

## CHAPTER 7

# How to Deliver Exceptional Customer Service

*Your customers exist on both sides of the counter.*

**After reading and studying the material in this chapter, you will be able to:**

- 1. Define the two critical roles of the counter sales job.**
- 2. Explain the needs of the two types of customers you need to serve.**
- 3. Explain why exceptional customer service makes selling easier.**
- 4. Identify ways to “go the extra mile” with customer service.**
- 5. Explain how selling substitute products can benefit a customer.**
- 6. Explain why simply meeting a customer’s expectations is not good enough.**



# How to Deliver

## Exceptional Customer Service

Counter salespeople have two critical roles to play in their job. One is to increase sales and profits. The other is to deliver exceptional customer service. These two roles work hand-in-hand and for practical purposes are indistinguishable.

That is because customers who receive quick, accurate, helpful, and friendly service will be much more receptive to buying products you recommend than those who you might treat indifferently.

*Service and selling go hand-in-hand.*

The wholesaler-distributor with the best reputation among customers in a given market usually is the one that delivers the best customer service. Your goal as a counter salesperson is to do all you can to make customers think of your company as the most desirable supply house, and you as their favorite salesperson.

## You Need to Serve Two Types of Customers

A key to delivering exceptional customer service is to understand what each customer wants, as well as the customer's point of view. If you are on the counter for any length of time, you will learn the difference among your customers and what each expects. When you deal with a customer across your counter, your focus is on the activity with that person. Once that customer leaves with products in hand, it is easy to think that is the end of this transaction.

However, your customer experiences the entire transaction, which might only begin at your counter. There may be follow-up calls to you or someone else in your organization with questions related to the products just purchased. The customer might request troubleshooting or some other assistance.

*Your customer experiences the entire transaction.*

A return may be forthcoming. Maybe some items had to be backordered. On the other hand, perhaps the customer is happy with the items purchased and wants to place an order for more.

Then the all-important issue of payment enters the customer's mind. A transaction is not complete until the customer pays the bill.



# How to Deliver

## Exceptional Customer Service

### A reputation for terrible service spreads like a virus

If anything goes wrong at any of the stages of a transaction, the customer will perceive the entire transaction as terrible customer service. When that happens, customers tend to complain about it with friends who may also be customers of yours. Even one episode of terrible service, whether real or imagined, can contaminate your reputation far beyond the single incident.

You are probably thinking, "Hey, that is unfair!" You have no control over the performance of others in your organization.

*Reducing service glitches is in your control.*

However, there are things you can do that will minimize service glitches by others in the transaction chain.

### Internal customers are critical to external service

Customers who purchase merchandise from you are your **external customers**. A second type of customer exists that must also be serviced in an excellent manner.

Think of them as your **internal customers**. These are your colleagues. They work with you to provide services to the external customers who buy products.

The external customers who experience the entire transaction may not be aware of every team member's role in the transaction. They do not care. That is not their responsibility. However, delivering on the core contract requires that every distribution team member take ownership of the entire transaction. "Zero defects" is the only reasonable standard for the core contract of getting the customers what they need when they need it with no mistakes.



Look what happens to the "transaction" when every team member does his/her own job at 95% efficiency.

$$\begin{array}{cccccc}
 95\% & \times & 95\% & \times & 95\% & \times & 95\% & \times & 95\% & = & 77\% \\
 \textit{Take order} & + & \textit{Pick order} & + & \textit{Pack order} & + & \textit{Deliver order} & + & \textit{Issue invoice} & & 
 \end{array}$$

That is right! If everyone involved in a simplified 5-stage order process does his/her job at 95% efficiency, the customer experiences a problem in almost one in every four transactions!



# How to Deliver

## Exceptional Customer Service

All distribution team members need to support every stage of the transaction and do more. A counter customer may need assistance from outside or inside salespeople, the quotations department, warehouse order pickers, shipping dockworkers or office staffers who work in purchasing or accounts receivable. At various times, a counter salesperson will interact with almost everyone in a wholesale distribution firm.

### **Vendors and reps are internal customers, too**

As a counter salesperson, you also will work closely with vendor and manufacturers' rep personnel, as well as master distributors who specialize in rapid supply of fill-in goods to wholesaler-distributors. Think of them as your internal customers as well.

*Some internal customers work outside of your organization.*

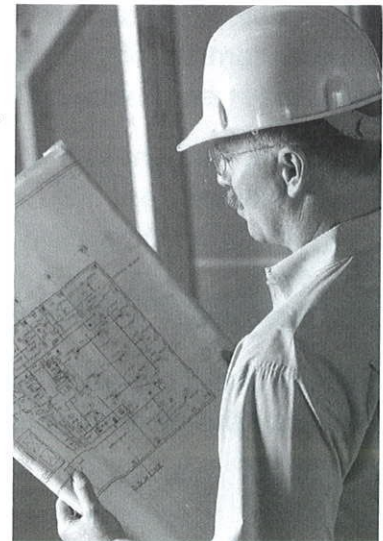
Maintaining strong relationships with internal customers will go a long way toward helping a counter salesperson be successful. If you do not serve internal customers well, you cannot serve your external customers well.

## What Your External Customers Expect

Most counter salespeople think they provide great customer service, and they may truly try to do so. However, it is easy to fool yourself when you evaluate your own performance. A reputation for great customer service is not an exercise in self-congratulations. Only customers can confer the great customer service label because customers are the ones who define great customer service.

Imagine yourself in the following real-world situation. You wait on a customer who wants to know if you have a certain product in stock, how much it costs, and if it meets certain technical standards. Within seconds, you retrieve the information, relay it to the customer, quickly obtain the desired product, and write up the order, exchanging pleasantries all along the way. You fulfilled the core contract. Just doing this is not always easy so it is tempting to pat yourself on the back for a job well done.

*Only customers can bestow a reputation for great service.*



# How to Deliver

## Exceptional Customer Service

### **Superb customer service requires going the extra mile**

However, suppose that customer then visits another supply house counter, maybe to compare prices. Your competitor's counter salesperson does everything you did—**and more**. The counter salesperson at your competitor's supply house volunteers information about a similar product that can do the job just as well. He/she informs the customer that the other slightly more expensive product generates significant labor savings during installation. This other counter salesperson also volunteers, "The item is pretty heavy. Let me help you load it on your truck."

Which counter salesperson provided the better service?

You did not do anything wrong. You did everything the customer asked for and expected. Unfortunately, when you simply meet customer expectations, it is likely they will not even notice. Customers expect you to fulfill the core contract. They will only notice if you fail to meet expectations—or if you exceed them.

*Good performance is unremarkable if customers expect it.*

The other counter salesperson exceeded expectations. He/she sold value over price and clearly explained the relationship between cost and price. He/she was able to do so because he/she understood both the products and the customer's business. This counter salesperson knew that labor savings were more important to this customer than paying a little more for an upgraded product. The customer also appreciated the simple but important courtesy of helping load it on the customer's truck. The counter person offered that little bit of extra courtesy and empathy because he/she remembered the customer once complained about back problems.

### **Customers' needs have changed**

There was a time when superb customer service meant giving the customers what they asked for when they asked for it. In the past, only the best firms were able to accomplish that because it typically took days or weeks to ship goods from one part of the country to another. Information also was more difficult to come by. Those who possessed it had something of exceptional value to offer.

Times have changed because customers can buy the products they want, overnight if necessary. Moreover, it used to require special expertise to identify and find certain products. Customers relied on wholesaler-distributors to do that for them. The Internet has made it easy for anyone to locate almost anything. Customers not only can locate products and product information online, often they can buy it with a few mouse clicks and have it shipped from anywhere in the country overnight.



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## Exceptional Customer Service

*Customers' standards for good service have risen markedly over the past few years.*

This means it is no longer good enough just to have what customers need when they need it. Wholesaler-distributors that want to stand above the competition in today's world must provide services that most customers would not even think of asking for. However, you need to remember to offer these services, but not to the point where your company is losing money on the transaction because it is taking too much time. You can only serve your customer if you understand the customers' businesses and how they make money.

### **Time is money for your customers**

Customers may vary somewhat in their needs depending on their type of business. However, there are certain factors that almost all will have in common.

One thing all your customers have in common is the need to make profits. That requires them to perform work that they can bill to a customer, job, or project. They cannot bill the time they spend waiting for service at your counter to a customer, job, or project.

*Nobody makes a profit waiting  
in line at a sales counter.*

If you are dealing with the owner of a company, any time he or she spends at your counter is time that he is not doing billable work for his or her customers. If the customer waiting at the counter is a contractor's employee getting paid hourly wages, the contractor is losing money.

*Contractors need to pass along the cost of waiting time to a  
customer, job, or project in order to make money.*

Anything you can do to help your customers reduce the time that they have to pay for that they cannot bill out is a valuable customer service. Any mistake, error or delay that costs the customer time may make them miss their time estimate for a project. That also costs them money.



# How to Deliver

## Exceptional Customer Service

### Culture of commitment

Studies show that customers rank most of the distributors that they deal with—up to 80%—as “good.” But they consider only about 10% to be “superb.” Obviously, there is a great deal of competition at the “good” level, but there will be much less if you can get above the crowd and establish a strong presence—that is, if you are *perceived* as delivering excellent service. You do this by genuinely impressing your customers with your service, going well beyond their expectations with both our individual actions and the company’s commitment.

Many wholesaler-distributors work hard to develop a culture of commitment to the customer. Many have codified that commitment into a set of guiding principles for the distributorships in their work with customers. Some post it as a reminder to employees and customers alike of why the distributorship is in business. Here is an example:

#### Commitment to our Customers

- ✓ **You are the reason we are here—not an interruption of our work.**
- ✓ **You are not dependent on us—we are dependent on you.**
- ✓ **You are a key component of our company—not an outsider.**
- ✓ **You bring us wants, and it’s our job to fill those wants.**
- ✓ **You deserve our courtesy, respect, and the most attentive treatment we can give.**
- ✓ **You make it possible to pay our salaries, whether we are truck drivers or managers.**
- ✓ **You are the lifeblood of our business.**
- ✓ **You are human, just like us, with the same feelings and emotions.**
- ✓ **You deserve to be listened to—not argued with.**

The important point is that if you’re only providing customers the service they think they are paying for, you lock ourselves into the just “good” 80%. Getting into the more profitable 10% of superb service providers demands that the company—and each employee—give customers greater satisfaction and appreciation than they are expecting.



# How to Deliver

## Exceptional Customer Service

Here are some features that customers generally value:

- **Order accuracy**
- **Complete deliveries**
- **Invoice accuracy**
- **Rapid credit processing**
- **Speedy pickup**
- **Warranty processing**
- **Competitive pricing**

### **Phone orders are especially time-sensitive**

Be particularly sensitive about the time factor for customers who place a phone order for “will call” or pickup. They call ahead so they will not have to stand in line at the counter. These customers will be very annoyed if their order is not ready to go when they arrive, or if not all of the products are available. Some supply houses set up a separate contractor will call counter so that a contractor will not have to wait in line behind a homeowner.

With experience, you will develop a good feel for how long it takes to pick a given number of items and package them for pickup. Do your best to inform a phone-in customer how long it will take to have the order ready for pickup. Do not say a half-hour if you know that is a best-case scenario and it will more likely will take an hour. Allow extra time if the call comes during a busy period.

*Customers who call ahead may get angry if they have to stand in line.*

### **Quick decisions can save time**

When a customer places a counter order, you must decide whether to transmit the order to the warehouse for picking, or go and pick the item(s) yourself.

- **For longer orders with many line items, it likely would prove quicker to leave it to the warehouse workers to retrieve the goods.**
- **For shorter orders with just a few line items, it might well save time to go into the warehouse yourself, especially if you are familiar with the products ordered and know exactly where they are stored.**





# How to Deliver

## Exceptional Customer Service

Some wholesaler-distributors may have a policy addressing these issues. If so, follow your company's policy about who is responsible for picking orders.

This decision may also depend on how busy the counter might be. If a line of customers is waiting for service, it would be best to have your colleagues in the warehouse pick the order while you tend to the next person in line.

*Counter salespeople need to make instinctive decisions that save time.*

Another decision you need to make at this stage is whether to bring the order to the counter to hand over to the customer, or stage the materials at the loading dock for easy loading onto the customer's truck. The size of the order and bulk of the products ordered will be the major factors.

You also will need to determine whether the customer will need help loading the materials, and whether you or someone from the warehouse should be assisting the customer. As you get to know your customers, give special consideration to those who complain of back problems or other ailments. They may need help in cases where others would not.

Expert counter people need to know how to handle an order quickly almost by instinct. Experience is a great teacher. As you obtain that experience, you will find the decisions easier and easier to make.

### **Customers want high fill rates**

The reason customers come to your counter is that they need things in a hurry. Otherwise, they could wait for the wholesaler-distributor to deliver them. Therefore, it is very important that all your customers leave with all the products and materials they need.

Imagine how disappointing it would be if you needed something urgently, you drove to the supply house, and then are told you cannot have it until the next day—or maybe longer. Some will visit another supply house to obtain the missing goods. In that case, you will lose the sale and the customer will waste still more time and/or money. Your competitor will also get a free opportunity to win them over as their permanent customer. Even if the customer agrees to accept a backorder, a sense of poor customer service will linger.

*Stock-outs are very damaging to customers in a hurry.*

No supply house will have a 100% **fill rate** which is a measure of an inventory's ability to meet demand. It is the percentage of customer or consumption orders satisfied from stock at hand. That would require an infinite amount of inventory to anticipate every possible customer need.



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## Exceptional Customer Service

However, there are steps you can take in your role as a counter salesperson to minimize backorders and **stock-outs**, situations in which the stock of a particular product has all been sold and there is no stock left to fill the order.

### **Tell your internal customers about hot sellers**

Most wholesaler-distributors use formulas called **Economic Order Quantities (EOQs)** to place orders for stock replenishment. EOQs take into account sales history, seasonal fluctuations, and other factors to replenish inventory when the products on hand reach a predetermined low level. The people in charge of purchasing use EOQs to guide them on when to place an order and for how much. However, even the best EOQ formulas cannot anticipate unexpected rises or drops in demand. For that, purchasers need input from sales staff that interacts with customers. Inside and outside salespeople, as well as counter salespeople, are sources of market intelligence about hot and cold sellers.

*Even the best EOQ formulas cannot predict everything.*

As a counter salesperson, you may not have direct purchasing responsibility. However, you can advise those in charge of purchasing at your company when you notice unusual surges in orders for certain products. In some companies, purchasing agents may seek you out for this kind of advice. In others, you may be overlooked. Regardless, do your best to inform the purchasing department of items that have proven unexpectedly popular, along with those that are not moving as well as anticipated. This is one way you can help improve fill rates.

### **Know your substitute products to reduce back orders**

The most important way you can improve fill rates is to acquire product knowledge to the point where you can recommend substitutes for stock-outs that otherwise would need to be backordered. Not only must you consider performance issues for the relevant products, in some cases, you may need to be familiar with local building codes or user requirements to know what does and what does not meet code requirements.

Counter salespeople able to recommend suitable substitutes perform a valuable service for their customers, as well as their employers. It saves the customer the time and trouble of visiting another supply house for the item or waiting on a backorder. Most important, it saves the sale and enhances your value as a salesperson.

*Selling substitute products enhances your value.*



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Do not hesitate to recommend a better substitute even if a product ordered happens to be available. Some customers are stuck in their ways and order certain products out of habit. They may not even know about better offerings that might be available from the same manufacturer or a different one. The better substitute may cost a bit more but prove to have greater value over time. Make sure you know the product well enough to explain benefits such as labor savings, greater durability, a superior warranty, or other factors. In the next chapter, you will learn some techniques for selling substitutes.

### **Know your product knowledge resources**

Nobody can know everything there is to know about every product sold by your wholesaler-distributor. However, it is possible to find out just about everything if you know where to look.

Almost all counter salespeople will have access to catalogs, training manuals, and manufacturer literature that offer details about products sold over the counter. Some will be printed materials, while other resources may exist only online.

*You cannot know everything,  
but you can find out anything.*

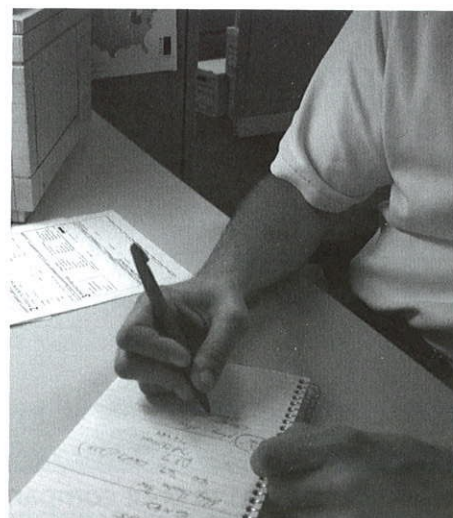
Chapter 10 will discuss several product knowledge resources and how to use them.

### **Customers expect accurate order processing**

Most of us have been on the receiving end of paperwork or other processing mistakes at one time or another.

Nothing wastes more time and money for wholesaler-distributors and their customers than mistakes. Mistakes delay productive work while someone resolves the problem. A mistake that results in the wrong product supplied to a customer sometimes requires the customer to dismantle and rework an installation. That frequently wipes out any profit on the job, and is likely to cost you future business with that customer.

*Make sure customers know what their order contains  
before they sign.*



# How to Deliver

## Exceptional Customer Service

Check and double-check to make sure all of the product information, code numbers, pricing, and other information are accurate. Read the order to the customer to make sure it is correct. Go over it all with the customer before obtaining a signature.

### **Orders with many line items can be problematic**

Many counter sales professionals tend to shortcut the review process with the customer on long orders, especially if the counter is very busy. This is understandable. From another prospective, it is shortsighted.

Long orders are even more important to review than short ones. Common sense tells us this is simply because there are more opportunities for mistakes.

*Compromises might be necessary at busy times.*

At times, a compromise might be necessary. If there is a line of customers waiting for service at the counter, you may not be able to spend time going over every line item with the customer. However, you can at least ask the customer to review the order before signing it. Then you can start waiting on the next person in line while awaiting the previous customer's signature.

### **External customers want fair prices and policies**

At various times, you will get complaints from customers about the prices charged for certain merchandise and/or your company's policies with regard to returns, credits, or exchanges. You may not have much input into setting these policies, but you will have the responsibility to understand them and explain them to your external customers.

Avoid a common mistake made by sales personnel everywhere when it comes to addressing company policies. The temptation is to say, "Sorry, it's company policy and I have nothing to do with that."

"It is company policy" is an excuse that does nothing to satisfy a customer's complaint. If a customer has an issue with your company's credit, return or exchange policies, listen carefully to what he or she has to say. Be sympathetic, although not necessarily agreeing with the complaint. Use neutral statements like, "I see your point ... I'd feel the same way in your position."

*"It is company policy" is an excuse that leaves customers cold.*

Tell the customer you will inform the policy decision maker about his/her complaint and see if anything can be done about it. Then follow up doing what you promised.



# How to Deliver

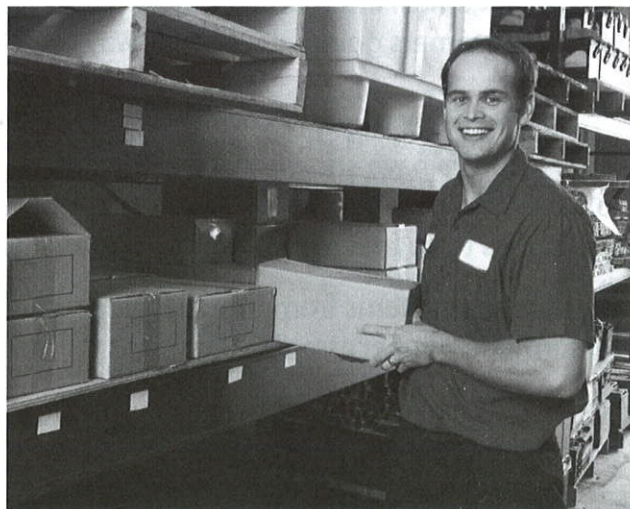
## Exceptional Customer Service

If it is a common complaint, maybe the decision-maker will see fit to alter the policy. That would enable you to hit a home run with that customer! More often, the policy is likely to remain intact, but maybe the decision maker might see fit to make good in some manner with the customer, especially if he or she does a lot of business with your supply house. Even if nothing changes, at least you can relay to the customer that you followed-up on the complaint, and report what the decision maker told you.

### The buck stops with you

Avoid “passing the buck” in your dealings with external customers. Superior customer service requires taking charge of a situation. For instance, if a customer has a question about an order or an invoice, try to find the answer without telling the customer to call someone in the warehouse or office. Take the initiative to get the answers for the customer.

Think of how many times you have been passed around to multiple parties when you have called an organization to obtain information or resolve a problem. Don't you get tired of having to explain the problem over and over to each person you speak with? In addition, the more people you speak with, the more likely you are to encounter someone who is truly unresponsive. Think of how infuriated you got when someone left you on hold for a long time or cut off your phone call.



*If you “pass the buck” on your customers, you might find them passing their bucks to your competitors.*

Do not let it happen to your customers. **YOU** take charge of obtaining the correct information from co-workers. If they are slow in providing it, **YOU** follow up with a reminder. Then **YOU** call the customer back with the answer as soon as possible.

In all of your dealings with external customers, always keep in mind that your goal is to *exceed*, not just meet, their needs and expectations. Extend superior service and expertise, and you will find them asking for you by name when they come to buy from your supply house.



# How to Deliver

## Exceptional Customer Service

### What Your Internal Customers Expect

One big difference between your external and internal customers is that your external customers have the option to take their business elsewhere if they do not like your service. Your internal customers are stuck with you as long as you continue to work for the same company.

It is up to you to make that a pleasant experience for them, and for you. A workday can feel very long when conflict between co-workers fills the day. So apply the same principle just stated for your dealings with internal customers. Offer superior service and expertise, and you will find your internal customers going out of their way to do favors for you in return.

#### **Saving time is everyone's concern**

Various studies have shown that most people in today's business world work longer and harder than ever. Some of this is due to the information revolution spawned by the Internet. People have access to so much information at their fingertips they have trouble keeping up with all of it.

Another reason stems from mistakes or anything else that causes workers to chase down answers or information unnecessarily. That loads them with an undue burden that they will not appreciate.

*Employees are busier than ever before.*

If you do not provide accurate information to the warehouse, an order will not be pulled correctly. If you do not provide accurate and timely information to accounts receivable, billing will be incorrect. If you do not obtain accurate information from vendors, purchasing and inventory will be out of balance.

You can offer superior service to your internal customers by performing your duties in a timely and error-free way. Timely and reliable performance also makes your job easier.

#### **Solid relationships require both give and take**

Personal relationships count for a great deal with internal customers. The better your relationships, the more inclined your co-workers will be to go the extra mile to help you fulfill external customers' requests. Therefore, it is important to be polite and cheerful in order to cultivate friendships within the company.

*Nobody likes to work with grumpy people.*



# How to Deliver

## Exceptional Customer Service

Even more important, the best way to build those strong internal relationships is to go the extra mile when they need a favor from you. If you can help them solve problems that arise in their jobs, that is a big plus.

You will find that it is especially helpful to develop solid relationships with vendors and their sales reps. For the most part, they are readily available via phone or email with requests for product information or troubleshooting. Many of them also put on regular training sessions as a way to acquire product knowledge. They are good friends to rely on in times of need.

## A Positive Attitude Radiates

Wholesale distribution requires a team effort. Those of you who follow sports have seen teams with superior talent lose to those less-talented role players who truly cooperate and mesh together.

One of the things that make a team mesh is a positive attitude by all the players.

*Cheer when other teammates succeed and offer them encouragement when a performance falters.*

Do the same in your role as a counter salesperson. Most organizations have at least one or two individuals who are chronic complainers, and they tend to bring everyone else down with their negativity.

Resolve to be the antidote. Make it a point to greet everyone with a smile as you work alongside them day-by-day. When problems arise, offer solutions rather than griping and finger pointing. You will find that this kind of positive attitude has a way of radiating throughout the organization.

In this chapter, you explored the principles and practices of superb service for both the external and internal customer. You examined the critical role of saving your customers' time and how time impacts their profits. You also learned several tactics counter people can use improve to service.

In Chapter 8, you will learn the secrets of the counter sales superstars.



## Quiz

## How to Deliver Exceptional Customer Service

- 1. All of the following individuals could be considered internal customers EXCEPT**
  - A. Customers who phone in orders
  - B. A vendor's sales representative
  - C. A master distributor
  - D. Your company's accounts receivable clerk
  
- 2. The BEST way to acquire a reputation for great customer service is by**
  - A. identifying and serving customer needs.
  - B. accepting returns.
  - C. selling substitutes.
  - D. exceeding customer expectations.
  
- 3. Which of the following is an example of "going the extra mile"?**
  - A. Reviewing a sales order with the customer
  - B. Helping the customer load goods onto his truck
  - C. Picking and packing an order without wasting time
  - D. Processing returns in a timely manner
  
- 4. Customer needs have changed because of**
  - A. electronic paperwork.
  - B. an aging population.
  - C. easily accessible information.
  - D. people working longer and harder.
  
- 5. Which of the following is NOT a way to save customers' time?**
  - A. Increasing fill rates
  - B. Having phone orders ready when a customer arrives
  - C. Discounting older products
  - D. Selling substitutes that superior to products a customer requests





## Quiz

## How to Deliver Exceptional Customer Service

**6. The opposite of “passing the buck” is**

- A. “garbage in, garbage out.”
- B. selling substitutes.
- C. calling an expert.
- D. taking charge.

**7. When a customer complains, the MOST important response is to**

- A. defend your company.
- B. listen patiently.
- C. explain why it’s not your fault.
- D. quote company policy.

**8. External customers differ from your internal customers because they have**

- A. more alternatives.
- B. more time.
- C. less time.
- D. more complaints.

**9. Which of the following is likely to result from sales orders not processed in a timely and accurate way?**

- A. Phone-in orders
- B. Returns
- C. Credit memos will be issued
- D. Billing will be wrong

**10. Which of the following is NOT a characteristic of a team player at a counter?**

- A. Maintains a positive attitude
- B. Has an aggressive nature
- C. Works as a problem-solver
- D. Demonstrates reliability

*(Answers below)*

Answers: 1.A; 2.D; 3.B; 4.C; 5.C; 6.D; 7.B; 8.A; 9.D; 10.B.



## CHAPTER 8

# Learn from the Counter Sales Superstars

*Think of selling as helping the customer to buy.*

**After reading and studying the material in this chapter you will be able to:**

- 1. Identify several elements that go into making a good first impression.**
- 2. Define suggestive selling, up-selling, and add-on selling.**
- 3. Identify at least three good reasons to take notes at the counter.**
- 4. Describe six techniques of suggestive selling.**
- 5. Demonstrate several ways to overcome price objections.**
- 6. Describe how to “go for the close.”**
- 7. Identify five excuses that customers hate to hear.**
- 8. Discuss eight steps for dealing with problem customers.**



# Learn from the

## Counter Sales Superstars

In Chapter 1 you learned that generating sales is your most important duty as a counter salesperson. The more sales you can generate, the more valuable you become to a wholesaler-distributor. This of course enhances your own earning potential. Now it is time to learn how the counter sales superstars make sales happen.

### A Positive First Impression Sets the Stage

As a counter sales professional, you have a big advantage over sales reps whose jobs require them to call on customers. You do not have to worry about prospecting for sales. Customers come to you with an intention to buy. Nonetheless, you can squander this advantage with a bad first impression. Counter salespeople can gain or lose sales in the first few seconds of an encounter with a customer or prospect.

#### **A professional appearance enhances your credibility**

A bad first impression lingers like an unpleasant odor. In fact, unpleasant body odor guarantees a bad first impression! Good hygiene and grooming are necessary for anyone who comes in close contact with customers. A clean body and clothing are essential.

Some wholesaler-distributors may supply uniforms—or at least shirts with company insignia—for their salespeople to wear. Other companies will leave it up to you to decide what to wear to work. You do not have to dress expensively, but whatever you wear must be clean and pressed. Looking sharp is a sign of professionalism which helps build your credibility.



*Customers are more likely to listen to counter salespeople who appear professional and credible.*

#### **Customers want to buy from people they like and respect**

Customers may be forced to deal with you if you are the only one working the counter when they arrive. However, a bad impression may lead them to minimize their purchases and take their business elsewhere next time. Ignoring a customer guarantees a bad impression.

*Acknowledge immediately. Greet warmly.*



# Learn from the

## Counter Sales Superstars

A key to a positive first impression is to greet customers warmly. Acknowledge their presence immediately, even if it is only with a nod and a smile while you are serving someone else. People love the sound of their own name, so use it whenever you know it. For example, say: "Hi Jake, good to see you. I'll take care of you in a moment."

Not everyone feels great every hour of every day. Counter sales professionals never let anyone know that. They consistently convey a demeanor that comes across as likable, helpful, and honest.

*A friendly greeting sometimes takes practice.*

It is important to maintain a friendly tone of voice. This can be hard to do when you have been working hard all day and have been battered by complaints and difficult problems. Many super sales professionals have developed a habitually buoyant greeting they do not even have to think about such as, "Hi, what can I do to help?" As you gain experience and get to know customers, you can vary your greetings and conversations with very informal comments, some lighthearted banter, and humor.

### **Keep your language clean and professional**

Some customers may be fond of off-color humor and profanity. It is not your job to lecture them but a counter sales professional should avoid responding in kind.

*Crude language will kill your approachability and credibility when you try to up-sell or solve a problem.*

In addition, foul language and controversial topics might make other customers uncomfortable. That might also make your co-workers uncomfortable. If a customer has a foul mouth, try to change the subject, especially if other customers are within earshot.



# Learn from the

## Counter Sales Superstars

### Selling Means Helping Customers Buy What They Need

Some counter sales professionals may resist the “sales” label. People of a certain mindset hold to the stereotype of a salesperson as a pushy individual who tries to make people buy things they do not need or want.

Nothing could be further from the truth in the wholesale distribution industry. Customers who come to your counter are coming ready to buy something. Your job is to help them buy the products and materials that best serve their needs and offer the best value for their money.



*Customers come to you ready to buy.*

Some customers who come to your counter will be less experienced than you. Think of yourself as a mentor who can give guidance and training to your junior customers.

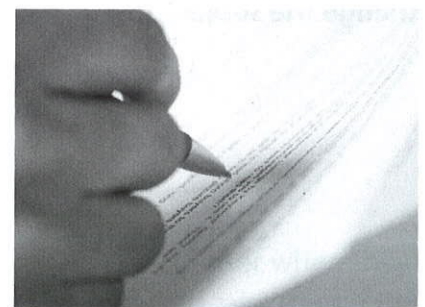
#### **Listen at least twice as much as you talk**

Pushy salespeople are fast talkers who will say anything in order to get the customer to buy. They are not listening to the customer explaining his/her needs. This is the opposite of how an effective counter person operates.

To be a good buying assistant, you need to listen much more than you talk. Listen carefully as customers discuss their job experiences and product applications. Ask questions about anything you do not understand or that might need elaboration.

Keep a notepad handy at the counter. Jotting down notes:

- **Helps you remember important points of a conversation.**
- **Enables you to jot down questions you want to ask after the customer is finished speaking, because you never want to interrupt.**
- **Shows the customer you are listening to what he/she has to say.**



# Learn from the

## Counter Sales Superstars

Counter sales superstars know another fundamental secret.

*No salesperson ever listened him/herself out of a sale.  
Many have talked themselves out of one.*

### **Suggestive selling is your specialty**

Counter sales professionals engage in what's known as "suggestive selling." This entails making suggestions based on your understanding of customers' needs and the products you carry that best fit their criteria. The use of suggestive selling techniques relies on product knowledge so workers must know appropriate add-ons, substitutes, quantity discounts, and how to up-sell products.

Although suggestive selling is greatly dependent on the products being sold, counter sales professionals should exploit every opportunity to increase order size. Remember that you want to educate customers about every related item available and inform them about the number of items your supply house offers. For example, when a customer comes in to purchase drain opener for a clogged sink, don't just suggest an environmentally-friendly chemical drain cleaner. Also ask whether they also need rubber gloves, a pail, an adjustable wrench, a flathead screwdriver, or a flexible cleaning brush to complete the job.

Yes, your goal is to increase sales and profits. That goal goes hand-in-hand with exceeding customers' expectations for the products they intend to buy.

### **Up-selling and add-ons boost sales and profits**

Suggestive selling is closely associated with "up-selling" and "add-on" selling.

- **"Up-selling"** means selling better quality goods that may cost more but offer additional value. Chain restaurants, such as McDonalds, employ up-selling all the time. Whenever the person working the drive-through asks if you want to super-size your number seven, that is up-selling in its most basic and unrefined form, i.e., "Would you like the large fries?"
- **"Add-on selling"** is a matter of suggesting companion pieces to a given product. A good server knows how to up-sell. Up-selling is simply getting a customer to spend more than he was originally intending. Again, chain restaurants employ add-on selling by asking something extra that you did not originally intend to purchase, i.e., "Do you want fries with that?"



# Learn from the

## Counter Sales Superstars

Upgraded and add-on sales are a win-win for you and the customer:

- **They can have a dramatic impact on a wholesaler-distributor's sales and profits.**
- **Your customers also benefit from products of greater value.**
- **Your customers are one step closer to their all important one-stop shopping.**
- **You are building long-term customer loyalty when they know they can count on you to point out things they may overlook.**

### **Suggestive selling requires knowledge**

Suggestive selling requires superior product knowledge and understanding of the customer's business and needs. It requires rigorous honesty. Suggesting something simply because it costs more would generate a negative reaction. The customer would perceive it for what it is, an attempt to dig deeper into his/her pocket without providing extra value.

## Use the Suggestive Selling Techniques of the Super Counter Sales Professionals

The super counter sales professionals have mastered several techniques of suggestive selling.

- **Point out a product's features and benefits, especially the benefits.** For example: one product might be heavier than a counterpart might. That is a feature. The benefit is that it represents sturdier construction, which makes it more durable.
- **Keep quiet until customers are finished describing what they want.** Interruptions are annoying and tell customers that you are only interesting in *selling*, instead of helping them buy.
- **Avoid criticizing lower-priced products.** Up-sell without bashing the lower-priced goods. Avoid negative statements like "can't do ... doesn't have." Focus on the positive aspects of the products you suggest.
- **Keep trying.** Just because one customer does not like your suggestion, do not give up suggesting the same upgrade to other customers. Everyone has different needs, wants, and tastes.



# Learn from the

## Counter Sales Superstars

- **Sell up by selling down.** When there is more than one alternative available, start by talking about the most expensive product first. If the customer turns it down or does not show interest, then move down the ladder. If you start from the bottom, the customer may zero in on the price tag and decide that the lower-priced product is acceptable before you even get a chance to discuss the features and benefits of the higher-grade items.
- **Steer the conversation away from price.** When the customer asks, "How much does it cost?" you are obligated to answer. When price does enter the conversation, quickly steer the conversation to the product's features and benefits. "The reason it costs more is because ..."

*Never initiate the price discussion.*

### **Some customers are uncomfortable with change**

Suggestive selling may be very difficult with some customers because they are very uncomfortable with any change to their routine. The super sales professionals have one best response to this situation.

### *LISTEN!*

Listen carefully to uncover the customer's real concerns. Sometimes customers use price as a crutch to avoid talking about the real issues. For instance, a customer may have been using a certain product for a long time and feels comfortable knowing how to install and service the product. Changing to a different brand or model may put the customer out of his comfort zone, even though it is a better product. If you sense this situation, reassure the customer about your company's training and troubleshooting services.





# Learn from the

## Counter Sales Superstars

### Prepare to Overcome Price Objections

You cannot put off price conversations forever. Eventually your customer will want to know why a certain product costs more, or why another wholesaler-distributor may be selling the same product for less money.

At any given time prices on various products are likely to differ among wholesaler-distributors in the same market. One wholesaler-distributor may have gotten a better deal on a buy and thus can make a healthy gross margin selling a certain item for less. Another may have decided to accept less gross margin in order to gain market share.

*"Basket" prices tend to be similar in any given market.*

However, most wholesaler-distributors in a market respond to competitive conditions and sell most of their goods at pretty close to the same price. When a customer buys a "basket" of goods of various types, he is likely to find a few items with a little higher price than at other supply houses, while other prices are a little lower. This is one way to explain price discrepancies to customers.

Here are some other techniques for dealing with price objections:

- **Determine why the customer is emphasizing price.** Does the customer need approval from someone higher up in his/her organization to spend the extra money? If so, offer to answer questions from the customer's home office and explain why you recommend the product(s). This may help to gain approval for the purchase. Make sure you are available to take the call when the customer's home office calls.
- **Demonstrate value first.** A price objection is simply another way of saying you have not adequately demonstrated value. Emphasize the difference in features and benefits between higher and lower priced products. If "I can get it cheaper from XYZ Supply" comes up, focus on why buying certain products from your company is advantageous. Break down into dollars and cents how much services such as quick delivery, extended terms, engineering assistance, etc., is worth to the customer.
- **Distinguish between price and cost.** The sale price of the item is only one element of its overall cost to the customer. Cost of ownership includes installation labor, ease of maintenance, warranty period, and other factors. The higher priced item might entail a lower cost over time.



# Learn from the

## Counter Sales Superstars

- **Break down the difference into chunks.** An extra \$25 for a product expected to last 10 years breaks down to \$2.50 per year. Point out how trivial that is in comparison with the value of the product and your company's services.
- **Put them in your shoes.** Try explaining why your item costs more: "Tell me, is yours the cheapest company in your field? Well, neither are we. We need to charge a fair price in order to provide great services that you need."
- **Give them alternatives.** Begin by selling the higher-priced item first, but if price becomes an obstacle you cannot overcome, offer the customer lower-price alternatives that will still do the job.

## Super Counter Sales Professionals Always go for the Close

Probably the most common reason for failing to close a sale is so simple it is almost laughable.

*The reason many sales do not close  
is that the sales person neglects to ask for the order!*

Asking for the order is as simple as it sounds. "Should I go ahead and write this up for you?" That is a straightforward way to prompt an order. There is a better way in many cases. Anytime you ask questions beginning with "Should I ... may I ... is it okay if I ...?" you invite the customer to respond with "no."

A better sales closing technique is to assume the customer is ready to buy from you. Using the so-called **assumptive close** puts the burden on the customer to reject the sale. It involves a number of choices within the choice of accepting the sale.

Examples of the assumptive close include:

- "Which color would you like?"
- "Would you like some help loading that in your truck?"
- "Did you want to take the installation widget with that?"
- "Is there anything else you need?"
- "Do you want this charged to your account?"



# Learn from the

## Counter Sales Superstars

### **Timing the close is everything**

True sales professionals develop an almost intuitive sense for timing their close.

*Super sales professionals can read the signals  
that the customer is ready to buy.*

Some fairly obvious signals consist of questions asked by the customer. "How long will it take? ... "When will payment be required?..." "Can I get that delivered?..." "When can you load it up for me?"

Other signals are subtler. Customers may change the pace of the conversation, either slowing down or speeding up. Either case might provide a clue that they have made a decision and are thinking of something else, perhaps other items to buy.

### **Closing too early invites objections**

Make sure you have provided all the information needed for the customer to decide. Trying to close too soon opens the door to objections.

Most objections are unspoken. They get signaled by statements such as:

*"Thanks for your help. I'll get back to you."*

*"I need time to think it over."*

An old sales adage says you should "never take no for an answer." That is not literally true. You will not be able to close every sale. It is better to lose a sale than to badger a customer mercilessly. At the same time, it will be hard for you to earn a good living if you take every customer objection as the final word.



# Learn from the

## Counter Sales Superstars

### How to Handle Customer Problems and Problem Customers

Eventually every counter sales professional will run into a temperamental customer angry about some problem. Whether or not the customer's complaint is valid, it is crucial for the counter sales professional to keep a level head at all times.

You can never win an argument with a customer. Even if you "win" by proving you are right, the customer will lose face.

*If the customer loses face, you may never see their face again.*

Therefore, you, your counter, and your company lose in the end. Accept the key principle of customer service that it is impossible to win an argument with a customer.

#### **Your objective is to solve the customer's problem**

It is important to stay focused on this goal, even if the customer is heaping abuse on you.

#### **An even temperament is a sign of professionalism**

Never lose your temper under any circumstance, even if customers lose theirs. If there is verbal abuse, ignore it. Pretend you did not hear it or it was directed at someone else. Concentrate on solving the problem at hand.

It is not easy to be even-tempered with an unreasonable customer. You have human emotions like everyone else. Normal human behavior is to react indignantly and defend yourself, or even to lash out at the attacker.

*No matter who is right,  
losing your temper with customers is never permissible.*

In these situations, pride in your professionalism must take over. A counter sales professional works daily to cultivate the people skills required to handle upset customers.

#### **Do not take it personally**

First, realize that when a customer is upset, most likely it is not with you. He or she is upset with the situation.

The customer may address the problem personally, saying something like: "You screwed up my order," or "You gave me the wrong information." The "you" may pertain to anyone in the company, however. To the customer's way of thinking, you represent the company at that moment.



# Learn from the

## Counter Sales Superstars

*No matter who messed up, you represent the company.*

The first words out of your mouth are critically important. They may determine whether you are able to defuse the situation or make it worse.

### **Never take the bait; never make excuses**

Sometimes when customers call, they are itching to pick a fight. As you have learned earlier in this course, a mistake may very likely have cost them time and money and they want to take revenge. Arguing or making excuses plays right into their hands.

Here are some excuses that just do not cut it in responding to angry customers.

- “It’s not my fault ... That’s not my department.” It does not matter. Remember, you represent the company.
- “That’s against company policy.” This may in fact be the case, but the customer does not want to hear it.
- “You’ll have to ... (call back later, talk to someone else, etc.)” The customer does not HAVE to do anything. Avoid statements that sound like you are giving orders.
- “Hang on for a moment.” Never abruptly leave an angry customer dangling in person or on the phone. If you have to put a caller on hold, say, “May I put you on hold for a short time?” If you think it will take more than a few seconds, offer to take the number and call back.
- “This is the first time anyone’s ever complained about that.” This is a not-so-subtle way of putting the blame on the customer or calling him a liar. Think of how well that goes over with someone in a jam.

### **Move quickly into a problem-solving mode**

Astute counter sales professionals move quickly into their ‘problem solving mode by following the eight essentials steps for handling upset customers.

#### **1. Agree that a problem exists.**

After the customer expresses frustration, the first words out of your mouth should be to agree that a problem exists, without agreeing that you or your company caused it.

“I see that you have a problem, let’s see what we can do to straighten it out.”



# Learn from the

## Counter Sales Superstars

"Sorry you have to deal with this, let's see ..."

"Thanks for letting us know about this, let's see..."

"I don't blame you for feeling that way, let's see ..."

### 2. Let them vent.

Agreeing that a problem exists usually helps calm down an irate customer. But not always. Sometimes it is necessary to let the customer vent while you proceed to the next step.

Just listen without comment as the angry customer describes the nature of the problem. Take detailed notes. It shows you are listening.

#### *Check for understanding*

When you think you have heard enough, restate the complaint in your own words. Then, ask the customer to confirm that your understanding is correct. This is a good way to break in if the customer gets repetitive and progressively more aggravated.

### 3. Gather the facts.

It is very important to listen carefully to the customer's complaint. Ask questions to gather needed information and clarify anything you do not understand. Continue to take detailed notes. Your tone should be matter-of-fact, though calm and sympathetic. Do not ignore the complaint—that will just make the customer angrier—but be sure to gather all the facts before rendering any judgments or excuses.

A customer may complain about one thing while really being angry about something else. Careful listening can uncover these hidden agendas. For instance, a customer may be railing about the fact that an order was incomplete by saying, "I should've bought it at Supply House X, where I could've gotten it at a better price!" Is this customer most upset at the short order, or the fact that your competitor was selling it at a lower price? Sometimes a tone of voice can betray the real thinking.

At this point, three questions ought to arise in your mind:

- What am I most concerned about?
- What is the best outcome I can expect from the situation?
- What am I really expected to do?

How you answer these questions will guide you to the next step.



# Learn from the

## Counter Sales Superstars

### 4. Suggest the next action.

When you are confident you fully understand the customer's complaint and have answered the three questions just posed, it is time to go to Step 4—suggesting the *next action* to take. Notice, we do not say suggest a solution. In most cases, a solution is not immediately apparent. You have heard the customer's point of view, but the customer could be mistaken about certain facts.

Here you want to inform the disgruntled customer what it is you intend to do.

- "I'm going to do whatever it takes to rectify this, starting with the factory."
- "Don't worry, Mr. Customer, we will find out what happened to the missing materials."

Apologies can sometimes be effective here.

*Do not admit wrongdoing, especially if you're uncertain whether your company did anything wrong.*

Instead, say something such as:

- "I'm sorry you're having this problem."
- "I'm sorry it came to this."
- "Someone certainly owes you an apology."

### 5. Secure the customer's agreement.

The fifth step in the process is critical. Get the customer to agree that the next action you propose is satisfactory. If you adhere to the four previous steps for handling upset customers, the customer will usually agree.

But not always. The customer might say something like, "I don't have time for that. I need those items right away."

One technique that is often effective in dealing with these situations is asking the customers how they would like you to resolve the problem.

*"What would you like us to do?"*



# Learn from the

## Counter Sales Superstars

Many people in business are afraid to pose this question out of fear the customer will ask for something unreasonable, such as a full refund or credit for the entire order. That risk does exist, but asking the question does not commit you to providing everything the customer might want. Frequently, it disarms the customer when you solicit advice on resolving the problem. Often they will ask for something very simple, such as an apology.

### 6. Thank the customer.

The next step in the process is the simplest one of all. It is to thank the customer: "Thank you for bringing it to our attention."

Studies have shown that only around 4% of disgruntled customers bother to complain to the offending business when something goes wrong. The rest suffer in silence. Of those who do not complain, almost two-thirds will switch suppliers without telling the original firm why.

Complainers alert you to the fact that someone made a mistake and a customer is unhappy. Once alerted, you have a chance to correct the mistake and keep the customer. If the customer simply leaves and never tells you why, odds are good that people will make the same mistake repeatedly. In addition, you have no chance to salvage the customer's business.

Complainers are a wholesaler-distributor's best friends.

### 7. Follow through and follow up.

This is probably the most important step. Do what you said you would do quickly and effectively. Never break your word! Solving customer complaints should be at the top of your priority list. The next act is calling them back with promised information in the period you said.

Avoid telling people what they want to hear just to make them feel good, when you know it might be beyond your capabilities to deliver. This is one of the most common causes of customer complaints in the business world.

*A good maxim to live by is  
"under-promise and over-deliver."*

If you tell someone a delivery will arrive within a week and it takes 10 days, your word is no good to that customer. If you tell that same customer something will arrive within two weeks and it gets there in 10 days, the customer is likely to think you went an extra mile to expedite the order. Same results, but in one case you are a villain; in the other you are a hero.





# Learn from the

## Counter Sales Superstars

*Broken promises always come back to haunt you.*

Because of circumstances beyond your control, sometimes you may fail to keep a promise. Then it is important to notify the customer as soon as possible. Even better, come up with an alternative to satisfy the customer's needs:

"I know I promised delivery within a week, Mr. Customer, but an unforeseen situation arose and it will be delayed. However, I have similar materials available that I could get to you by that date."

Follow-up also means contacting customers after the problem appears to be resolved to ensure satisfaction and clear up any lingering complaints. Say things like, "I'm going to make sure this never happens again." These so-called "courtesy" calls go a long way towards building lasting relationships.

### **8. Update and educate.**

Most people with sales and customer service duties find dealing with disgruntled customers their least favorite part of the job. Yet, there is another way to look at it.

*Dissatisfied customers offer some of the best opportunities to build lasting business relationships.*

One study of customer loyalty found that among customers who complain and receive a satisfactory response, 70% go on to become a company's most loyal customers.

A problem represents an opportunity to establish long-term bonds. It enables you to talk at length to the person with the complaint, and learn more about his or her business and personality. If you prove you can solve problems to their satisfaction, you can boost your esteem in customers' eyes much higher than if you merely sell things to them.

Complaints also provide an excellent opportunity to update and improve your company's customer service system, and to enhance its training activities.

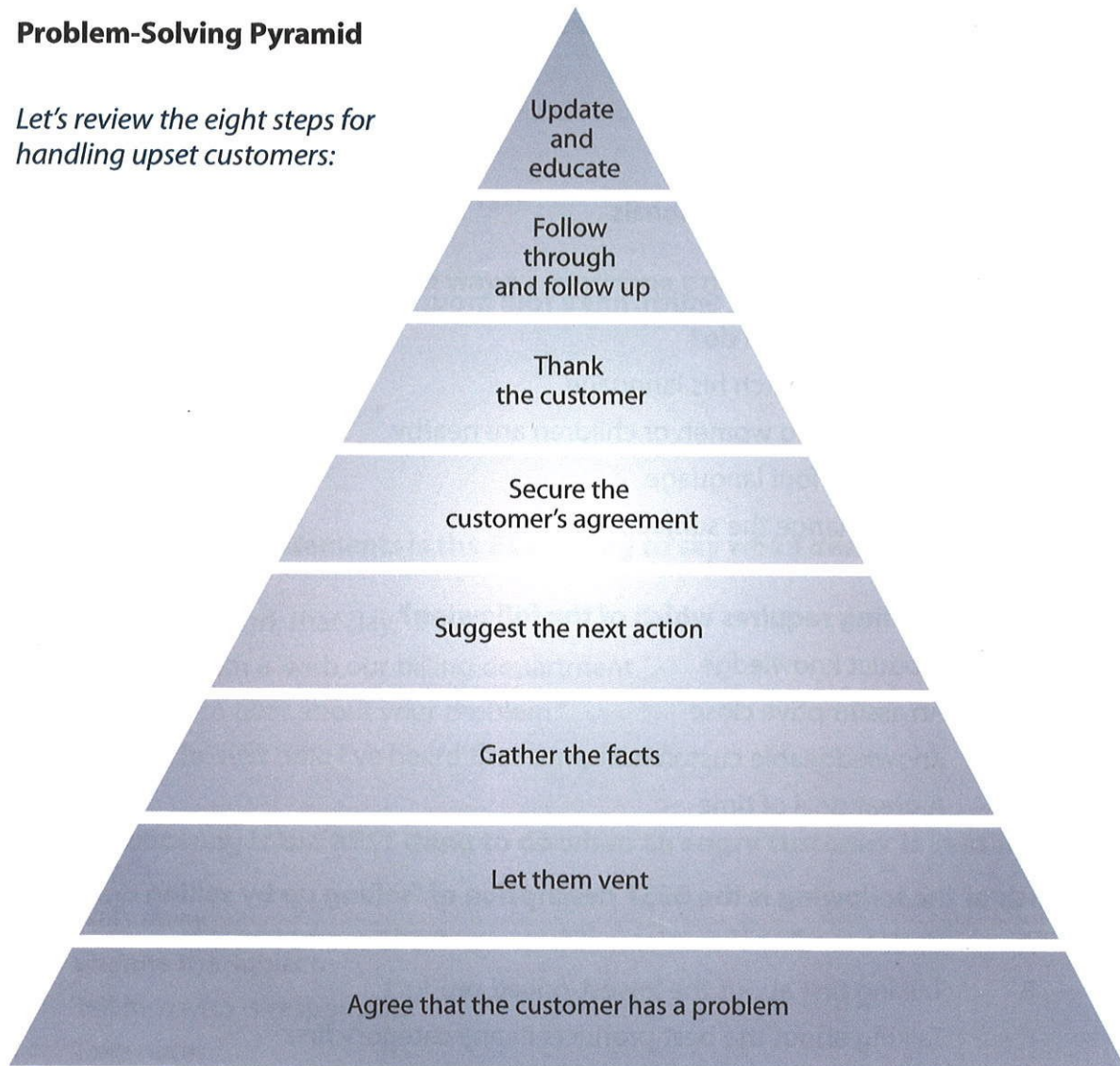


# Learn from the

## Counter Sales Superstars

### Problem-Solving Pyramid

*Let's review the eight steps for handling upset customers:*



In this chapter, you learned many of the secrets, techniques, and practices of the counter sales superstars. In Chapter 9, we will examine how to build sales through merchandising and improve the business using technology.



## Quiz

Learn from the Counter Sales Superstars

1. **According to many studies, people love the sound of**
  - A. a cash register ringing.
  - B. their own name.
  - C. upgrades and add-ons.
  - D. counter sales professionals.
  
2. **Your counter customer, Mr. Smith, has a foul mouth and his voice is getting louder by the minute. What should you do?**
  - A. Tell him to watch his language.
  - B. Make sure no women or children are nearby.
  - C. Match his foul language.
  - D. Try to change the subject.
  
3. **Suggestive selling requires which of the following?**
  - A. Product knowledge
  - B. An assumptive close
  - C. Knowledgeable customers
  - D. A great deal of time
  
4. **Which of the following is the BEST description of “selling up by selling down”?**
  - A. Understanding the difference between features and benefits
  - B. Talking first about the lowest-priced product
  - C. Talking about the best products in any category first
  - D. Discounting
  
5. **Which of the following is a benefit rather than a feature?**
  - A. Saves labor
  - B. Weighs more
  - C. Equipped with a lock
  - D. Comes in multiple colors



## Quiz

Learn from the Counter Sales Superstars

- 6. You can make a favorable first impression by**
- A. offering to reduce your price.
  - B. addressing the customer by name.
  - C. calling an expert.
  - D. matching the customer's language.
- 7. Which of the following is NOT a good way to overcome price objections?**
- A. Lower your price
  - B. Listen patiently
  - C. Compare price with cost
  - D. Demonstrate value
- 8. Which of the following statements is the BEST thing to say when dealing with a problem customer?**
- A. "I wasn't at work that day."
  - B. "The problem is with our billing department."
  - C. "I'm sorry to hear about your problem."
  - D. "This is the first time I've heard that complaint."
- 9. Which of the following is the BEST thing to do when an angry customer is venting or complaining?**
- A. Walk away
  - B. Change the subject
  - C. Tell him who is responsible
  - D. Take notes
- 10. Which of the following is NOT one of the eight steps to take when handling upset customers?**
- A. Follow up
  - B. Gather facts
  - C. Propose a solution
  - D. Suggest the next action

(Answers below)

Answers: 1.B; 2.D; 3.A; 4.C; 5.A; 6.B; 7.A; 8.C; 9.D; 10.C



## CHAPTER 9

# Merchandising the Counter Sales Area

*Impulse purchases boost sales and profits.*

**After reading and studying the material in this chapter, you will be able to:**

1. Define the word *merchandising*.
2. Identify different types of point-of-sale materials.
3. Explain the counter sales professional's role in merchandising.
4. Organize an effective counter area layout.
5. Describe the functions of distribution management software.



# Merchandising

## the Counter Sales Area

**Merchandising** refers to the variety of ways stores try to stimulate interest in their products and entice customers to purchase them. Retail stores and supermarkets employ top merchandising specialists, and there is much a counter sales professional can learn from them by being observant.

Next time you go shopping, stop and think about why you are drawn to certain stores and products over others. Notice how products are displayed and arranged on shelves. Take a look at the signage and how it gains your attention. Ask yourself how some of these so-called “silent sales assistants” can be applied to your counter area. Observe how cleanliness and good order make the store more inviting.

## Merchandising Tactics of Wholesaler-Distributors

Wholesaler-distributors also use merchandising tactics in their counter areas to stimulate interest in their products. Visual displays in the counter area play a big part in this effort. These include signs, posters, bin labels, and so-called **shelf talkers**. Alternately referred to as **shelf screamers**, these are small, colorful signs strategically placed on a shelf to call attention to a given product. Similar on-product signs may be attached directly to larger products.

*Pay attention to merchandising when you go grocery shopping.*

Visual merchandising aids are referred to collectively as **point-of-sale (POS) materials**. Typically they are provided free by manufacturers who are happy to help wholesaler-distributors draw attention to their products. You can also make up colorful materials of your own. Feel free to be creative.

*Vendors provide free POS materials to wholesaler-distributors.*

### **Supply house counters resemble supermarkets**

Smaller products and their signage often get displayed on pegboards hung in back of the counter, in boxes or bins by the counter, or in other visible locations to encourage impulse buying. These are no different than the batteries, magazines, candies, and other impulse items you see on display at every supermarket checkout line.



# Merchandising

## the Counter Sales Area

Grocery shoppers may have overlooked or may not even truly need these things at the time, but seeing them is likely to trigger an impulse to pick some up out of convenience. Impulse items tend to be small and relatively inexpensive with big margins. Anything “new and improved” is also a good candidate for an impulse sale.

*Many wholesaler-distributors display hand tools as impulse buys.*

### **Sales counters advertise special promotions**

Many wholesaler-distributors use another merchandising tool called “special promotions” which are tied to discounts, contests, prizes, and other incentives to help boost sales of certain products. These promotions usually are underwritten in whole or part by manufacturers whose products get displayed near the counter.

The counter area also is a good place for inventory clearance sales to get rid of “dead” inventory. Wholesaler-distributors may display and offer steep discounts on products that are discontinued or slightly damaged but functional.

*Dead inventory can be brought to life in the counter area.*

Some wholesaler-distributors periodically schedule special **counter days** (also called “customer appreciation days”). These days are heavily promoted, festive open house celebrations with themed decorations, special sales, lunch or dinner servings, giveaways, and vendor presentations. Ambitious efforts might even include live entertainment with entire families invited to attend. Hundreds or even thousands of customers may attend such an event throughout the course of a day. These events provide a great opportunity for counter sales professionals to ring up sales galore.

### **Self-service is a form of merchandising**

Self-service areas help to speed up purchases, but also serve a distinct merchandising purpose. Self-service enables customers to compare and choose from a greater variety of goods than they can when items are stored sight unseen in a warehouse.

Many wholesaler-distributors have video entertainment at the counter area to help customers pass time while waiting. Often they will show product training DVDs supplied by manufacturers. Customer testimonials are another effective viewing selection. Some wholesaler-distributors have TV sets tuned to sports channels or other popular programs.

*A relaxed atmosphere takes some sting out of waiting.*



# Merchandising

## the Counter Sales Area

These efforts are intended to make the counter area relaxing and take some of the sting out of waiting time. For the same reason it is also common for wholesaler-distributors to offer free refreshments for customers.

All of these practices can be considered part of merchandising. Counter sales professionals have a great deal to do with the success of a wholesaler-distributor's counter merchandising program.

## The Counter Sales Professional's Merchandising Role

The merchandising resources you can employ will be determined by the size and configuration of your counter area. Some wholesaler-distributors devote thousands of square feet to their counter area, which may include self-service aisles. Others are restricted to tiny spaces with barely enough room for a few products and POS signage.

If your counter area is cramped, your focus must be on keeping the limited space clean and uncluttered, with a few carefully chosen product and POS displays. Squeezing too many displays into a small area will "box in" customers and make them feel cramped and uncomfortable.

### **Clean and neat is the first and foremost rule**

Do you like to shop at a supermarket or retail store whose aisles are cluttered with debris and boxes? Of course you don't. And your customer will not feel comfortable at a messy supply house. Whether your counter area is large or small, the top priority is to keep it clean and orderly.

*Clutter kills impulse sales.*

Counter areas tend to become progressively disordered throughout the day as the hurly-burly of business activity leaves products, boxes, wrappings, sales literature, and paperwork scattered everywhere. Some supply house counters are open to the outside, leading to dust and dirt accumulation. Because top counter sales pros focus on customer service and sales, it's easy to let the housekeeping chores slide. It's also a big mistake!

Housekeeping becomes more difficult and time-consuming the longer it is neglected. The best way to keep up is to make it a habit to clean up after every customer. Devote a few seconds—that's all it takes—to put catalogs, sales literature, and paperwork in their proper places before taking on the next customer. Some wholesaler-distributors make it standard practice to give the entire counter area a total, top-to-bottom cleaning several times a year in addition to normal maintenance cleaning.





# Merchandising

## the Counter Sales Area

*Housekeeping becomes a harder chore if neglected.*

If the counter is busy, it's not good to leave customers waiting while you return goods to the warehouse. In that case, at least hide the goods behind the counter for restocking at the earliest opportunity. If a customer spills food or drinks, clean it up as soon as possible. Make sure refreshments are kept fresh. The appeal of free food turns disgusting when perishables are kept out too long.

If you spot a damaged product or packaging on display, replace it immediately. An exception would be for slightly damaged inventory clearance items that you discount and display for rapid clearance.

### **Safety is a primary concern**

Poor housekeeping not only discourages sales, it can create a safety hazard. People can injure themselves on products with sharp edges left standing around, or heavy materials not properly secured. Wet spots on the floor may cause slips and falls. Material handling equipment needs to be moved out of the way after use. Never hang heavy goods above areas where falling objects could injure customers or co-workers.

*Any injury whether to a customer or an employee will cause human misery and kill your profits.*

Safety precautions are not designed only to protect the customer. As a counter sales professional, you need to protect yourself as you scurry about trying to give customers quick service. Follow proper product lifting and handling procedures. Use ladders to reach items stored high and material handling equipment for items that may cause strain.

*Leave your weight lifting for the gym!*



# Merchandising

the Counter Sales Area

## EMPLOYEE SAFETY CHECKLIST

1. Observe all company safety and health rules and apply the principles of accident prevention in my day-to-day duties.
2. Immediately report any job-related injury, illness, or property damage to my supervisor and seek prompt treatment.
3. Report promptly all hazardous conditions (unsafe equipment, floors, material) and unsafe acts, to my supervisor or Human Resources representative.
4. Observe all hazard warnings and no smoking signs.
5. Keep aisles, walkways, and working areas clear of slipping or tripping hazards.
6. Know the location of fire/safety exits and evacuation procedures.
7. Keep emergency equipment such as fire extinguishers, fire alarms, fire hoses, exit doors, and airways clear of all obstacles.
8. Do not report to work under the influence of alcoholic beverages or drugs nor consume them while on company premises.
9. Refrain from fighting, horseplay, or distracting my fellow workers.
10. Remain in my own work area unless I am instructed otherwise.
11. Operate only the equipment for which I am authorized and properly trained, and observe safe operating procedures for this equipment.
12. Walk, at all times, on company premises (no running) and take no unauthorized short cuts.
13. Follow proper lifting procedures at all times.
14. Never ride as a passenger on a company vehicle, unless it is equipped with a rider's seat, and a seat belt.
15. Use a seat belt in all company vehicles so equipped.
16. Be alert to see that all guards and other protective devices are in their proper places prior to operating equipment.
17. Do not wear frayed, torn or loose clothing, jewelry, or long, unrestrained hair, near moving machinery or other sources of entanglement, or around electrical equipment.
18. Actively support and participate in the company's efforts to provide a safety and health program.
19. Wear hard-covered shoes such as work boots.
20. Never ride on the forks of a lift vehicle that is not properly fitted for a rider.

My failure to abide by, and support the above, may result in termination of my employment.

**Date:** \_\_\_\_\_

**Supervisor:** \_\_\_\_\_

**Employee:** \_\_\_\_\_



# Merchandising

## the Counter Sales Area

### **Policies can be a merchandising tool**

Many wholesaler-distributors display signs in the counter area informing customers of the company's return goods policy, credit procedures, or other information relevant to customers. The counter is a convenient place to convey useful information.

However, some wholesaler-distributors turn a positive communications medium into a negative with messages likely to rub customers the wrong way. For instance, some counters have signage along the lines of: "Absolutely no returns will be accepted after 30 days from purchase date." Negative statements like that have an unintentional tone of hostility. It sounds bossy.

*Keep all policy statements positive and inviting.*

A better way to put it would be: "Returns will be cheerfully accepted within 30 days of purchase."

Same policy, different attitude. Suggest to your supervisors that they replace any harsh messages with more upbeat language.

### **Display your customer pledge!**

An upbeat sign displayed by many wholesaler-distributors is a customer pledge. They come in many versions, stating in some manner a company's devotion to customer service.

*"We want to earn your business by earning your trust."*

*"Our goal is to serve you the way you want to be served."*

*"We promise to provide prompt, courteous service,  
and professional attention to all of our customers."*

If your counter area doesn't have such a sign, suggest to your employer that you draw one up. It costs next to nothing but buys priceless goodwill.

### **The space you are in offers merchandising opportunities**

If you are fortunate to work for a wholesaler-distributor with a sizable counter area, there are endless ways to devise creative merchandising layouts and displays. Using new audio/visual technologies can make your counter state-of-the-art and pull in customers.



# Merchandising

## the Counter Sales Area

It is important to achieve a layout that is balanced between displays that maximize productive use of available space yet still give customers adequate room to browse or just relax. Cramping too many products and POS materials together will achieve the opposite of what's intended. Customers will feel uncomfortable and not in a mood to focus on the merchandise attractions.

*A good layout balances productivity with room to breathe.*

## What to Put on Display

Purchasing managers or the sales manager generally make the decisions about what to put on display based on their vendor contacts. Manufacturers typically vie for the opportunity to have their products featured. Sometimes what goes on display may be determined as part of a purchasing agreement between the wholesaler-distributor and a vendor.

Regardless of who makes the final decisions, counter sales professionals usually wield a lot of influence over counter area merchandising. That's because you are on the front line of customer contact and able to see day-by-day what interests them most and what's selling best. Many wholesaler-distributors will seek out your advice.

*Wise wholesaler-distributors seek advice  
from the front lines.*

### Tips for displaying

Merchandising is part science and part art. Top supermarket chains and retailers employ highly paid merchandising professionals to help them lay out their stores and displays. It takes specialized education and years of experience to reach the top ranks of merchandising pros. Here are some of basic concepts that can prove useful for counter sales professionals.

- **“Out of sight, out of mind.”** Top selling and higher-priced, higher-margin items should be displayed at eye level or slightly above, or as close to it as your counter area allows. Often you see the best sellers on a pegboard in back of the counter, where the customer's eyes are naturally drawn during a transaction.
- **Slower moving and/or less expensive goods should be displayed just below eye level.** When you go shopping at a supermarket, you almost always have to stoop over to pick out cheaper off-brands from the lower shelves. The same principle applies here.



# Merchandising

## the Counter Sales Area

*Many wholesaler-distributors like to promote their house brands over other products.*

One exception to this rule: some wholesaler-distributors carry private label products, usually made overseas, that entail greater profit margins than other merchandise. These wholesaler-distributors may wish to emphasize their “house” brands over other vendors’ products.

- **Place add-on accessories in proximity to related products.** For instance, if a product is battery-operated, put batteries next to the product display. If it takes a screwdriver to install the batteries, put the appropriate screwdriver on display as well.
- **Use self-service aisles to advantage.** Put the more expensive items at the front of the aisle, cheaper goods way back—a passive example of “selling up by selling down.” End aisles should be flanked by specials and impulse items. The front of each aisle tends to be ideal for POS displays.
- **Working models draw attention.** If there’s enough room to set up a working model of a big ticket piece of equipment, this is an effective way of demonstrating product features to customers. It also gives them something interesting to inspect while waiting.
- **All products should be clearly marked.** If a customer has to ask, “What’s that?” rest assured sales will suffer. For products positioned in back of the counter or somewhere else physically separated from customers, make sure signage is large enough to be read at a distance.
- **Place sales “specials” and impulse items within reach of customers.** Right inside the door is a good place to draw attention to specials. Small impulse items might be placed in bins or barrels right next to the counter. Some counters have stools for customers to sit on while being serviced. Putting bins and barrels in between the stools is a great way to generate impulse sales, if there’s room. Make the items easy to pick up and easier to keep your eye on.
- **Think creatively.** Experiment with non-traditional displays. Impulse items can be placed in wheel barrels, pickle barrels, or any number of odd containers, for example.
- **Don’t display empty shelves.** When products get removed, replace them as soon as possible. If you sell a product from the front of a shelf, move up the item behind it to cover the vacant space.



# Merchandising

## the Counter Sales Area

Change displays or move items periodically to keep your display area from getting stale. Moving items forces a customer to notice other items while looking for his/her intended purchase and offers opportunities for add on sales.

- **Avoid creating barriers with products or POS displays.** Obstacles make it hard for customers to reach other areas of the counter. Nobody likes to be hemmed in.
- **Replace burned out lights as soon as you discover them.** Poor lighting makes it hard for customers to distinguish product features or read POS materials. Poor lighting can also create a safety hazard. Avoid placing product/POS displays in poorly lit areas.
- **Add shelf extenders.** Flat, usually rectangular boards are POS devices that extend the capacity of shelves to hold additional products. Ask vendors to supply them when appropriate.
- **Avoid handwritten signs.** Some wholesaler-distributors leave it up to their counter sales staff to draw up signage for inventory clearance items or other special sales. Don't just scrawl a handwritten sign on cardboard. In this age of technology, it is simple to print out professional-looking signage in a matter of minutes from any computer.

Remember, merchandising is a key strategy in adding line items to a sale boosting both sales and profits. It also enhances the customers' buying experience and helps fulfill their goal of one-stop shopping.

## Embrace Technology

Basic computer skills are essential for any counter sales professional. To advance in your field requires more than basic skills, however.

Today it is rare to find a supply house that doesn't rely on computers and other high tech devices to carry out operations and recordkeeping. Some wholesaler-distributors develop and use their own in-house software programs. Most companies rely on highly sophisticated distribution management packages from outside vendors.

*Effective distribution management  
requires technology these days.*

Distribution management systems tie-in sales, purchasing, warehouse, and other functions in a seamless way. As soon as someone enters data, these systems automatically update the information for all other departments.



# Merchandising

## the Counter Sales Area

### **One-stop keystroking**

For instance, when you key in an order at the counter, the products sold will automatically be subtracted from inventory, the sales tally will go to the sales department, accounts receivable will be informed of how much the customer owes, and so on. Information from multiple branches can get collected and collated instantly.

Some distribution management programs also tie in with vendors and/or customers. This enables wholesaler-distributors to purchase inventory electronically and/or customers to buy online from a wholesaler-distributor.

*Vendors and customers may be connected electronically with wholesaler-distributors.*

An essential part of a counter sales professional's job is mastering a company's distributor management system. The learning process can be challenging because this is highly complex technology. Yet once mastered, distribution management technology will make your job easier than anyone could have imagined a few years ago.

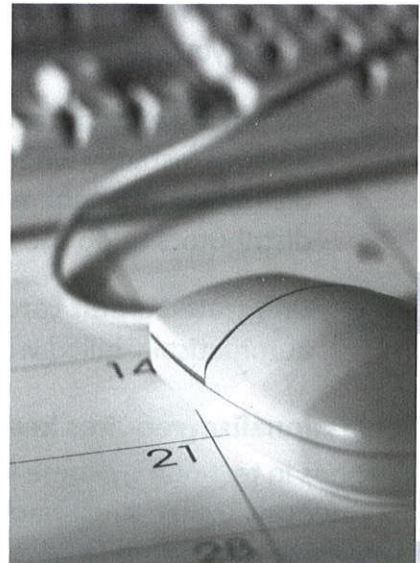
### **A world of information is at your fingertips**

The advantages of modern technology extend well beyond processing orders. More and more manufacturers are putting catalogs and price lists online. Instead of searching for and then plowing through bulky paper catalogs, counter sales professionals can obtain product information from many vendors with a few keystrokes taking just seconds.

Does a customer need to know if a product is available in colors besides the one you have in stock? Are there larger horsepower or BTU ratings available? Do competing manufacturers have similar products?

*Paperless product searches take just seconds.*

Once you master the computer and the Internet, these questions can be answered in little more than the time it takes to read this paragraph. Here are some other common functions accessible via most of the common distribution management software programs.



# Merchandising

## the Counter Sales Area

- **Customer history.** How long has a customer been doing business with your company? What, when, and how much has he or she purchased? This information is priceless when it comes to suggesting upgrades and add-ons. If the customer hasn't done business with you for awhile, it's a good conversation starter to ask where he's or she's been. Reconnecting with past customers provides an excellent opportunity to find out why they moved to another provider and resolve any outstanding issues.
- **Customer preferences.** Does the customer prefer delivery or pick up? What is the preferred shipping address? Some programs also enable you to store personal information about customers, such as birthdays and spouse names. This is a boon to relationship building.
- **Pricing matrix.** Some systems have different pricing matrices built in for each customer. You don't have to ask embarrassing background questions or seek out a supervisor to find out how much to charge or which discounts apply.
- **Accessory reminders.** Some distribution management packages are programmed to display common accessories that go with the product being ordered. This helps to boost your add-on sales.
- **Order status.** If a customer wants to know how soon a product or order or backorder will arrive, you can give a quick answer.
- **Inventory exchanges.** If a requested product is out of stock in your warehouse, you can find out instantly whether it can be acquired from another company branch. Some distribution management software also enables you to put in an inquiry to see if other distributors using the same system can supply the product quickly.
- **Integrated credit card processing.** If a customer has a credit card on file, it can be automatically billed without having to take time to ask for and swipe the card.

### **Professionalism requires keeping up**

Changes in technology come fast and furiously. Distribution management systems vendors continuously update their packages. Each year they come up with new features and functions that wholesaler-distributors can update or add on to their existing systems. Counter sales professionals make a commitment to keeping their software packages and their ability to use them up to date.





# Merchandising

## the Counter Sales Area

So it is too with the products and services wholesaler-distributors offer. A counter sales professional's job requires continuous rebalancing on constantly shifting sands.

*Constantly shifting sands require rebalancing.*

This can be a challenge, but it also represents the most exciting part of the job.

In this chapter we learned about the role of merchandising and several activities that boost sales and profits as well as improve customer service. We have briefly examined the technologies that make the profitability tactics of wholesaler-distributors actionable. In the final chapter you'll learn about some activities you can use to build your professionalism and enhance your career.



## Quiz

## Merchandising the Counter Sales Area

- 1. When you hear the term "merchandising," you should think about**
  - A. selling more commodity items.
  - B. selling unrelated products.
  - C. stimulating product interest.
  - D. moving dead inventory.
  
- 2. Top selling supermarket products can be found at**
  - A. the best stores only.
  - B. supply house counters.
  - C. merchandising displays.
  - D. eye level.
  
- 3. Another name for "shelf-screamers" is**
  - A. empty shelves.
  - B. fully stocked shelves.
  - C. inventory managers.
  - D. colorful signs.
  
- 4. Which of the following are NOT characteristic of impulse items?**
  - A. Expensive
  - B. Small
  - C. Highly visible
  - D. Conveniently placed
  
- 5. Flags, pennants, and live music are characteristic of**
  - A. POS items.
  - B. customer appreciation days.
  - C. wholesaler-distributors.
  - D. supermarkets.



## Quiz

## Merchandising the Counter Sales Area

- 6. Which of the following is NOT true of self-service areas?**
- A. Offers more choices
  - B. Increases sales
  - C. Contain POS displays
  - D. Open to the outside
- 7. The primary merchandising responsibility of a counter sales professional is**
- A. upselling.
  - B. selecting product to display.
  - C. keeping the counter area neat and clean.
  - D. demonstrating value.
- 8. Product and POS displays should be placed**
- A. in balance with room to maneuver.
  - B. where space allows.
  - C. in back of the counter.
  - D. in bins and boxes.
- 9. Brand X, an inexpensive item, is likely to be found**
- A. next to a working model.
  - B. on a lower shelf.
  - C. at eye level.
  - D. in the front of an aisle.
- 10. Which of the following is NOT a function of distribution management software?**
- A. Automatic inventory update
  - B. Order entry
  - C. The Internet
  - D. Billing

(Answers below)

Answers: 1. C; 2. D; 3. D; 4. A; 5. B; 6. D; 7. C; 8. A; 9. B; 10. C



## CHAPTER 10

# Become the Ultimate Counter Sales Professional

*"I am the master of my fate. I am the captain of my soul."*

*~ William Ernest Henley, Invictus*

**After reading and studying the material in this chapter, you will be able to:**

- 1. Assess several product knowledge abilities of the essential counter professional.**
- 2. Examine seven resources for increasing your product knowledge for improved profits.**
- 3. Distinguish eight ways to improve your knowledge of your top customers.**
- 4. Describe the benefits of and ways to improve knowledge of your industry and distribution business.**
- 5. Explain the importance of continuous learning and self-development in increasing your professionalism and career management.**



# Become the Ultimate

## Counter Sales Professional

Every sport, industry, and profession celebrates its champions. While some champions have more talent than their peers, almost every champion has worked harder and smarter than their peers. The will to win is important but not so nearly important as an "I can do it" attitude and the discipline to practice every day.

Becoming the ultimate counter sales professional takes consistent day-in and day-out practice. That is the working harder part. The working smarter part means learning more about the products sold, the customers served, and the business written every day. Working smarter also means developing your own personal talents and abilities while maintaining a balance between work and other facets of your life. This course provides an excellent foundation for much of the knowledge and skills you need to grow. This final chapter will share a number of activities and resources you can use to put yourself on a champion's path of continuous growth.

## Continually Increasing Your Product Knowledge is Not an Option

When customers who visit wholesaler-distributor counters are asked, "What do counter service people need to do better?," they most often say, "improve their product knowledge." Customers who come to the counter and ask for a part or list of parts expect the counter person to understand what they want. They expect the counter person to get the order written, answer any questions, and get them on their way quickly.

Given the thousands of SKUs carried by many supply houses, however, no counter person will know every facet of every single product. And despite their need to get the right product, counter customers have neither the time nor patience to train the wholesaler-distributors personnel how to do that for them.

*You cannot know everything about every product,  
but you can learn where to find and interpret the  
information that you or the customers need.*

Counter salespeople must be able to find the requested items in the right catalog, get the specs right, and process the order. That is not easy. New products, services, applications, and alternatives enter the market every day. When you consider all the products and their uses, change is the only constant. Unless they are continually improving their product knowledge, counter people will find it difficult to provide superb service, answer questions, up-sell, suggest alternative products, remain competitive, build order size, and solve product-related problems.



# Become the Ultimate

## Counter Sales Professional

### **Essentials counter sales professionals are product knowledge experts**

The *Essentials* counter sales professional is an expert in product communications. The counter sales professional can understand what customers are asking for even when they do not ask for it perfectly. By continually improving their knowledge, counter people can improve service for the customer, sales and profits for the business, and personal and professional growth for themselves.

If you were to paint a portrait of the product knowledge expert, he or she might look like the person described below. Take a few moments to picture yourself as a product knowledge expert. Evaluate where you stand on the path to product knowledge excellence. Then set a direction for your own movement along that path.

*Essentials* product knowledge professionals:

- Possess a solid command of the most frequently ordered products, their uses, and their selling options.
- Explain where products fit into an installation.
- Describe the features and benefits of their products as well as their advantages over competitive products.
- Endorse their own superior product when they do not stock the exact product the customer is requesting.
- Recommend a product better than the one requested to save time and money for the customer while building the order size and margin for the business.
- Explain the price and cost of the products sold versus those sold by competitors to take the emphasis off price and on to value.
- Interpret the specifications for a product to ensure an error free order.
- Recommend companion pieces that usually accompany a product purchase to enhance one stop shopping, prevent return trips, and build the order and margin of the sale.
- Recognize when a customer-selected companion piece is not appropriate for the installation and save the customer from a costly error and a returned sale for the business.
- Serve as the go-to-person for external and internal customers who need a product-related problem solved.



# Become the Ultimate

## Counter Sales Professional

### Learn from a multitude of product knowledge resources

The listing of the thousands of products carried by a warehouse along with all the features, benefits, order options, applications, alternative products, and competitive products may seem unending. However, there is good news.

*You can readily access an unlimited number of product knowledge resources to build your product knowledge expertise.*

Many of the resources you need to develop your portrait as that go-to-person for product knowledge expertise is right at your fingertips.

Here are just a few:

- **Manufacturers and vendors:** Your vendor partners offer specification sheets, catalogues, and brochures. Their websites often offer short information articles and online training. Some vendors have field-training personnel who provide direct training services for wholesaler-distributors and their customers. In some cases, the manufacturer offers technical support that quickly enables you to find an answer when your external or internal customers come to you.
- **Industry trade associations:** Many wholesaler-distributors belong to at least one product-oriented trade association. These associations offer course books, self-study courses, online training programs, seminars, and job related-certifications. Most offer trade shows and conventions that include training and education programs. These trade shows often include vendor displays where you can learn about new products and services.
- **Industry newsletters:** Newsletters on a free and subscription basis are available from many industries and wholesale distribution consultants.
- **Trade magazines and journals:** Many industry trade journals and newsletters offer free subscriptions for professionals in the industry. Many of these magazines offer on-line versions that are available 24/7. Counter people may find the new product sections especially valuable.



# Become the Ultimate

## Counter Sales Professional

- **Technical professional associations:** Many industry professionals belong to professional associations that offer continuous learning opportunities and certifications that require rigorous criterion. By looking at the certification requirements, you will see the path you need to follow for professional development.
- **Third party standard setting organizations:** Not-for-profit associations develop rigorous technical standards for the manufacture and installation of some products. Products such as pipe, electrical products, and equipment in the food, chemical and other industries need to meet strict standards in order to perform properly and safely. Various construction codes and regulations demand that products used in applications under their jurisdiction meet these standards. As a result, construction proposals and requests for proposals often reference compliance with applicable codes among their requirements.

Some standards setting and product evaluation organizations like NSF International (NSF), the American National Standards Institute (ANSI), and others offer training in the interpretation and application of their standards for industry practitioners, regulatory personnel, and others.

Few counter people need to become highly proficient in these standards. However, a general knowledge of where the standards apply may enable you to prevent a customer from making an extremely expensive mistake.

- **Regulations and codes:** National, state, and municipal codes regulate the installation of many of the products that wholesaler-distributors sell. Sales personnel need to be aware of the products that are acceptable in the jurisdiction where their store operates.
- **Training:** Whenever you attend training, do not try to work during the training session. Your job for that day(s) is to participate fully, learn as much as you can, develop as many action ideas as you can, and come back to your job with several ideas worth sharing.





# Become the Ultimate

## Counter Sales Professional

### Understanding Your Customers and Their Needs

Wholesaler-distributors are business-to-business companies, often called **B2B** for short. B2B companies earn their living by selling to companies that make their money by providing goods and services to their own customers.

*Understanding how your customers operate and earn their income is fundamental to providing them with value.*

In the construction and installation service business, for example, contractor companies usually bid on a project. All other factors being equal, the lowest bid gets the job. The competitive bidding process limits the profit, increases the risk, and reduces the contractor's margin for error. If the contractor does an effective job of estimating the costs, buying product efficiently, and keeping their trades workers productive, they might make a profit. That is not easy.

As a B2B businessperson, one of your key roles is to help your customer make money.

- **Anything the counter can do to save the customer's time saves money.**
- **Any mistake or error that the counter helps prevent saves the customer's time and money.**
- **Anything the counter can do to help a customer recover lost time or product will save the customer money and build loyalty.**

Maintenance, repair, operations (MRO) customers have the daunting responsibility of keeping production lines running or keeping a critical facility such as a hospital or municipal building operating. A factory production line shutdown or a hospital's essential services failure is not only expensive; it might be dangerous. Customers face various challenges. Knowing what the customers' value most is critical.

#### **Get to know your top customers in detail**

Although good counter people will not necessarily know every concern of every customer, they will develop a command of the major concerns and needs of their top 15 to 20 customers.

Here are some key things to know and learn about your customers:

1. **Is the customer a large or small contractor, MRO professional, builder, or some other business?**
2. **What are their top three concerns?**



# Become the Ultimate

## Counter Sales Professional

3. What kind of projects do they usually work on?
4. Who is the person picking up the order? Is that person the owner, a trade worker, or a pickup person?
5. How do they usually buy? Can you help them buy more efficiently?
6. What business concerns keep them awake at night?
7. Respect is all important to them. Give it easily. It is free.
8. Customers want it to be easy to do business with you. They like doing business with people they like. Meet those two standards and you will find yourself in fewer price discussions.
9. Customers are human beings and members of your community with activities and interests outside their business. Get to know and appreciate a bit more about them. It will make your relationship stronger and your job more interesting.

### **Never forget the “core contract” is your foundation for good customer relations and a healthy business**

No matter which customer’s business you serve, the foundation on which on which your employer’s business is built is called the **core contract**. Some business writers like to talk about “operational excellence.” Others talk about “zero defects.” Both are correct. However, the best interpretation and the easiest to understand come from the customers.

*Get me what I need it when I need it with no mistakes.  
Never waste my time.*

Get this foundation solid and you will have an excellent opportunity to build up the sales and improve the health of the business.



# Become the Ultimate

## Counter Sales Professional

### Understand the Business Better to do Your Job Better

Throughout this course, you have learned the reasons and much of the logic for your company's counter and sales policies. The course has explained just a few of the critical business concepts you need to understand to fully support and understand those policies. As you progress on the path to increased competency and professionalism, learn as much as you can about how businesses make effective decisions.

Here are a few excellent business knowledge resources:

- **Company reports:** Read and thoroughly understand every report your company makes available to you. The more you understand about how your company makes decisions, the better your own decisions will become. Be willing to ask questions.
- **Industry Operating Performance Reports (OPRs):** These reports, sometimes also called PAR reports, collect statistics from many operators in your industry and summarizes those reports. The reports enable your managers and others to compare your company to others in the industry. They explain many of the criterion that determine the relative health of a company. These reports are not easy to understand at first. The best approach is to learn a little bit at a time, ask questions, and go back for more.
- **Trade journals:** Trade journals are valuable in helping you learn about the industry and how it operates. Many have a "wholesaler of the year" article that details how one of the best and brightest companies in the industry operates. Other articles discuss advances in different segments of the industry such as the residential market, industrial market, etc.
- **Industry e-letters:** Most trade associations, trade journals and many consultants offer e-letters. They are usually free and include features on almost every aspect of the industry. Some companies, such as *SmartBrief*, hand-pick the most relevant and important news from all over, summarize it, link to the original sources and offer multiple links to other articles on business, industry, and management.
- **More Essentials courses:** This counter sales course is just one of five *Essentials* courses. These other courses look more deeply into how to make a company healthier and more profitable.

*You will have to invest some of your own time.*



# Become the Ultimate

## Counter Sales Professional

Even with everything you have to do on the job, you will still have to invest some of your personal time to learn more about the business. That's part of being a professional. That is the part of practicing harder and smarter that champions do. Budgeting some time for your professional growth every week will keep you growing while maintaining a balance with the rest of your life.

There is an additional benefit here. As your knowledge of business increases, you will find that you understand your own finances, local and national economics, and articles in the media much better.

## Managing Your Time is Really About Managing Your Activity

There is an old saying, "If you want something done, give it to a busy person." Busy people do not have any more time than the rest of us. They just use it better. They do not act on every task. They complete the *right* tasks. Managing your time is about efficiency and that involves being organized and doing things right. Efficiency is good.

*Effectiveness is about choosing the right things to do.*

Effective people choose what they do by how important, or in some cases, how urgent something is. Making the correct choice is essential.

Although there are entire courses devoted to this subject, here are a few principles you can begin practicing now:

- **Divide all your activity into four areas: Urgent, not urgent, important, and not important.**
- **Complete the urgent activities.**
- **Complete the important activities.**
- **Drop the not-important activities or let someone else do them. You do not have time!**

*The most important principle: Always do the important things before they become urgent.*

The key to effectiveness is in being ruthlessly honest in evaluating where your activity belongs.



# Become the Ultimate

## Counter Sales Professional

Here are a few items for your important list:

- **Work to eliminate errors every day.**
- **Maintain a can-do, pitch-in attitude.**
- **Increase your distribution business literacy.**
- **Improve your interpersonal skills.**
- **Participate in your industry and community.**
- **Maintain your integrity.**
- **Learn and appreciate what your colleagues do.**
- **Take care of your physical well-being. It is the vessel that enables you to do everything else.**

### **Your ability to learn establishes your ultimate ability to prosper**

We all live in a rapidly changing world, a rapidly changing country, and a rapidly changing industry. Companies in the wholesale distribution business face unique challenges. Supply chains will continuously strive to be more efficient and ruthlessly drive out inefficiency. At the same time, new entries into the business are attempting to carve out the most profitable niches of wholesale distribution for themselves.

*Companies and people who do what they always did will **not** get what they always got. They will get **less**.*

Wholesale distribution companies that prosper embrace change and adapt to change as a growth opportunity. The organizations most committed to learning will prove the most able to seize new opportunities. Almost always, learning organizations will adapt first, more quickly, and with more confidence than those who invest little in learning. They will always attract and keep the best talent.

The same is true for you as an individual. Your greatest weapon for surviving and prospering will be your ability to learn. Learning well will enable you to adapt and embrace change with positive anticipation and confidence.

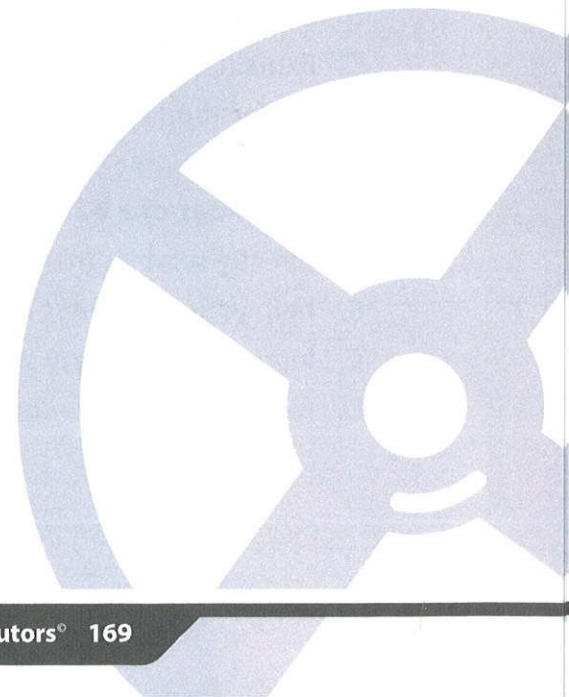


# Become the Ultimate

## Counter Sales Professional

*The ability to learn drives out fear.*

We opened this chapter with the principle that champions practice harder and smarter than do their peers. The better they get, the more confidence they develop and the more fun they have playing the game. When you commit to lifelong learning, you welcome change as an opportunity not a threat. Face it with confidence, and have more fun!



## Quiz

## Become the Ultimate Counter Sales Professional

- 1. In which of the following areas do many customers feel that counter sales people need the MOST improvement?**
  - A. Better product knowledge
  - B. Skill in calculating discounts faster
  - C. Ability to provide new products more often
  - D. Better time management skills
  
- 2. The BEST way to become a product knowledge expert is to:**
  - A. learn all the details of every individual product you carry.
  - B. ask your customers why they purchase certain products.
  - C. know where to find and interpret product information.
  - D. practice using as many of the products as you can.
  
- 3. If you don't carry a product the customer wants, the BEST procedure is to**
  - A refer him/her to a supply house that carries the product.
  - B. offer to order and deliver the product when it arrives.
  - C. offer a superior product that your supply house carries.
  - D. apologize but explain that your other customers don't use it.
  
- 4. Which of the following principles is fundamental to providing your customers with value?**
  - A. Always beat the competition's best price.
  - B. Extend credit to all your customers.
  - C. Explain how volume discounts can help your customers.
  - D. Understand how your customers operate and earn their income.
  
- 5. As a member of a B2B business, your key role is to**
  - A. directly serve as many customers as possible.
  - B. help your customers make money.
  - C. interpret third-party standards for customers.
  - D. remember that product cost is your customers' prime concern.



## Quiz

## Become the Ultimate Counter Sales Professional

- 6. Which of the following statements is a simple way to state the customers' interpretation of the core contract?**
- A. Always beat the competition on price.
  - B. Deliver my order regardless of size.
  - C. Accept returns without questions.
  - D. Get me what I need when I need it.
- 7. Understanding your customers and their needs requires your**
- A. ability to read and understand a financial statement.
  - B. continuous learning.
  - C. Understanding of how they function in the community.
  - D. in-depth discussions at the counter.
- 8. What is the BEST policy to follow in using your time effectively?**
- A. Work harder to do everything you can.
  - B. Do only the urgent things. The rest will go away.
  - C. Serve as many customers as possible at one time.
  - D. Do the important things before they become urgent.
- 9. Your ultimate ability to adapt and prosper during rapid change will be**
- A. your years of experience.
  - B. your ability to learn.
  - C. being in top physical shape.
  - D. having advanced degrees.
- 10. Which of the following is the BEST source for learning about some of the top wholesaler-distributors?**
- A. Your own company reports
  - B. Trade journals
  - C. Talking with contractors
  - D. Third-party standards organizations

(Answers below)

Answers: 1. A; 2. C; 3. C; 4. D; 5. B; 6. D; 7. B; 8. D; 9. B; 10. B.





# GLOSSARY

## Common Counter Sales Terms

**Accounts Payable —**

Money owed for goods/services as shown on the books of the company that purchased those goods or services.

**Accounts Receivable —**

Money owed for goods/services as shown on the books of the company that sold those goods or services.

**Accounts Receivable Days —**

Average amount of time in days it takes a distributor (or other business) to collect money owed from customers.

**Added Value —**

Increase in price of goods to pay for related services that make the goods more valuable or moves them more quickly to point of use.

*Also see Value-added services.*

**Add-on Selling —**

A sales technique which involves adding one or more products to a customer purchase or upgrading a customer to a similar but higher-priced product.

**Assumptive Close —**

The act of ending the sales negotiation by assuming that the customer has agreed to buy, and then asking further details of payments, delivery, etc.

**Asset —**

Anything owned that has value. Some assets of a distribution business include inventory, equipment, real estate owned, accounts receivable, owners' equity (money owners invested in the business) and cash on hand.

**Back Order —**

Order placed for goods not available at time of original sales transaction.

**Bar Code —**

Electronically readable codes affixed to merchandise, packages, pallets, or shelves for efficient counting and other recordkeeping.

**Benefit —**

The value experienced by the customer.

**Bid —**

Price quotation for materials to be provided to a project.

**"Big Box" —**

Nickname given to warehouse home center mass merchandisers.

**Bottom Line —**

Term used loosely to mean profit left after expenses. The final bottom line is profit after all expenses are paid, including income taxes.

**Branch —**

A small warehouse and sales facility set up by a multi-location distributor to serve a local market.



# GLOSSARY

## Common Counter Sales Terms

### **Brand —**

A name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers. The legal term for brand is "trademark." A brand may identify one item, a family of items, or all items of that seller.

### **Brand Name Products —**

Products typically ordered by brand name, which are perceived to have special features or attractive elements that make them different from similar products.

### **Breakeven Point —**

In general, the point at which gains equal losses or when expenses match revenue.

### **Carrying Costs —**

Expenses that accrue when inventory sits on a shelf or money owed goes uncollected.

### **Cherry Picking —**

Buying only the fast moving items of a vendor's product line.

### **City Counter —**

Supply house counter where customers come to order/pick up merchandise.

### **C.O.D. —**

Collect on delivery; status given to customers of unknown or poor credit standing.

### **Commission —**

1. Compensation granted to sales employees based on a percentage of what they sell; 2. Money made by a broker who has negotiated a transaction; 3. Money paid to a contractor for referring a buying consumer/customer to a distributor's showroom.

### **Commodity —**

Product which is usually produced to detailed standards so that it is nearly identical to other such products.

### **Consumer —**

A customer who buys something for personal use rather than for business use or resale.

### **Contractor —**

A person, often in the building trades, who contracts to do specific work for an agreed-upon sum.

### **Cost of goods sold (COGS) —**

A figure representing the cost of buying raw material and producing finished goods. Included are precise factors, i.e. material and factory labor, as well as others that are variable, such as factory overhead.

### **Counter Days —**

An important part of a company's customer retention and marketing strategy that rewards the loyalty and patronage of the clients, as well as a unique opportunity to introduce new products or promote the older ones to their customers. *Also called Customer Appreciation Days.*



# GLOSSARY

## Common Counter Sales Terms

### **Counterfeit Goods** —

Inferior items, usually made in foreign countries, illegitimately passed off through labels, markings, etc., as popular brand name goods. *Also called "Knockoffs."*

### **Counterman/Counterperson** —

Distributor employee whose job is to serve customers at the warehouse sales counter (city counter).

### **Credit** —

1. Buying now to pay later; 2. Dollar allowance or rebate given in a distributor customer's account.

### **Credit Hold** —

Upon entering the customer's code, the order desk is prevented from processing the order. No orders can be placed until credit takes the customer off credit hold.

### **Credit Memo** —

A commercial document issued by a seller to a buyer, indicating the products, quantities and agreed prices for products or services that the seller provided the buyer, but buyer returned. It may also be issued in the case of errors or allowances.

### **Cross-selling** —

The practice of suggesting related products or services to a customer who is considering buying something.

### **Customer Service** —

Understanding how customers make money and assisting in those efforts.

### **Customer Service Representative (CSR)** —

Employee whose main duties are to interact with customers and solve problems.

### **"Deadbeat"** —

Slang for a person or company that often owes a past due account.

### **Dead Stock** —

Inventory items that haven't sold in a long time, usually after a year of purchase, and whose sales prospects are dim.

### **Dealer** —

A contractor or other installation/service provider authorized to handle certain products requiring certification.

### **Demand** —

Desire of potential buyers for a given product or group of products.

### **Direct Costs** —

Expenses that can be tracked for sales of specific products.

### **Distribution** —

The process by which goods produced move from producer to end-users.



# GLOSSARY

## Common Counter Sales Terms

### **Distribution Center —**

Large warehouse used for central distribution.

### **Distribution Channel —**

The path of distribution for a given category of products, usually based on greatest efficiency.

### **Distributor —**

See *Wholesaler-Distributor*.

### **Drop Ship —**

Manufacturer drops a shipment off at a jobsite or a customer facility, although a wholesaler makes the sale.

### **DTU —**

Selling direct to (end) user, usually in the context of bypassing the wholesaler or contractor in the supply chain.

### **Economic Order Quantity (EOQ) —**

The amount of orders that minimizes total variable costs required to order and hold inventory.

### **End-user —**

The final customer for whom a product or service is intended. An end-user may be a consumer or customer using the product for a non-personal use.

### **Exchange —**

The substituting of one thing for another.

### **Expense —**

1. A charge incurred in order to generate revenue or maintain business operations; 2. A charge, such as travel or lodging cost, generated by an employee doing business outside the office.

### **External Customer —**

An outside organization or individual that receives a product or service from the company.

### **Fill Rate —**

The percentage of orders or line items filled completely.

### **Gross Margin —**

The ratio of gross profit to sales revenue; sometimes used as a synonym for gross profit. For a manufacturer, gross margin is a measure of a company's efficiency in turning raw materials into income; for a retailer it measures their mark up over wholesale. Gross margin is gross income divided by net sales, expressed as a percentage.

### **Gross Profit —**

The difference between the cost of merchandise and net sales, usually expressed in dollars [*Net sales minus COGS*]. The dollar amount of gross profit is the same as the gross margin expressed in dollars.

### **Gross Sales —**

Sales revenue prior to subtracting discounts, allowances, and returns.



# GLOSSARY

## Common Counter Sales Terms

**Income —**

See *Revenue*.

**Income Statement —**

See *Profit and Loss (P&L) Statement*.

**Indirect Costs —**

Expenses, often operating costs, that cannot be tracked for specific product sales.

Also see *Operating Expenses*.

**Internal Customer —**

Anyone in the organization—a co-worker, another department, or a distributor—who depends upon someone else in the organization to provide products or services which in turn are utilized to create another deliverable for the external customer.

**Inventory —**

Items stocked in a warehouse for sale or redistribution.

**Invoice —**

Bill of sale.

**Line Item —**

Line on an invoice pertaining to a single SKU.

**Manufacturer —**

1. A company that makes goods;
2. An individual employed by a manufacturing company.

**Margin —**

The minimum profit that a business must make in order to remain viable.

**Mark-up —**

Amount added to the cost of goods sold to determine the selling price, usually expressed as a percentage of the COGS. *Example: An item purchased for \$75 and sold for \$100 was marked up 33.3% [ $\$100$  minus  $\$75 = \$25$  markup]; [ $\$75$  divided by  $\$25 = 33.3\%$  markup].*

**Master Distributor —**

A distributor that specializes in stocking complete inventories, including less popular items, of a limited number of vendors, usually for sale to other distributors.

**Merchandising —**

Marketing activities designed to attract the interest of the customer, including selection, packaging, pricing, promotion and display of goods.

**MRO —**

Maintenance/Repair/Operations; a customer that buys PHCP goods for those purposes.

**Net Earnings —**

See *Net Income*.

**Net Income —**

Revenue left after subtracting all expenses, including income taxes and interest. *Also called Net Earnings or Profit.*



# GLOSSARY

## Common Counter Sales Terms

### **Net Income Before Taxes —**

Revenue left (profit) after paying COGS and operating expenses but before paying income taxes Operating Income or Earnings Before Interest and Taxes. *Sometimes referred to as Net Profit.*

### **Net Operating Income —**

*See Net Income Before Taxes.*

### **Net Profit —**

The company's total earning, reflecting revenues adjusted for costs of doing business, depreciation, interest, taxes and other expenses.

### **Net Sales —**

Sales revenue minus discounts, returns, and allowances.

### **Objection —**

A statement of challenge or rejection by a prospect or customer of a feature, benefit, product or service which can be helpful to the sales process in that it can indicate about what a prospect or customer is concerned.

### **OEM —**

Original Equipment Manufacturer; a customer that buys PHCP goods for assembly into larger products.

### **Operating Expenses —**

Administrative expenses resulting from general costs of doing business, not including cost of goods sold, income taxes, or interest payments. Operating expenses generally are indirect costs such as rent, utilities, salaries, etc. *Also referred to as Overhead.*

### **Opportunity Cost —**

The cost associated with having money tied up elsewhere (in inventory on-shelf or debt) so that it is not available to take advantage of some other business opportunity.

### **Overhead —**

Costs associated with providing and maintaining a manufacturing or working environment, such as renting the building, heating and lighting the work area, supervision costs and maintenance of the facilities. Overhead also includes indirect labor and indirect material.

### **Packing List —**

A document prepared by a shipper and included with a shipment that indicates the number and items being shipped, along with any information needed by the transportation company.

### **Past Due —**

An account overdue on payment.

### **P&L Statement —**

Profit and Loss Statement.



# GLOSSARY

## Common Counter Sales Terms

### **Point-of-sale material —**

Marketing display material used to advertise a product where it is being sold.

### **Power of One —**

An individual's ability to make a huge difference in a company's profitability and one's own status through tiny improvements in job performance.

### **Private Label —**

Product sold under a brand name of a supply chain customer rather than the actual manufacturer, with the permission of the manufacturer.

### **Product Line —**

Single category of goods provided by a vendor.

### **Productivity (Personnel) —**

A measure of how much each employee adds to the company's sales or profits. In PHCP distribution, employee productivity is usually calculated as the average sales per employee (even for employees who are not salespeople).

### **Profit —**

*See Net Income.*

### **Profit and Loss Statement —**

A concise financial statement that reports a company's revenues, expenses, and final profit or loss. *Also called an Income Statement or P&L.*

### **Rebate —**

Form of payment granted to parties in a supply chain at given times of a year based on level of purchases or other defined activities.

### **Receivables —**

*See Accounts Receivable.*

### **Receivables Days —**

*See Accounts Receivable Days.*

### **Restocking / Handling Fee —**

Amount charged by a seller for accepting returned merchandise and paying a refund.

### **Retailer —**

A business that sells primarily to consumers.

### **Return Authorization —**

A transaction whereby the recipient of a product arranges to return goods to the supplier to have the product repaired or replaced or in order to receive a refund or credit for another product from the same retailer or corporation within the product's warranty period.

### **Revenue —**

Total amount of money taken in by a business through sales and other earning activities. *Also referred to as Volume or Income.*



# GLOSSARY

## Common Counter Sales Terms

### **Sales Order / Invoice —**

A seller-generated document that authorizes sale of the specified item(s), issued after receipt of a customer's purchase order. A sales order usually implies that there will be no additional labor or material cost incurred for the sale, except where it is used to initiate a production process.

### **Shelf Talkers —**

Printed card or other sign attached to a store shelf to call buyers' attention to a particular product displayed in that shelf. *Also called Shelf Screammers.*

### **Shrinkage —**

Inventory that gets lost, stolen, or broken.

### **SKU —**

Stock-Keeping Unit.

### **Stock-Keeping Unit (SKU) —**

An identification symbol, often alpha numeric (containing both letters and numbers) which can be used to track a particular item for inventory purposes. SKUs are often printed on product bar codes.

### **Stock-out —**

A situation in which the demand or requirement for an item cannot be fulfilled from the current inventory

### **Suggestive Selling —**

A sales technique in which an employee asks customers whether they would like to include an additional purchase or recommends a product which might suit the customers.

### **Supply —**

Amount of goods available for sale.

### **Supply Chain —**

All participants in a channel of distribution.

### **Trade Discount —**

Discount provided by distributors to licensed or otherwise qualified contractor customers.

### **Transaction —**

A completed sale, agreement, or business deal.

### **Up-sell —**

To sell a prospect or customer a product or service of higher value.

### **Value-Added Services —**

Services provided by the distributor which add to the value (and the cost) of products by making products more readily available or more useful to the end user. Some value-added services include Just-in-Time delivery, job bidding, customer credit, and product training.

### **Vendor —**

A company that sells goods or services to another company.

### **Volume —**

*See Revenue.*





# GLOSSARY

## Common Counter Sales Terms

**Warranty —**

A written guarantee given to the purchaser of a new appliance, automobile, or other item by the manufacturer or dealer, usually specifying that the manufacturer will make any repairs or replace defective parts free of charge for a stated period of time.

**Wholesaler —**

A business that sells to retailers, contractors, or other types of businesses, but NOT to end users, at least not in significant amounts.

**Wholesaler-Distributor —**

A wholesaler that buys and owns the products prior to reselling them to its customers.

