “knowing your customer,” we’ve come a long way. Research gives dealers insight to customer demographics and trends. Computer databases, thanks to the age of technology, allow you to keep extensive records on your customers: everything from name and address to purchase history and brand preferences. And last but not least, today’s dealers have refined their customer service and personal skills to an art form.

But is there more dealers can do to guarantee happy customers and future sales? The answer is definite yes.

“What would you spend to buy an insurance policy that virtually guarantees you won’t lose a customer?” asks Jim Cecil, founder of the James P. Cecil Co. Inc., a customer-relationship technology-management consulting firm in Bellevue, Washington. Cecil contends the premium is less than you would think.

How much is your customer worth?

To determine how much you would spend, you first must understand the true economic value of your best customers. “If you don’t know how much they’re worth as customers, how do you know how much you’ll spend to keep them?” challenges Cecil. He says the average customer “life cycle” in retail businesses is seven to 10 years (the average homeowner moves every eight years).

A good way to place a figure on the customer life cycle is to look at purchase history of two or three of your “A” customers. Then figure their average purchases over the next seven years (keeping in mind how many large purchases they may make — riding mowers, chain saws — and how many smaller purchases they will make — oil, blades, chain, maintenance). Next, determine your net profit from these potential sales.

For the sake of example, let’s say your net profit is \$1,000 throughout the life cycle of that customer. How much are you willing to spend to guarantee those purchases are made at your dealership? Perhaps 10%? Even if you only invested 5% — \$50 — you can do quite a bit to keep your dealership “top of mind” and endear yourself to that customer.

No dealer would spend \$50 per customer, even over a seven-year period, on courting their entire customer

base for future sales. Cecil says that is not necessary. He contends that even if you focus this “special attention” only on your “A” customers, the investment will pay off.

Show your customer you care

So what can you do beyond top-notch personal service and a postcard when it’s time to bring equipment in for a checkup? Quite a bit. The key is regular contact — Cecil recommends six to eight a year, and half of them can be outright sales pitches. The other half should be of a “thinking of you” nature. “They don’t have to be expensive contacts,” says Cecil. “Get a few seasonal cards. Thanksgiving. Groundhog Day. Fourth of July. Use these as opportunities to tell your customers they are important to you.

“How about a once-a-year ‘thank you for being my customer’ card? Have everyone in the store sign them. It’s a very personal way of showing you care,” says Cecil.

“If you don’t know how much they’re worth as customers, how do you know how much you’ll spend to keep them?”

“We send thank you notes after every sale,” says Bob Hurley of Aldridge-Durham Saw & Mower in Durham, North Carolina. “We have them professionally printed. They have to look good. We say ‘thank you for your business’ and sign them. We stick a business card in there and send them within a few weeks of the purchase.”

It’s amazing how much a thank you note can mean to a customer. “I’ve had lots of people thank me for the thank you card,” says Hurley. “One customer who just bought a home said, ‘I just bought a stove, washer and dryer, and refrigerator from another store and never got so much as a thank you. But you cared enough to send a card.’”

Cecil says when shopping for cards, go for quality — it really does make a difference. “Go to Hallmark. Buy a couple boxes of good cards, not the cheap stuff. Then

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make it personal. Hand sign each one. Put a real stamp on it, not a postal meter." Cecil says to pick a variety of cards. "Get some Valentine's Day cards, some that say 'we miss you' and 'we appreciate you.' Then stack them in your office where they glare at you."

Do I have time for this?

During busy times, sending cards to customers can be the last thing on your mind. But Cecil says to make it a discipline and a priority, just like updating accounts receivable and doing billing every month.

Granted, such effort is a time investment, and can turn into a logistical nightmare if you aren't organized. But most databases today can help you determine which customers should get cards when.

"Our software has a sorting capability," says Hurley. "I just ask for a list of everyone who bought wholegoods for the last two weeks." The same database also could sort out your "A" customers as well.

Cecil says software packages today are very affordable. "Buy a relationship manager," says Cecil. "Build a marketing database. Not only can you input all the demographic data, but you can store tidbits of information on each customer so you know the personal stuff when interacting with them. You can know at the touch of a button, for instance, that John Smith has a fishing buddy named Bob, and they go up to the lake every summer to fish."

Customers will feel special if you recall the personal anecdotes they shared while in the store. Cecil offers such a package for under \$500.

Hurley uses a c-Systems database. "We've got 5,700 names on there right now, but that number changes everyday. Every time we get a new customer, we put all his information in there. We even put the little sales in there. If you don't, you're missing an opportunity."

Give them a ring; invite them to the party

Sending thoughtful mailers isn't the only marketing technique you can easily accomplish. Another good tactic is to pick up the phone. Give the "A" customers a call every few months just to check in and see how life is treating them. Or, call when you have a new product that fits their profile.

"When we get flyers from the manufacturers about a product that looks different or interesting, we like to share the information with our customers," says Tom Riner of Harper Lawn & Garden in Swayzee, Indiana. Riner takes the time to call certain key customers, like the municipalities and schools that do business at his dealership, if the product is a good fit for them.

Some dealers go so far as to share certain technical updates received by manufacturers. Les Curtner of Economy Mower & Supply in Venice, Florida, forwards the updates to his commercial customers. "Our commercial customers perform some of their own basic repairs, and we want them to be informed," says Curtner. "This is our way of making them part of our operation. We're doing the same thing with them that manufacturers are doing with us. It's a marriage."

Another tactic some dealers use often is an invitation for certain open houses and training seminars that target certain existing and potential customers. By sending a personal invitation, you can show you care whether or not that particular individual can attend.

"We've started doing safety training to stay in front of customers," says Hurley. "We invite customers and non-customers alike. We want to show them we are interested in their safety." Not only does this show you care, but it offers useful information and a potential for more sales. "We've gotten a lot of residual sales from these seminars. Customers become more aware of what they need to be safe. We sold quite a few pairs of \$60 chaps after the seminar."

Deepening relationships with customers is a key to growth in any retail business. "I predict that by the year 2000, all your 'A' customers will be on-line, where shopping is quick and easy," says Cecil. "Your only asset as a retailer will be the knowledge and esteem of your customers. When customers have choices, they go back to where they feel special."

Hurley adds the most important point of "knowing your customer": "You have to know your customer, but just as important, they have to know you." 

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Conquering the Commercial Market

What contractors want, and how dealers deliver

By Noël Brown

What do landscape contractors want from dealers? How do some dealers make a success of targeting the commercial market?

Commercial dealers and the customers themselves — landscape contractors — give us advice on what it takes to serve the commercial market. Definite themes emerged from both dealers and contractors.

Commitment

The overwhelming consensus of how to approach this market is by making a commitment, both to that end of the business and to that set of customers. Really, everything else is a subset of the heading “commitment”.

Many dealers who serve the commercial market say that a commitment often means doing things above and beyond the call of duty. Contractor John Allin of Allin Companies in Erie, Pennsylvania, relates a story about his dealer driving a transmission more than an hour out of his way one evening. The result: Allin had his machine up and running by the next morning.

The dealer who saved the day in this case doesn't think it was such a grand act. “It was self-serving, all about creating a good relationship with the customer,” says Dick Ackert of Apple Tractor. “We realize if the customer isn't making money, then he isn't spending it with us. It's just the economics of good business.”

Dealers are quick to point out, however, that such a commitment, though potentially profitable, is not for everyone. “To serve the commercial market, the commitment, the investment is greater,” says dealer John Murphy of Commercial Lawn Mowers, Inc. in Livonia, Michigan. “This business isn't for everyone.”

Commercial customers ask that dealers look at the big picture. “Ultimately, my dealer has to want me to succeed, and do what he can to help me get there,” says Gary Kart of Kart's Landscape Services in Atlanta, Georgia.

“When I started, I had no back up equipment. When a mower went down, my dealer gave me a loaner right off the floor,” says Kart. “He was worried about me saving face with my customers. Because of his help, I run a very successful business today.” (See “True Meaning of ‘Partners’” on the next page.)

Some new contractors had a hard time finding this kind of commitment from their dealers.

“We were only important to them after we got big enough,” says contractor Larry Jones of Dogwood Lawn & Garden in Springfield, Missouri. “I think the dealer misses out when he doesn't invest in the the small landscapers. Some of us become big customers, and we remember who treated us well.”

Advice

Many contractors perform their own daily repairs and maintenance on equipment. That doesn't mean, however, they don't need the dealer after the sale.

“I need the dealer to talk to our mechanics intelligently, without charging us for occasional advice,” says Allin. “My opinion is the more educated my customer is, the more money they will spend with me. That works for dealers, too. I go where I get the best service, not the best price.” Allin buys from dealers more than an hour away because he can't get the service he needs from local dealers.

We try to establish a relationship. Contractors remember the little things you do for them.

“Business is very competitive, and you have to think about what gets customers back,” says Ackert. “We try to establish a relationship. Contractors remember the little things you do for them.”

For some dealers, giving free advice can actually grow profits in the shop. “When someone buys a piece of equipment, we have them spend time with our service department, where we explain troubleshooting and maintenance tips,” says Murphy. “The customer is more self-sufficient and they don't bother us with unprofitable little problems.”

Availability

The word “availability” came up repeatedly: availability of parts, of equipment, of service, of the dealer-

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ship itself (hours of operation).

“Dealers in general need a larger parts inventory,” says contractor Frank Delo, partner to Jones at Dogwood Lawn & Garden. “I think the manufacturer should offer them some special floorplanning to build their parts inventory. It will only end up making everyone more money if the parts are readily available.”

Equipment availability is also an issue. One of the trickiest aspects to serving the commercial market can be offering the right product mix. “We jointly pick product lines with customers,” says Murphy. “We find out what customers need, then we start the research. Is the manufacturer a strong company? Do they have a good track record of support? Where will the company be in five or 10 years? It’s a thorough process.”

Commercial customers tend to need dealers open early and late. Some dealers find alternatives to being open at all hours, still keeping their commercial customers satisfied. One of John Allin’s dealers says, “We have a 24-hour emergency service number, which actually allows customers to call the technician on-call at home,” says Shelby Livingston of Bobcat of Pittsburgh. “And, believe me, he has been called out of bed to handle some emergencies.” 

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True Meaning of “Partners”

When Gary Kart of Kart Landscape Services in Atlanta, Georgia, tells how he learned the business and how he’s grown it, Howard Equipment always seems to play a part. Kart works to maximize this relationship to both their advantages.

“Our relationship is probably one of the most consistent things I can hang my hat on, like being one of the successes in my business,” says Kart. “I interviewed several vendors and talked to their customers. Doug (Howard) and I hit it off well. He was concerned about my growth, concerned generally, not just for the sale.”

Once Kart found a dealer genuinely concerned about his business, he became genuinely concerned about the dealer’s business — hoping that he would come out a winner. He looks for ways to promote Howard Equipment to other contractors. He spends time to talk frankly about his needs as a contractor so Howard can keep on track. He’s a devoted customer.

In return, Kart gets paid back in a number of ways:

- **Howard paints Kart’s trucks.** Kart got the idea to put Howard’s name on his trucks while watching a NASCAR race. “Doug knows my image is important to me and that I travel all over the metro Atlanta area where potential customers see my trucks.

“He thought it was a great idea. When I bought my first box truck, he painted it, put my lettering and his lettering on it. I think he keeps me happy because of that. He informally pays me by giving me things that I need, cases of oil, or whatever.”

- **Heavily discounted staff shirts.** At Kart’s suggestion, Howard Equipment was able to work out a deal to get him and the four members of his leadership staff polo shirts at a discount. The shirts carry Toro, Howard Equipment and Kart’s logos on them. This three-way relationship knocks Kart’s cost down to about \$6 each.

“These shirts might normally cost over \$30 with the embroidery on them. I feel like he’s been taking care of me.”

- **Free loaner equipment.** “When I first started out, if a mower went down I didn’t have a back-up. All Howard’s rental mowers were out so he gave me one off the floor and never charged me. He did that for me three times.

“As I got bigger, he said, ‘Gary, I can’t be doing this for you. It’s time to start building up your own inventory.’ That’s what I did.”

For Better or for Worse

Turn customer complaints into customer commitment

By Noël Brown

You may feel that you know your customer very well. But do you know when he's unhappy? Research indicates that you probably don't. Look at these alarming statistics:

- The average business manager does not hear from 96% of its unhappy customers.
- When a customer is happy about his shopping experience, he tells an average of eight friends. When he is unhappy, he tells 16.
- Between 65% and 90% of your unhappy customers will NOT buy from you again, and you will never know why.
- It costs, on average, five times as much to get a new customer as it does to keep an existing one.

These statistics come from John Goodman, president of TARP (Technical Assistance Research Programs) Corp. in Arlington, Virginia. TARP Corp. conducted extensive research on customer satisfaction for organizations in the tire and auto industries (Ford Motor Co.), several consumer industries (Coca-Cola Co.), government segments (White House, U.S. Postal Service), and the outdoor power equipment industry (John Deere, Case IH).

"The problem we see is that most dissatisfied customers never complain," says Goodman. "And when they do complain, most problems are not effectively resolved. Most businesses don't realize how much revenue is lost by this."

Unhappy customers are expensive

On average, the potential loss from a consumer's unresolved problem is \$142. But the losses can be trailed further than that. TARP's studies show a bad customer experience will hurt you even more. Let's use a word-of-mouth example — one of the dealer's most effective mediums for generating floor traffic. When a customer tells eight friends about his good experience at your dealership, on average, at least one of them will become your customer.

The same rule applies to a bad review. You will probably lose at least one potential customer from the bad remarks of a dissatisfied customer. If you extrapolate those potential sales over a seven-year sales cycle, it could result in thousands of dollars of lost sales — all

from one bad shopping experience.

On the flipside, if you can 1) get your customers to tell you when they are dissatisfied and 2) resolve their situation in a timely, effective manner, TARP statistics show 95% of those complainants will remain loyal to your dealership. There are several benefits to having an aggressive customer service system:

- An improved image. By soliciting complaints and solving problems, you dramatically boost your image and customer confidence.
- Broadened line loyalty. Customers see you are willing to stand behind your products and services. They'll be back.
- Better educated customer. Even when customers are not right, they are educated about why a problem happened and will be very careful to avoid the same problem in the future.
- Effective marketing tool. Producing more satisfied customers means word-of-mouth will consistently bring in more business, sometimes allowing you to cut back on other more expensive marketing programs.

You will probably lose at least one potential customer from the bad remarks of a dissatisfied customer.

Turn complaints into sales

So, what can you do to increase true customer satisfaction (and therefore, increase sales), and prevent future problems of a similar nature? TARP has six steps to help you.

Before we discuss solutions, though, remember most complaints have nothing to do with actual product failure. TARP research shows that one-third are due to personnel, one-third to customer misunderstanding of how to properly use the product, and one-third to customer abuse of the product.

"Really, 40% of dissatisfaction is caused by the cus-

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tomer because he didn't listen," says Goodman. "The truth is, you need to anticipate this. Ask yourself and your employees, 'What are the three stupid things the customer will do? What can we do to save him from himself?'"

1) Communicate

People don't think you want to hear their complaints. They also think it will be too much trouble to complain. TARP says to provide an easy channel for submitting customer problems and to make customers aware of what they can do. Your best place to start is with your employees. Keep them on the lookout for problems and give them the authority to solve them. When customers are shuffled from one person to the next, dissatisfaction grows. Other opportunities include:

- Providing comment cards. Give them out with every sale, and display them in a highly visible place. Be sure they are postage paid and are addressed to the store manager or owner.

***Ask yourself and your employees,
'What are the three stupid things
the customer will do? What can
we do to save him from himself?'***

- Conducting customer satisfaction surveys. This does not have to be complex. Just have someone approach customers in the showroom and ask customers questions relating to their satisfaction with your business.

- Displaying signage. Be sure you have signs that ask for comments and offer help.

2) Be responsive

"Customers want a clear, believable explanation, and they want resolution in a timely fashion," says Goodman. Timing is crucial. Apologize in writing. Saying, "I'm sorry you are dissatisfied with the service" is not an admission of fault. It doesn't cost you much, and it goes a long way in calming an irate customer. Or call the customer — it is more personal and faster than a letter. If the complaint takes longer than two days to

resolve, keep the customer informed of its progress.

3) Keep records

Customer complaints and inquiries should be classified and logged when they're received. Include all pertinent information, including customer name and number.

4) Review records

Once a month, review the log and comment cards. Identify any problems that form a pattern. The log will help you uncover problems with a product or procedure which may not seem important based only on what you perceive. Share your findings with employees and encourage staff input.

5) Offer incentives

Let everyone know they are responsible for resolving and preventing customer problems. List it in their job descriptions and reinforce it regularly. Offer incentives to employees who resolve problems effectively. The incentives don't have to be expensive or even monetary; visible recognition is effective. Use pins or pictures on the wall. Take the employee out to lunch or give him or her an afternoon off.

6) Train your staff

From the first day on the job, emphasize to all employees that customer service comes first. Train them to both seek complaints and resolve problems. Empower them to create their own solutions.

A big part of keeping your customers happy is letting them vent when they are unhappy. Let them know you're interested and you care. They will return the courtesy in future sales. 

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How Sharp Are Your Service Skills?

You'd better make sure they're top-notch, because they play a huge role in shaping your dealership's image.

In the past, the only type of school offered by suppliers was a service school. But today, suppliers are offering new types of schools each year, with many geared toward "business" topics.

For example, American Honda offers these business development workshops:

- The Power to Sell
- Parts MAP (management action program)
- Legendary Service
- Dealership Service Operations
- Solutioneering

Customer service, everything from how you talk to customers on the phone to how you interact with them in person, is a big image-shaper. How sharp are your customer service skills? Here are some tips from American Honda to help you fine-tune them.

Effective telephone communication

The manner in which you communicate with customers on the telephone plays a big role in how your image is portrayed. So knowing how to effectively communicate on the telephone is one skill you'll certainly want to master. There are several components to this.

Posture — It's essential to have a comfortable chair when speaking on the phone. Good posture reflects in your voice enthusiasm.

Audibility — Hold the receiver two-fingers'-width-away from your mouth, and don't cover the receiver when talking.

Enunciation — The three most important tools we use when talking are our lips, tongue and jaw. Do not chew candy or gum when answering the telephone.

Voice qualities — Speak with a consistent tone of voice. You don't want to be loud, slow or fast. Your articulation must be clear, not mumbled. You want to project a friendly, sincere and confident tone. Have a smile in your voice. Avoid being pushy or timid, and don't use a monotone. Use some inflection in your voice.

If you have an upset customer on the phone, don't exhibit nervousness or tiredness in your voice. This will project that you aren't concerned about the customer, which will only make the situation much worse. Since so much of customers' perceptions of you come from the

tone of voice you use with them, using an appropriate tone of voice is critical.

Rate of speech — We can project 120 to 150 words per minute on the telephone. Keep your rate of speech appropriate to the customer with whom you're speaking.

When answering the phone, slow down and clearly articulate the name of your dealership. Many times, employees say the dealership name so fast callers can't decipher what was just said.

Courtesy — Much of what's involved here is using good common sense. Be a good listener, offer to help in any way you can, answer the telephone promptly in no more than three rings, and don't put the customer on hold for more than a minute. Then, thank them for holding.

Obtain information — Use closed and open questions to obtain information.

For example,

- Closed question: What is the year and model of your mower?
- Open question: What is your concern?

Take good messages — Take all valid information

Customer service, everything from how you talk to customers on the phone to how you interact with them in person, is a big image-shaper.

from the customer. Write down the date, time, company, phone number and the message. If a customer says, "They have my number," respond by saying, "For his convenience, can I have your number, please?"

Tips for taking messages — Take the customer's telephone number right away in case you get disconnected from the customer. Then you can call the customer right back.

Have bins for each employee, and put messages in them. Call employees with messages they haven't picked up after a certain time.

Fold messages in half or mark in some way if you

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have delivered them. Deliver a message to the person or his desk at lunch and before you leave if they haven't been picked up.

Watch what you say — Do not use the following words or phrases with customers:

- “What is your problem, please?” Instead, say, “Your concern is?”
- Never close a conversation with “bye-bye.”
- Do not tell a customer someone is “out to lunch.” Instead, say, “He or she is out of the office and will return shortly.”

Treat customers well — Treat each customer with respect. Remember MMFI: make me feel important.

Customer support — 3-part strategy

Good customer support is the reason new customers become lifelong customers. It's also the reason dissatisfied customers' problems are resolved.

Good customer support is the reason new customers become lifelong customers. It's also the reason dissatisfied customers' problems are resolved. The first stage of customer support happens when your first interaction with the customer is concluded.

The objective of concluding the interaction is to make sure the customer is satisfied before he leaves the store. If he's not satisfied, you still have an opportunity to make things right. Concluding the interaction has three parts.

Ask if the customer is satisfied

Examples of questions you could ask are:

- I'll give your name and number to our service provider. Would it be OK if he calls you as soon as possible?
- Do you understand the information on your repair order?
- Have I provided all the information you want or

need on your bill, regarding the cost breakdown of the repair?

Many customers will answer “yes” whether they are satisfied or not. So pay close attention to non-verbal cues to see if the customer appears negative and inconsistent, or positive.

If the customer is negative, it's a good idea to state your observation. Then ask what else you can do to increase the customer's comfort. For example, “It seems like I'm forgetting something that's important to you. Is there something I've missed that you'd like me to do?”

If the customer is positive, your goal is to strengthen the customer's positive reaction. At the very least, thank them for doing business with you. You may also want to offer a name and phone number so they can call you in the future in case they want additional service.

Referring customers to other employees

Sometimes, a customer interaction may end when you refer the customer to another employee or department. When this occurs, it may be appropriate to follow up to make sure the customer's needs have been met and the customer was satisfied. When transferring a customer's call:

- Explain to the customer and the other employee why you're making the transfer
- Help the other employee continue providing good service by giving them the information the customer gave you so the customer doesn't have to repeat everything
- Also, be sure to give your name and telephone number in case the customer gets cut off. They can call you right back.

Evaluate yourself and your employees in each of these areas. Find ways you can improve, and set goals for doing so. Then, you'll have mastered the art of effective telephone communication and customer support. You'll be on your way to strengthening your dealership's image. **YG**

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