



Customer Service Spotlight

By Terry Monroe

Want to Make an Extra \$25,000? *Just Ask.*

Upselling works for fast-food restaurants and can work for c-stores

More often than not, when I visit a fast-food restaurant such as McDonald's, Hardees or Burger King, the cashier will ask me if I want to also purchase their new Cappuccino Dark Mocha special or the Triple Burger Deluxe with all the trimmings. But being a creature of habit, I politely say "no" and order my usual.

Some would say this upsell attempt is an annoyance. It drives some people crazy when someone tries to push a product they don't want. But the truth of the matter is oftentimes, people don't really know what they want and may need some assistance when making a purchase decision.

Having a sales clerk ask someone to try new products is called suggestive selling. As annoying as it may sound, it works. I was in the fast-food business for several years as an owner and even longer as a consumer. The rule of thumb for suggestive selling is that if you ask 10 people to try something different, something new or something that has a higher profit margin, chances are you will get one of them to buy it. Not bad, a 10 percent increase in sales just for asking.

And guess what — that 10 percent goes directly to the bottom line as profit because you didn't spend any marketing dollars to get the customer into your store. He or she was already there.

You may be thinking, "That is just fine and dandy for the fast-food industry, but I operate a convenience store and don't want to annoy my customers by asking them to buy stuff they don't want." Well, consider this: don't you think your customer is the same customer who eats at the local fast-food restaurants? Both customers want to get in and out as quickly as possible.

To illustrate the point on how a small gesture such as this can improve your sales and profitability, I did some research at a nearby 7-Eleven store. It is not a franchise, but a corporate store. As an industry expert, I understand it is a known fact that franchise stores will generally outperform corporate stores. This is because the franchisee has more at stake than a regular corporate employee or manager, and has a vested interest in the successful operation of the business.



One of the things I always notice when I walk into this store is they generally have a sign advertising some kind of special in the windows. One week it was two hot dogs for \$2; the next week it was a deal on milk. The week after that it was bottled water on sale. Another day the sign on the windows said: "Wednesday is Cookie Day. Place Your Orders. Goal 200."

When I approached the front door on this particular day, taped on the glass was a small sign that said "32-ounce Gatorade, two for \$3." I

thought the small handmade sign looked kind of hokey, but you know what, I saw it and it worked. That is exactly what advertising is supposed to do. Advertising is supposed to make you think about buying something. Advertising doesn't have to be pretty, flashy or award-winning to be effective. It just needs to compel someone to want to purchase your product.

At this point, notice that I haven't even entered the store yet and they have already tried to sell me something. After I get into the store, I am welcomed with a methodically arranged and well-stocked convenience store. It is not a big store, probably only 2,000 square feet or so, but it has a good traffic-flow pattern, nice displays and everyone manages to get their stuff and form an orderly line in front of the counter.

Once you get to the counter, the real selling begins. On the counter — which has an open area of approximately 5 feet for two clerks to work in — is usually something the store wants to push to increase sales. This week, it was a bunch of cookies. They are placed on the counter from the front to the back where the clerk is standing. Three rows of cookies in neat lines, strategically positioned so that you have to look at these cookies in order to see the clerk. Of course the clerk says: "Do you want to buy some cookies today? We are trying to set a new selling record." That was it. Yes, I bought the cookies; didn't need them, shouldn't have ate them, but I bought the cookies.

The manager's name is Lisa, a young lady who has worked with 7-Eleven for a few years. I asked her: "What is the deal with the cookies? Do you really sell

Customer Service Spotlight

a lot of cookies?” She said cookies are one of the items they sell suggestively and in their region (South Florida) they are generally the No. 1 store in suggestive sales. This little hole-in-the-wall store is a No. 1 performer in suggestive sales for 7-Eleven? How could this be?

Lisa said her employees have made a game out of suggestive selling. They are able to consistently outperform even the biggest stores. “If one can think of selling as a game, it becomes very simple,” said Lisa, who worked as an employee trainer in an earlier job before 7-Eleven. I asked her then: “Do employees get additional compensation for the extra items you move through suggestive selling?” And she replied: “No, it is part of the job and everyone seems to enjoy doing it.” What a novel idea, employees enjoying their job and suggestive selling.

There are some morals to this story. First of all, in these tough economic

times, some people are still managing to make money. Do you know who they are? One group is the fast-food industry. McDonald’s is doing fine and so are most of the other fast-food chains. They learned to adapt to the call of the people, offer them value for their money, still ask for more and get it.

The casual dining sector, however, is in big trouble. With a higher ticket average, they have been trying to discount menu prices to get people in the doors. So far, it doesn’t seem to be working. The tides have turned back to the fast-food restaurants.

Next, you’ve got to sell. Starting with the windows on the outside of the 7-Eleven store and ending with the displays on the counter and clerk asking me to buy some cookies, everything worked together to get me to buy more.

These are all very simple things to do and can be implemented by anyone. By

the way, the store with the goal to sell 200 cookies always goes beyond its goal and runs this special and others weekly. After running the numbers in regards to sales on its cookies and other specials, it exceeded \$25,000 in extra income.

Makes you wonder what items you could be suggestive selling. ■

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