

SHANE
DECKER



➔ **STOP NEGOTIATING.** But if you have to, abide by these six rules.

COMMENTARY / ON SALES

Don't Sound Like a Car Dealer

You're not selling used cars, so don't sound like it. The words "we'll give you a discount" or "we'll make you a good deal" should never cross the lips of a jewelry professional. Raise the bar on how it's done in our industry. Negotiation should be used *only* under certain circumstances and within limited parameters.

If you've done everything properly, and the client throws out the clue that they never pay retail (e.g., "What can you do for me?"), never be the first one to show you're going to give an accommodation or concession.

In these times, people are expecting retailers to come down on prices. Items like high-end automobiles and timepieces are being negotiated now when they never were before. But it's got to be managed well.

SELLER'S RULE 1 Always aim high. Start every sale assuming you won't give an accommodation or concession. Chances are, if you don't act like you're going to give one, the client won't expect it.

SELLER'S RULE 2 If you do have to give an accommodation or concession to close the sale, use the "limited authority" tactic. For example, the customer is looking at a \$5,000 item and says, "I'll give you \$4,000 for it." Your response should be, "We don't normally give accommodations," or "I don't have the authority to do that." If it's a branded item, say, "This item is vendor-restricted — if I discount it, they could pull the line."

SELLER'S RULE 3 If you're going to negotiate, your first concession has to be small. This lowers the client's aspiration level and puts pressure on their price ideas. Let's say you come down to \$4,850 on that \$5,000 item. You've set expectations within reasonable levels. Now, the client may say, "You've got to do better than that." Your response should be to get a commitment: "Are you saying if I do better than that, you're going to take it?" If you don't get a commitment right now,

the negotiation could keep going and going.

SELLER'S RULE 4 Take your time. Hard-won concessions mean more to the client. If you take \$1,000 off right away, and they buy it right away, they'll leave thinking, "Geez, if I had asked for more, would they have come down more?" You want them to think they got the best value.

SELLER'S RULE 5 A second concession should be half the amount of the first one. If you took

\$100 off the first concession, take \$50 off the next. This maintains integrity in both your price and your jewelry, and shows clients that your margins are tighter than they thought.

SELLER'S RULE 6

When you do negotiate, make sure it's in dollars, *never* percentages. You can tell the customer how much you're taking

off in dollars, or tell them the final price. Giving a percentage off eats into your profits too much.

If it really is about price and the customer just can't afford it, use the "option negotiation." Let's say the customer wants a 1-carat diamond in a setting for \$7,950. He tells you, "I've only got \$3,950." You can respond, "I can take that 1-carat out and replace it with a half-carat for \$3,950."

It's sometimes better to let a client walk if the price is ridiculous, their expectations are unreal, or the final price is at cost and you can't make any money. It's better to preserve your integrity. If you give in, they'll expect that kind of deal every time. Be smart with negotiations. Don't give in to knee-jerk decisions just to move an item out.

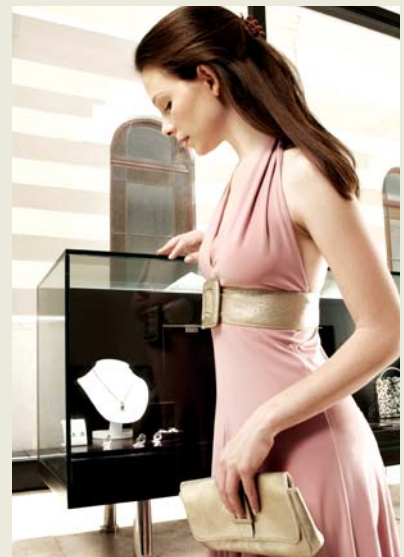
Shane Decker has provided sales training for more than 3,000 stores worldwide. Contact him at (317) 535-8676 or at ex-sell-ence.com for a two-day seminar on negotiation for your sales team.

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SALES TRUTH

THERE IS NO BUSINESS LIKE SHOW BUSINESS

WHY IT'S TRUE We walk into a movie theater with a bag of popcorn in our hand, or perhaps snuggle comfortably in front of our TV to watch our favorite show. We look forward with great anticipation to the show and walk away either very satisfied, very ambivalent or very dissatisfied. At that moment we make subconscious decision whether or not to ever watch a show again with that particular producer, actor, etc.



PLAN OF ACTION People enter your store with specific expectations. Like it or not, you're in show business and you and your staff are on stage every time the customer walks in. Enhance their experience by offering a friendly greeting while maintaining good eye contact. Make a dynamite presentation by using all the tools — the counter pad, the ring stick and the selvyt cloth. Make sure the stage is clear of all distractions such as fingerprints on the counter, lint or dirt on the floor. Then give 'em the best show ever! — DAVE RICHARDSON