

SHANE
DECKER



➔ Imagine if your salespeople could **CLOSE THREE OF EVERY FOUR SALES.**

COMMENTARY / ON SALES

Ramp Those Closing Ratios

Closing ratio is everything. How much money you make, how you pay your salespeople, the experience your customers receive and their loyalty to your store — all of these depend on your closing ratio. Want to know the crazy part? Most store owners don't even track it. If that includes you, *run* to your nearest retail-equipment provider and install a traffic counter in your entrance! If it clicks when people enter and leave, divide by two. Take 10 percent off the number to account for staff. Take repair tickets out; only sales slips count for closing ratio. The number of sales slips divided by the number of people who came in gives you your closing ratio.

Research tells us that 75 percent of all customers buy the day they shop. And I believe those who don't buy left their homes intending to buy.

I've studied closing ratios for 20 years, and have had hundreds and hundreds of stores fax them to me each week. Over time, I've learned that a salesperson's closing ratio tells you invaluable things that you can use for training. Here's what you know if your salesperson's closing ratio is:

LESS THAN 20 percent

Relationship-building isn't happening. The salesperson isn't getting critical information from customers, such as "What is your spouse's name? Are you celebrating a special occasion? What are your kids' names? Are you from this area?"

- Product knowledge is weak.
- The salesperson is not romancing the product well, if at all. Romancing the product makes the price insignificant.
- Closing isn't happening in the presentation.
- He isn't team selling. Remember turnovers (T.O.s) boost closing ratios by 50 percent.
- Selling questions aren't being asked ("Are you familiar with 4 Cs? What style did you want? Does she have pearl studs to match the pearl strand?")
- Your salesperson isn't handling objections.
- He is practicing a show-and-tell approach. He's telling customers about an item and then hoping they'll buy it, instead of interacting in a give-and-take conversation that results in the customer getting exactly what she wants.

NOTE: If a salesperson's closing ratio is under 20 percent and he's been in your store for about five years, he's not working on improving himself.

20-30 percent

- Relationship-building questions have improved some.
- Product knowledge is better but still needs a lot of work.
- Closing at the end is better, but closing all the way through needs improvement.
- Romancing of the item is still weak.
- Team-selling and T.O-ing still need work.
- Selling-specific approach needs lots of work.
- Handling objections has improved greatly.

30-40 percent

- Product knowledge is much better, which shows in their self-confidence and ability to close.
- Closing all the way through still needs work.
- Romancing the item has improved quite a bit.
- Relationship-building is much better.
- Giving reassurance has improved, but this is something everyone can work on ("She'll never take it off," "She'll never forget this moment," etc.).

40-50 percent

- The salesperson is coming into his own. He understands the crucial part of the sale is giving the client an experience she can't get elsewhere.
- Team selling needs to be improved.
- The salesperson is better at adding on, as well as gathering information so he can clientele. He's tracking important dates, sales histories, etc.

50-60 percent

- At this level, the salesperson should be training other team members consistently and helping them to close their sales. The owner needs to make this person share success with others. A superstar who is a team player will help to get everyone's closing ratios up (or vice-versa, if they're *not* a team player).

75 percent and ABOVE

This is the magic number to shoot for. Remember, 75 percent is the ratio of customers buying the day they shop. I've trained in more than 3,000 stores and met a few salespeople hitting 80 percent. Can you imagine your store volume with even one salesperson at that level?

Shane Decker has provided sales training for more than 3,000 stores worldwide. Contact him at (317) 535-8676 or at ex-sell-ence.com.

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