

# inyourstore

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## INBOOKS

is this business book for you?

### Hug Your Customers

BY JACK MITCHELL

DETAILS: Hardcover, 302 pages, 2003 | AMAZON.COM PRICE: \$13.97

**IN A NUTSHELL:** Though it may sound like a formula for a molestation lawsuit, *Hug Your Customers* is nothing of the sort. Instead, it's a high-energy, real-life guide to performing memorable acts of customer service (aka "hugs") — from the owner of one of America's highest-selling independent clothing stores.

**THE KNOWLEDGE:** While the "hugs" thing is a little too cute for our taste — okay, a *lot* too cute — this is one of the most practical, effective, inspirational customer-service books you'll find anywhere.

Mitchell has been on the front lines, and he knows volumes about pleasing his customers — arguably, the most demanding customers anywhere. (His stores in Westport, CT and Westchester County, NY are a popular destination for *Fortune* 500 executives working in New York City.) While much of the territory covered is familiar — e.g. personal notes (Mitchell writes them to *all* his store's customers), emergency deliveries, offering food — Mitchell has interesting twists on each concept, not to mention an Ebola-level infectious enthusiasm. One extremely important suggestion Mitchell offers is to "SKU your customers" — build your database so that you have as much information on each of your customers as you do any of your products. Get all the obvious stuff in there — as well as some less obvious stuff like hobbies, pets' names, and golf handicap. (Then, if you've got a free-standing store, when you see them arrive in the parking lot, you've got a minute or two to quickly call up and print up their profile for reference.) He reminds you of the best carryover effects of top-notch customer service: more loyal workers (those positive attitudes *are* infectious), and low to non-existent advertising budgets (because, frankly, you just don't need to advertise when you get such great word of mouth). And finally, he offers wise advice that will help in other aspects your business: giving "hugs" to vendors; hiring customer-centric associates; and even running a business in the family (Mitchell's is a multi-generational family business.)

**OUR TAKE:** Order this book today. Read it before the holiday rush. We still don't suggest that you go out and start hugging your customers, but you may want to hug the author.



## ON SALES

# like a rock



When that inevitable stare-down over prices occurs, don't blink, says **Shane Decker**.

"ALL MY CUSTOMERS care about is price." Sound familiar? In all my years of working with jewelers, I don't think I've heard a more commonly-used excuse for low sales, or low profitability, or both. "But Shane, you don't understand. In *our* market..." You can stop right there, I've already heard it. And I *don't* buy it. People everywhere have gotten used to the idea that they can negotiate the price of jewelry. Why? Because we jewelers gave them that notion!

So many jewelers worry about their competitor's year-round "sale," or their own staff's inability to sell, that they authorize their salespeople to give a 10% discount (or more!) at the customer's first sign of distress. But you are losing hundreds or even thousands of dollars when you do. What's more, that customer will now expect a discount *every* time he walks through your door!

It doesn't have to be that way. Let the car dealers cope with the stress and worry of plummeting profit levels. You can be holding firm on your prices and still close more sales. How? By offering your customer options.

Let me explain. Say you've gone through the entire anatomy of the sale — you've romanced the product, you've asked the right questions, you've educated the customer when needed — and now you're ready for the close. But his response to your one-

carat diamond for \$6,950 is "That's a lot of money." Rather than panic and negotiate on price, imagine that you had answered in the following manner:

**You:** "Sir, how much were you wanting to spend?"

**Him:** "I don't know, but that's just a lot of money."

**You:** "Well, this diamond is \$6,950, but what we can do is take out this carat diamond and put a half-carat in for \$3,950."

**Him:** "No, I don't want a half-carat. I've got about \$4,900 to spend on a one-carat diamond."

**You:** "Well, we can put in a diamond with lower clarity or color, and you'll still have a one-carat."

**Him:** "No, no, that's the diamond I want."

**You:** "Sir, this one is \$6,950."

Now, what have you done? You've proven the value of the diamond and maintained your integrity of price. You gave your customer options to meet his price demands. And, you found out that he *really* wants that diamond. The next time this customer comes in, he will know not to negotiate — your prices are as rock-solid as they can possibly be. This builds trust, and helps you to establish a personal trade. You maintain your price and prof-



When the price pressure starts, think 'John Wayne'.

Please see **ROCK** on Page 42

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itability, and yet you still close customers because you give them options. In other words, you let *them* choose what's more important to them: price, size, or quality.

This is not to say that you should begin your presentation by asking a customer how much he is planning to spend. In fact, that's a cardinal sin of selling. The customer is usually willing to spend double whatever he tells you, so don't even ask. Furthermore, if he's with his girlfriend or wife, it could embarrass him to give you a price range. You should only broach this subject if he says, "That's more than I wanted to spend." Or, if the sale is going great but he rejects your close, you can ask him if he's comfortable with the price. However, the best strategy is to head this off at the pass by asking the right questions throughout your presentation regarding size, shape, clarity, and color. His answers should tell you where to go on price.

So what's it going to be? Continue to cave in to customers as you helplessly watch profits dwindle? Or stand up for the integrity of your store and your prices? Let your customer know there's no wiggle room, but give him the options he needs. He'll leave feeling great about the value of the jewelry he bought, you'll have a new customer for life, and your bottom line will look a whole lot cushier.

*Shane Decker has provided much sought-after sales training for more than 3,000 stores worldwide. He can be reached at (866) 424-2472.*

**TRUE TALES**

*strange stories from the front lines*

One of our regular customers was **d**eaning a man who passed away. She came in and asked us to make a shell-shaped pendant, with a lid on the underside. But you'll never guess what she wanted inside the pendant: his artificial eye! And the inscription, of course, read "Here's looking at you!"



**LINDA HAGAN**  
JEWELRY CREATIONS; DOVER, NH

**DO YOU OR DON'T YOU?**

**DO YOU OFFER LAYAWAYS?**

**YES, WE DO**

We require 25% down on layaways, with three months to pay the item off unless other arrangements are agreed upon. If a layaway is cancelled, there is a restocking fee of 10% of the amount collected up to that point. *Margaret Morgan; Yarmouth Jewelers*

One-quarter down, 90 days, no refunds — store credit only. (This discourages the "untapped bank account withdrawal" syndrome).

*John Lewis; J. Lewis Private Jeweler*

Our deposit amount depends on a variety of factors. If the piece was on memo, and we're going to have to pay for it while the layaway is pending, we would require a larger deposit. If it's something we've had in stock forever, and we're dying to get rid of it ... well, you get the idea.

*Jeff Abell; Sarah Leonard Jewelers*

We do not promote them, but we do allow them. They are a *pain*. Customers more often than not cancel the item prior to pick-up. If you stand your ground (and don't offer a refund), you can lose a customer. We have an elaborate form that they sign and explain the no-cancellation policy from the beginning. We always try to size or engrave a layaway item to help seal the deal. *Susan Sandberg; Sandberg Jewelers*

Twenty-five percent down. Payment required every two weeks. Up to four months to pay. We charge a 15% restocking fee if the layaway is cancelled or not picked up. *Virginia Ann Rodriguez; Orlando's Diamond Exchange*

Take total price and divide

**SURVEY**

For this month's question our panel answered:

**YES, WE DO**

**90%**

**NO, WE DON'T**

**10%**

TOTAL RESPONSES: 60

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by five. We find that when you take a smaller deposit, many times the layaway will blow back. *Merel Heggelund; Mann's Jewelers*

Minimum \$5 down to start a lay-away, and we require at least one payment a month. Max time: three months. *Phillip Sullivan; Jewelry Plus*

Twenty percent down, 90 days, up to six months to pay. Layaways are *final sales* — if the customer doesn't pick up or make a payment, I call and ask if they need more time. In most cases, this approach will get them to pay it off, with a million and one "I'm sorry's" offered to me. *Beth Jordan; Jewelers Workshop*

The deposit is 20%, with 20% per month paid until the item is picked up. If no payments are made in 60 days, we put the item back out for sale. Layaways are not what they used to be. Years ago, we would have two boxes full of layaways. Today, maybe about 10. I think credit cards have replaced layaways for most people. *Al Bitman; Park Jewelers*

To put an item on layaway, we require 20% down and a maximum of six months.

We also require a payment every month. If a customer does not make a payment for three months the item is returned to stock and they may have a store credit. "NO REFUNDS" is printed in large red letters on the layaway form and that policy is strictly enforced. *Chris Snowden; Snowden's Jewelers*

We offer layaways for a three month period. One-third down, one-third within 45 days, and the balance on pick-up. Deposits are lost if the item is not picked up. However, we have been flexible on the pick-up date. *Judy Richards; Davidson's Jewellers*

I require 10% down and the customer has 90 days to finish paying for the item. I don't require them to come in weekly, nor do I require a particular amount each payment. Only that the item is paid for within 90 days. I will call the customer one week before the deadline to remind them of final payment due. If the payment is not completed, the item goes back in stock. I do not offer a refund of money already paid. *Janne Etz; Contemporary Concepts*

Our 10-month layaway program requires a 10% deposit, and 10% payment each month. We wait for 70 days without a payment before putting the item back and taking a "restock" fee. *Cori Taylor; Day's Jewelers*

**NO, WE DON'T**

We don't offer credit programs or layaways because most people have credit cards. If they want to pay over time, they've already got the option. *Casey Gallant; Stephen Gallant Jewelers*