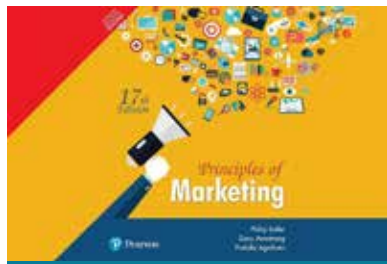




SALES MASTER CLASS



MUST READ



SALES IN FUTURE



SPOTLIGHT

Sales Master Class

Tested learnings and best practices for quick wins

3 Blue Tie Lessons for Retail Sales Magic

The Story of an apparel showroom's online review

'Showroom shopping is dead. Long live show room shopping'
You've heard that too, I'm sure. For me, at least, yesterday changed it. Forever.

Alright, I admit I'm biased. When I buy clothes, I still prefer to stroll into a clothing outlet, breathe in the ambience, browse the collection, try out items for fit and get my alterations done there and then. Not to speak of the deals, previews and goodies that such stores can offer

Long story short, I went to look at blazers last evening. Just wanted to explore. No intentions of buying anything. The young salesperson in attendance was unobtrusive. "Blazer for a special occasion Sir?"

"Daughter's graduation. Not in a hurry. It is still a month away"

"Grey would do great Sir. Style guide suggests a turquoise blue tie and a white shirt with it. It says that wouldn't be strictly formal. Yet it will look subtle and social. Right tone for a graduation invite. Can we show you a few other accessories Sir? Also Sir, we have an offer going all of this week on suits and blazers. "

I fell for that one, wallet first. Anyway, I have to buy, so why delay, I thought. I ended up buying an entire ensemble, trousers, tie-pin, cufflinks and socks to match. There was no defence against that kind of pitch, the clincher was the blue tie of course. Next time you want to browse for clothing, you should give this outlet a try"

What does it take to convert a walk-in from a 'browser' to a 'shopper'

Like all things beautiful, selling is simple. At its heart, sales is just 2 steps:

1. Identify and (or) create a need ("So you are looking for a blazer?" in our story)
2. Fulfill that need with your product or service for mutual benefit ("Grey blazer would be great")

That's a classical definition. It's classical as it is old yet contemporary. Apply it to any type of selling and it still works, whether it is a retail showroom or an ecommerce site.



It is particularly effective when selling happens within a store. That's because the salesperson in a retail store has the opportunity to interact one on one with the Customer and influence the shopper to move from browsing to billing. Research on why we buy, attributes this type of conversion to **Suggestion Impulse**, where a suggestion crystallizes the need in the shopper's mind and prompts a decision to buy (Ref: Shopper, Buyer and Consumer Behaviour by Jay D Lindquist and M Joseph Sirgy)

Putting it to practice – The How

This need identification and fulfillment process is broken up into 2 further steps in DAPA®, a simple but powerful personal sales process evolved by Mercuri International. So, each of the 4 alphabets in the DAPA® acronym stands for a step in this approach to selling:

1. You **D**efine the Customer's requirement for your product or service
2. Customer **A**ccepts your definition of the requirement
3. You **P**rove to the Customer that your product or service can fulfill the requirements
4. Customer **A**ccepts the proof you've provided

The shopper in our story, couldn't resist the showroom pitch because the salesperson followed DAPA to the alphabet. He helped the shopper define and crystallize the need ('Blazer to wear for a graduation event?': D + A - Steps 1 & 2), He proved to the shopper that grey will fit the occasion best (Cited Style Guide: D - Step 3) Finally, he got the shopper to accept the proof (The shopper in the story bought the idea: The final A - Step 4)

Master Class Takeaway

The 3 Blue Tie story lessons

Selling is a science. Like any other science, it is learnable. And this science, on repeated practice and application evolves into an art. Then the salesperson can improvise and make buying a pleasure for the Customer. DAPA® will make this science easy to practise. It can help internalize these 3 blue tie lessons from our story:

Take selling beyond the stated need (Suggestion of a blue tie+ accessories)

Spot latent needs, bring them up and influence them suitably (Quoting the Style guide helped convince)

Get the Customer to own the discovered need. Then the sale gets elevated to a 'service' (The shopper was so impressed with the 'service' he shared an online review)

Get salespeople in your stores use the 3 blue tie lessons. They will do magic to your sales!

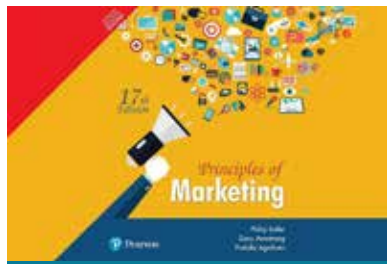
For more ideas on the power of Customer Driven Goal Oriented Selling, explore the Mercuri Insight document on DAPA [here](#)

"At bank, post office or supermarket, there is one universal law which you ignore at your own peril: the shortest line moves the slowest"

– Bill Vaughan –



SALES MASTER CLASS



MUST READ



SALES IN FUTURE



SPOTLIGHT

Around the Sales World

Trends and Developments in sales

Evolving Direct to Customer Business: 3 Keys to Unlocking Customer Potential

By Mercurian Appurva Ssuryaddeo

Country delight, Kapiva, Bluestone, Bombay Shirts Company, The Good Bug, Fresh to Home, Rage, Licious, Boat, Sugar

What do these names have in common?

All are Direct to Customer (D2C) brands

Some of them have also entered in physical market after their success in D2C. It is estimated that India is home to 800 D2C brands. But what has led to their rise and how are they challenging traditional FMCG Brands and Retail stores? What can be some learnings from the rise of these brands?



India was always on the forefront of digitalization. And digitalization acquired breakneck momentum as Indian Consumers adapted to the constraints imposed by the pandemic and embraced digital shopping in a big way. Rising D2C brands were able to leverage this changing consumer trend.

Besides digitalization, other strategies that worked to the advantage of these new challengers were:

- Direct approach to customers
- Enhanced customer experience
- Personalised Brands
- Great shopping experience - anytime, anywhere and at any platform
- Marketing strategies like try before you buy (Wake fit), using social platforms, influencers, and real satisfied customers
- Easy return policies
- Usage of data to reach customers and personalise accordingly

Another mega trend working in favour of rising D2C brands is the slow return of normalcy and crowds thronging malls and multiplexes again. This has shifted the focus back to physical stores and in-store shopping in the D2C space.

Post Covid, FMCG lost 25% of sales from poor retail execution given that, as per retail industry data 79% of Impulse buying occurs at physical store.

FMCG has since recovered and has seen 30% sales increase till March 2023 and is expected to grow by another 20%. The value could be more if learnings from the experience of the emerging D2C stars are implemented to overcome challenges and drive growth in FMCG and Retail. Here are 3 keys to unlock Customer potential in the rapidly evolving retail and FMCG markets.

3 Key to Unlock Evolving Customer Potential

1.Data Analytics

The consumer audience in India is marked by bewildering variety. With penetration of digitalization in Tier 2 and Tier 3 cities, the variety has only increased. From Millennials to ageing population (The ageing population is supposed to grow by 41% by 2031), changing preferences (More health consciousness) and declining brand loyalty, it is very important to understand customers studying data and changing trends, and presenting the Customer with more personalised brands. This is something that new D2C brands have been successful in achieving with their deep and wide use of technology

2. Retail Execution Strategy

The loss due to expired products in large format is estimated to be close to 20% of all products sold. There is limited storage space, seasonal variability, and product shelf life itself is a challenge. Using Data for a proper retail execution in terms of:

- right products at right time at right place,
- merchandising,
- order replenishment,
- store audits and
- proper promotional strategy

can be accomplished by understanding consumer buying preferences and behaviour.

Investing in helping both FMCG and Retail sales teams to understand and internalise the concepts of ROI per square foot and effective shelf utilisation is extremely important.

Products may be returned due to expiry, but retail must realise that it is a loss for them too, if the product is occupying space and not moving. How they can join hands with FMCG to minimise this loss through a win-win approach for both, could be critical. Data Driven Strategy execution will help them stay relevant and gain an increasing share in a constantly changing market

3.Enhanced Customer Experience

Easy availability of goods, seamless shopping and instore personal salesmanship to keep the Customer satisfied and happy, enhances Customer experience. Improving instore customer ambience, offering personalised services and value-added Customer support contribute to a highly satisfying shopping experience. This often makes shoppers more receptive to buying suggestions resulting in a bigger share of impulse/spontaneous purchases

To wrap up, Retail and FMCG will both benefit by adapting and leveraging data, prioritizing Customer experience, staying in tune with changing Customer behaviour and expectations. Innovation, can longer be restricted to just the products. Innovation must now encompass every stage of the shopper journey to deliver a highly personalised experience. That could be the quickest path to fostering stronger brand loyalty, in the days to come



“The secret of successful retailing is to give your customers what they want”

– Sam Walton –



SALES MASTER CLASS



MUST READ



SALES IN FUTURE



SPOTLIGHT

Spotlight

Shining a light on how sales works in emerging and new business models and across different industries

The Mighty Muscle, Organised Retail is Yet to Use Fully

‘Retail Apocalypse’ in the Western world

The Western world, specially the US, has been experiencing what the global financial media calls the “retail apocalypse”

In May 2023, news agency CNN cited a Morgan Stanley report according to which, more stores closed every year than opened, in the 25 plus years from 1995 to 2021. Another newsreport quoted Investment bank UBS’s grim warning that 50,000 stores would close by 2027. UBS cautioned that ‘the pace of store closures is set to accelerate due to the combination of a slow-down in consumer spending, a reduction in the availability of credit, and a rise in the penetration of e-commerce.’



Indian Retail Has a Lot to Cheer

In contrast retail in India has a lot to cheer. India Brand Equity Retail accounts for over 10% of the country’s gross domestic product (GDP) and around 8% of the employment. India is the world’s fifth-largest global destination in the retail space.

The size of the country's retail market is expected to touch USD 2 trillion by 2032, growing from USD 690 billion in 2021, according to a joint report by Anarock and Retailers Association of India (RAI). Free from fears of contagion last year’s festive season sales touched Rs.2.5 lakh crore nearly 2.5 times the previous year’s numbers. In 2022, 7 Indian cities added over 2.6 million sq ft of mall space, up 27 per cent from the preceding year, with nearly 25 million sq ft of mall space likely to be added over the next 4 – 5 years

The Elephant in the Room: Lost Opportunities and Sales Revenue

In their article headlined ‘**Retailers Are Squandering Their Most Potent Weapons**’, the article authors **Marshall Fisher, Santiago Gallino, and Serguei Netessine** point out:

“As they fight for survival in the era of online shopping, brick-and-mortar retailers are cutting costs by slashing head counts and budgets for training. But that erodes their biggest edge over e-tailers: a live person customers can talk to face-to-face.

For every dollar a retailer saves on staffing, it may be losing several dollars in revenues and gross profits if customers leave stores empty-handed because they can’t find a knowledgeable salesperson to help them”

While this may not exactly apply to Indian large format retail, the opportunity cost of Customers and sales revenue lost due to inappropriate staffing and inadequate training could be huge.

Revenue Impact of Undertrained In-Store Employees

The article quotes a study done by Axonify, a provider of training software, which found that nearly one-third of retail store associates in US receive no formal training—the highest deficit in any of the industries surveyed. “Understaffing stores and undertraining workers was never a good idea, but it’s especially bad now, because it takes away the biggest advantage traditional stores have over e-tailers: a live person a customer can talk with face-to-face”

Surveys done by authors Fisher, Gallino and Netessine revealed that improved staffing and adequate training, can add as much as 20% to the revenues of existing stores!

The article lays out a step-by-step approach for optimizing staffing and training. While it recommends a 3 step process that involves (i) analysing historical data, (ii) conducting experiments, and (iii) assessing the results, the actionable insights on training of in-store salespeople is of value and relevant to Indian retail.

The training typically should include knowledge and skills covering products and processes. This means that a trained in-store sales staff would be strong on product knowledge and the selling process involved

Here is a list of useful ideas gleaned from the results of surveys carried out by the authors shared in the article:

1.Manage Staffing and training by the right numbers – The authors point out that managers are taught to “manage by numbers.” But applying it unthinkingly to staffing and training is business school thinking gone wrong. Wonder how? Here’s the thing – For a retailer, the cost of payroll and training is clear-cut. But the positive revenue impact of having sufficient number of knowledgeable sales is much harder to pin down. So, the strategy should be to manage by the right numbers. That would mean quantifying not just the cost of training the sales staff but also the value they produce

2. Typical stores likely to most benefit from better staffing and training – Stores or outlets most likely to benefit are those having:

- i. greater sales potential (as indicated by average basket size and average income in their catchment area) and
- ii. more intense competition (as indicated by the number of competing store in the catchment area)

3. Two critical drivers of Customer Satisfaction – (i) Can the Customer quickly find an associate who will provide the required assistance and (ii) Is that associate knowledgeable and capable of helping?

4. Two surprising (counter intuitive) findings

- Training improves sales in omnichannel models as well - Well trained associates help drive higher sales in Omnichannel models also by encouraging Customers
- Digital learning positively impacts sales – A research survey of 8,000 sales associates done by the authors found that:
 - i. Online, voluntary self-guided training modules for retail associates had a positive impact on sales per associate. The model designed to assess the effect of training found that for every online module associates took, their sales rate increased by 1.8%.
 - ii. Average hourly sales of people who took the digital training were “a whopping 46% higher than those of people who abstained”

5. Two main benefits reported by in-store salespeople receiving training

- i. Greater confidence in their own selling abilities and
- ii. General product and process understanding they could bring to selling offerings of different categories

Fisher, Gallino and Netessine make a strong case that “it’s high time for retailers to ... recognize that store employees are one of their best weapons in the battle for consumers’ business.” They are the mighty muscle waiting for organised retail to flex

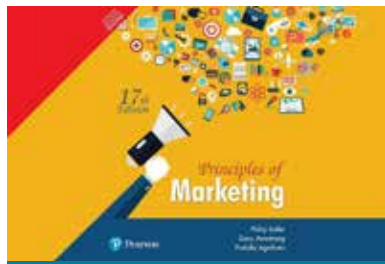
You can read the Harvard Business Review article [here](#)

“The Customer’s perception is your reality.”

– Kate Zabriskie –



SALES MASTER CLASS



MUST READ



SALES IN FUTURE



SPOTLIGHT

Sales in Future

A look at new emerging ideas, trends and practices

Why the Future of Sales Learning in Retail will be Mobile led

‘Retail Apocalypse’ in the Western world

As per projections made in a Nasscom report, the Indian retail sector is likely to generate 2.5 crore new jobs by 2030 and a lion's share will be the offline+online model. This number is expected to account for nearly 50 per cent of the total retail employment added by the economy

A big chunk of the new jobs generate in the offline model, will be sales associated employees in stores and outlets of retail chains, standalone supermarkets and specialty brands

It may not be feasible to address all the learning needs of this widely spread out sales force with traditional training interventions that presuppose in-person programs and time away from work.



Digital learning is probably the best suited for building the sales capabilities of this cohort. The expression ‘digital learning’ in the context of Indian Retail with its large distributed workforce has to account for all types of just-in-time learning delivered over multiple devices. The device of preference is undoubtedly the ubiquitous mobile phone

1. The Indian experience has shown that mobile enabled learning has been highly effective in delivering gamified, interactive and bite-sized learning with generous scope for repeated practice that is essential for mastering sales associated skills.
2. MLearning as it is called, facilitates learning while at work and also submit completed tasks with least effort.
3. Flexibility, social learning in the company of peers, motivation through ai supported nudges, leader boards and public recognition are other features that add to the attractiveness of MLearning

Research elsewhere in the world appears to corroborate the Indian experience. A study based paper that won Association for Talent Development's (ATD) 2023 Dissertation Award, identified the following **6 Benefits of Mobile Performance Support Systems.** :

1. Boosts performance
2. Builds confidence
3. Encourages professional satisfaction
4. Increases Return on Investment (ROI)
5. Manages corporate knowledge (For example, in a retail sales situation, Do's and Don'ts based on experience can be quickly shared over phone based groups formed on social platforms)
6. Enhances organisational reputation

Clearly mobile leads the way when it comes to the future of sales learning in retail industry in India

“People like consistency. Whether it's a store or a restaurant, they want to come in and see what you are famous for”

– Mickey Drexler –



SALES MASTER CLASS



MUST READ



SALES IN FUTURE



SPOTLIGHT

Have a Laugh





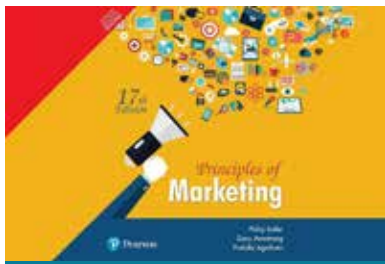
**“Sell a person a fish, she eats for a day.
Teach a person how to fish,
you ruin a good business opportunity.”**

“The future of retail is the integration of Internet and digital services with the retail network”

– Charles Dunstone –



SALES MASTER CLASS



MUST READ



SALES IN FUTURE



SPOTLIGHT

Must Read – Book Excerpts

Edited Excerpts Adapted to Indian context from insightful books

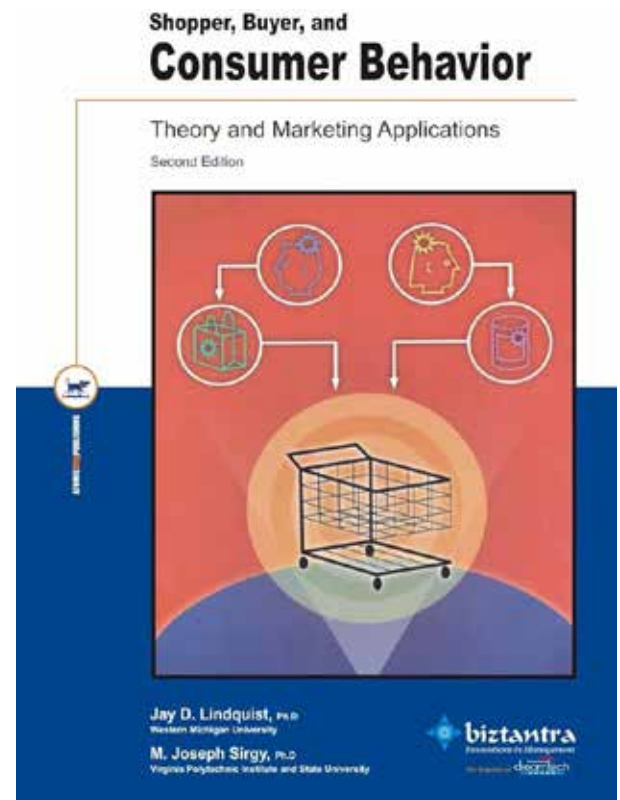
Shopping Orientation, Shopper Types

Adapted from **Shopper, Buyer and Consumer Behavior: Theory and Marketing Applications**: Jay D. Lindquist, M. Joseph Sirgy

How and why consumer shop depends on their shopping orientation which is quite simply, their style of way of shopping. It entails feelings about shopping and the shopping process as well as actual shopping behaviour

... it is possible to group consumers based on similarity of shopping orientation

Consumers can (also) be grouped into those who shop in stores only, those who shop on the Internet only and those who cross-shop stores and the Internet

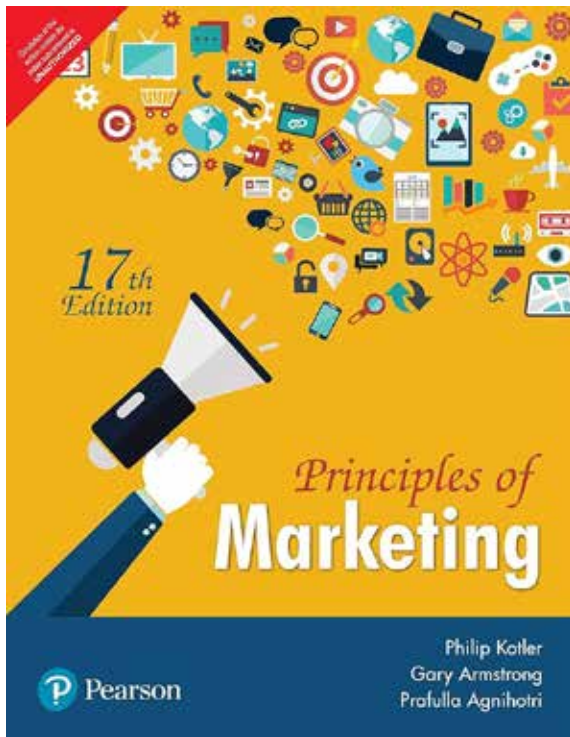


Shopper Type	Shopping Strategies
In-store economiser	<ul style="list-style-type: none"> Compares prices, uses unit prices, redeems (discount) coupons Shops for bargains and does not believe that shopping for essentials like groceries is an important task This shopper relies on information search in the store itself even as shopping happens Typically, relatively young, well-educated and has a family to support

THE SALES DETAIL IN RETAIL. SALES LEARNING.. INSIGHTS THROUGH A RETAIL LENS

Shopper Type	Shopping Strategies
Apathetic or mechanistic	<ul style="list-style-type: none"> • Has a negative attitude towards shopping • Does not do much planning or budgeting while shopping • Possibly from a small family
Involved traditional	<ul style="list-style-type: none"> • Has positive attitudes towards trying new brands, planning their shopping and redeeming coupons • Has positive feelings about the value or enjoyment of shopping, use of recipes and menu planning
Economy planner	<ul style="list-style-type: none"> • Has positive attitudes towards using unit prices, coupons and media advertisements • Compares prices and is not keen to try new brands • Likes to plan menus and recipes • Does not like to change stores • Typically comes from a growing family • Looks for convenience and regards quality of store brands to be important
Homemaker	<ul style="list-style-type: none"> • Usually believes brand name implies quality • Plans menus • Believes that essentials' shopping is an important task • Is negative about shopping in more than one store • Relatively more quality conscious and household-role oriented
Convenience seeker	<ul style="list-style-type: none"> • Is positive towards redeeming coupons but does not use unit pricing • Does not favour shopping in more than one store, preferring a familiar store where layout is known • Open to visiting other stores to see what is new • Believes brand name implies quality

Possible Sales Application: This grouping helps recognise and understand typical shopper personas and use that understanding to modify the in-store sales approach to match their preferred shopping styles



Concept of Retail Convergence and what it means for Different Types of Retailers

Excerpted from Principles of Marketing by Philip Kotler, Gary Armstrong and Prafulla Agnihotri – 17th Edition

Today's retail forms appear to be converging. Increasingly, different types of retailers now sell the same products at the same prices to the same consumers thanks in part to the price transparency the internet provides. For example, you can buy brand name home appliances at department stores, discount stores, home-improvement stores, off-price retailers, electronic superstores and a slew of online sites that all compete for the same Customers. If you can't find the microwave oven you want at Sears or Lowe's, you can step across the street and find one for a better price at Target or Best Buy – or just order one online from Amazon.com.

This merging of consumers, products, prices and retailers is called retail convergence. Such convergence means greater competition for retailers and greater difficulty in differentiating product assortments of different types of retailers

Possible Sales Application: Food for thought - What could be the differentiating value proposition you can offer to your Customers to beat the challenges posed by Retail Convergence?

“The Net is pretty cool, but the physical world is the best medium ever.”

– Jeff Bezos –