

AS SEEN IN
enLIGHTenment
MAGAZINE
OCTOBER 2016

DEVELOPING A PROCESS

Believe it or not, good “product sell-through” doesn’t just happen; it’s part art and part science.

Many factors go into purchasing items for your store. Typically you select products that are popular and that represent your store’s image. As the retail arm of the lighting industry moves forward, providing carefully selected merchandise in a curated environment of educated employees – combined with a memorable customer experience – is the best way to stand out in a world of infinite choice.

In the digital world it is pretty easy to show images and words for thousands of items – and before the “e-stores” come at me with a vengeance, realize that what they do also requires labor. The

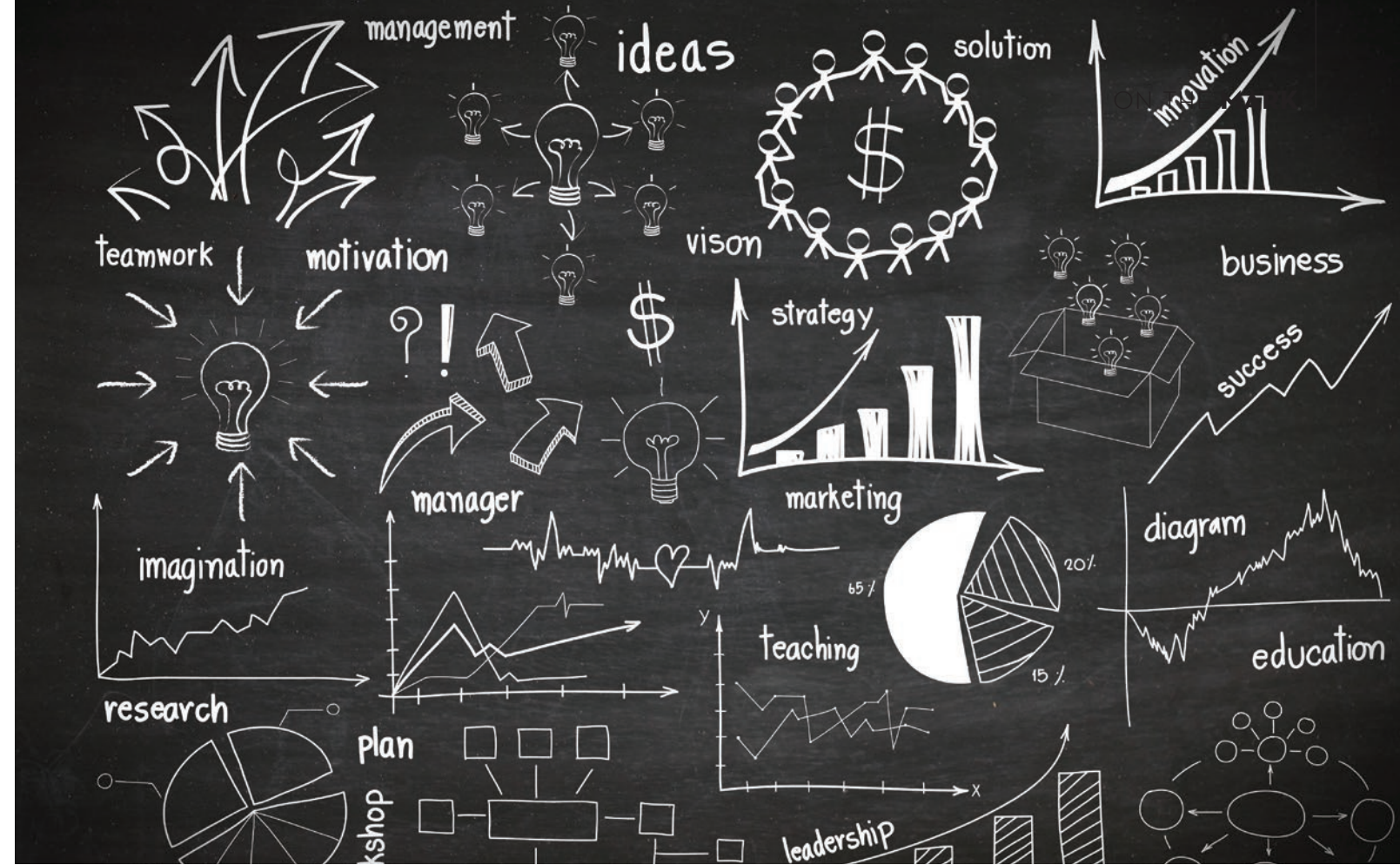
advantage, however, is that the Web offers unlimited space. One side note: as a retailer, if you do not include omni-channel marketing as a strategy, you are missing out on that unlimited digital space. The brick and mortar channel has physical space limits and must make an impact in a more thoughtful way.

Selection begins with a very careful process consisting of several steps, including some in the pre-purchase stage. By following these guidelines, you will gain an advantage over your big box and digital competitors and will appeal to your specific customer base.

THE PEOPLE

Lighting stores are owned and operated by many wonderful people who have the best intentions for their stores, staff, and community. To do the best job possible, they need good information backed up with a plan of action. To make a good plan, you must make decisions on how you will proceed with the purchase, presentation, and sale of your merchandise. This requires you to have information on your target market, offer a product mix that appeals to them, decide how you will market to them, and establish the price position of your merchandise. A well-devised plan will take several hours to do, but it will save you hundreds of hours and possibly thousands of dollars.

Who have you identified as your target audience? This is a crucial first step for any brick and mortar business. While this seems like an easy question to answer, take the time to develop thorough answers. By understanding your target, you will be able to determine the categories you offer and their price



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points. Every showroom will have more than one group of clients they want to target, but there will be consistency throughout.

A WORD OF CAUTION

After conducting workshops on creating customer personas, I have found many times the descriptions that are first created by the attendees are either too general or too detailed. If you identify your target audience as, “people who want lights and home accessories,” your description is too broad.

Clarity and detail are the components of a well-thought-out picture of the customer you want to attract. On the other hand, if you have too much detail about your target audience – to the point that you know which brand of cereal they like – you have gone too far.

Uncovering specific characteristics that make up your buyers’ personas is an intensive process that will lead to a more selective approach to the items you display.

Details to be aware of are:

- ▶ People who are living in, built, or have purchased a home valued at (\$X) located in (X town) and moved in within these (X) timeframes. Within a 50-mile radius of a showroom, the demographics will vary as will the profile of the people who live there.
- ▶ Age range of the target audience
- ▶ Household income
- ▶ Location: urban / suburban / rural
- ▶ Family type/ size

PROCESS

This next step is knowing which products are selling and the level they sell through. Getting this information requires analyzing a variety of sales-related data – and this data is comprised of in-store sales reports, industry trend reports, and information from your vendor partners. Pay careful attention to identifying patterns that indicate that there may be finish, product, or category trends unique to you



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and your location that are different than what is trending in the industry or in the reports you have been given. Those differences may include recommended “hot” items that sit on the shelf and don’t move. Or maybe there is a style, finish, or another category that is repeatedly special-ordered in your store and yet is not represented on your displays — this equals missed turns.

SELECTION

Choose products you are passionate about. Why? It’s easy to build marketing and sales presentations around them. The real essence of experiential selling is the ability to impact the buyer emotionally — and that is a factor missing from big box stores.

Emotion sells, and logic keeps it sold. Sharing that passion with your client base is easy when you and your staff are in love with what you/they are doing and with the items that you/they are selling. For that reason, new product releases or purchases for store display must be presented to

the sales staff and the customer with unbridled passion. Enthusiasm for an item will never be higher than when it is newly added to the product mix. Fanning the flames of that fire will impact sell-through.

Display items that reinforce the style story you want to convey and create themes for each display. Great showrooms know that they can’t be everything to everyone. By focusing on the particular outcome you want, you will be leaps and bounds ahead of the showroom that practices the “hang it high and see if it will fly” method.

The litmus test is a series of questions you and your buying team must answer. Did you see how I slipped *buying team* in there? Yes, in most cases it takes a team to buy. A team can be as few as two or as many as you like. Since every customer is not like us, having other personality profiles from members of the store team involved in the selection is beneficial in choosing a well-rounded mix of goods. The closer to the day-to-day customer interaction these folks are, the better their input is about customer preference.

Within buying teams, opinions will vary, and the result will be a variety of appealing products.

Utilizing this simple list of questions to focus your purchasing intent:

- * **Would you buy this item/style and use it yourself?** If you are passionate about a product, and you represent a segment of your target market, this means the items you like will have appeal to customers like you.
- * **Does this product excite me?** Excitement is what it is all about. Excitement and enthusiasm about a product or service you offer will do more to create sell-through than any slick ad or even a discount. Without excitement from the team about a product, your success at selling it through will be reduced.
- * **Would you sell the piece to your mom? (If it were her style)** An affirmative answer to this question says many things. It relates to the quality of materials, construction, and also your vendor relationship. If it is mom-approved, this means you are comfortable with the quality.
- * **Are they a supplier or are they a vendor partner?** A major component of successful product sell-through is an in-depth knowledge of your vendor’s strengths and weaknesses, along with their



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GROWTH IS OPTIONAL.

—John Maxwell, leadership author

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products. You must believe in the merchandise that you are selling as well as the companies and rep agencies that support your selling of it. When you are in a partnership-style relationship with your vendors and reps, your sales teams must know it. The result of this relationship will be a product presentation to the consumer that becomes highly confident.



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EXPERIMENT

No matter how great your selection, our choices can get a little stale and boring. Experimenting with a variety of goods brings new life, creates interest and, with a sharp buying eye, you may even be the early adopter to a new hot trend. Even if these cutting-edge choices don't all become winners, the store will become known for having distinctive options other than what is available from the mass marketers.

As you develop a reputation as an independent merchant offering fashion-forward and unique items, people will continue to come in to see what you have. This will also lead to a greater geographical reach, which will bolster sell-through.

Experiment where you buy your products as well as what you buy. Venture outside your regular route of trade shows and events. One benefit is the discovery of small niche players who do not attend the larger shows outside of their geographical region, which allows you to offer products not yet available in your area. If your store is in the

East, try heading West. If you're in the North, head South and vice versa.

Take a lesson from the Venetian merchant Marco Polo; you must travel to faraway places to bring home the goods!

PRODUCT

Let's focus on what you are selling. The knowledge about your audience allows you to select pieces, create displays, set levels of engagement, and create marketing that will interest those you want to attract.

One way to increase sell-through rate is by offering complementary or "Go with Goods." For example, light bulbs are related to the lighting retailer in the same way that shoelaces relate to a shoe store; every customer needs them.

Lighting retailers can expand their bottom line by complementing their lighting selection. Categories once left to other merchants – such as jewelry, kitchen accessories, and home furnishings – are all options to add to your store's displays.

Try products you may have never thought of offering before. Some of the out of the box products I've seen in other stores have been amazing, and they will have people coming to you. Items I've seen that stand out are specialty paints, high-end kitchen gadgetry, and local artisan items, to name a few.

While we have discussed buying for our stores based on our passions; we can't forget about being profitable. Selecting "Go with Goods" that have high-profit potential is the key to increasing your dollars per square foot, building your items per transaction, and creating a larger than average ticket price.

Many showroom owners lament over decreasing margins and increased competition from e-tailers. One sure fire way to add to the bottom line margin is to key in on the side sell of "Go with Goods." When displays are harmonious, and the sales team's presentation is on point, customers will want to re-create the look and feel of the in-store experience in their home and with all the items you have shown on display.

I hope this column has encouraged you to identify who your customer is, or possibly book a trip to a distant trade show. Step outside the box and make a list of some of the cool things you can offer to go with your store's personality – but most of all, have fun while you're doing it. ❖

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PALLAZO

Crystal encrusted diffused lights connected by swirled bands of bronzed metal.



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