



Small Changes Create Impressive Results

By Doug Fleener

My youngest daughter has many wonderful qualities but keeping a neat room is not one of them. In her defense she has the smallest room in the house, which is sometimes harder to maintain but we figure if she had a bigger room she would just end up with a bigger mess.

One day I decided to give her hand as we went in search of the carpet. I figured I would use the time to give her some fatherly advice on how she might better maintain her room. As we talked I saw that she was completely overwhelmed by the idea of keeping her room neat. I realized she was overwhelmed because she couldn't visualize how small changes in her behavior could lead to impressive results.

The same thing can happen to us. Not that we're not necessarily overwhelmed, except for maybe that pile of papers on the desk that desperately needs filing, but we often fail to see how small changes can result in some impressive results.

Let's take the case of a specialty store that averages about 200 people a day walking through the door. Currently the store converts 32 people a day into buyers, a conversion rate of 16%. The store's average sale is \$85. As a result, the store averages \$2,720 a day in sales.

If our example store follows suggestions they read about in The Weekly Retail Experience and makes some small changes to the way they engage their customers they should be able to increase their conversion rate one percentage point, from 16% to 17%. That 1% difference means the store converts 2 additional customers into buyers. Assuming the average sale stays at \$85, the store will sell an additional \$61,500 a year in sales. That 1% increase in conversion translates into a 6% increase in sales. What retailer wouldn't take a 6% increase in sales?

What if the team makes some changes to how well they recommend additional products and as a result is able to increase their daily units per transaction (UPT)? As a result of this extra focus on the store's UPT, let's say the store increases their daily average sale (ADS) by just \$5. That sounds doable, doesn't it? That \$5 bump in the average daily sale will result in an additional \$57,920 in annual sales, a healthy 5.9% increase. Who wouldn't take that?

I'm sure you know what's coming next. What if through small changes and some solid focus the store is able to do both? With just a 1% bump in conversion and a \$5 increase in the average daily sale, this one store could increase annual sales by \$123,080. That comes out to a 12.5% increase in annual sales as a result of increasing conversion and average daily sale. Any store would take that! And if this was one store in a one hundred store chain, all of them making these same small changes, the company would be looking at more than \$12,000,000 dollars in additional revenue. Sweet!

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You might be thinking, "Sounds good, Doug, but how practical are those small changes?" I say they are not only extremely practical but achievable. If it is the last day of the month and you're pushing to beat goal, do your conversion and ADS go up? If there is a sales contest and you're trying hard to win, do your conversion and ADS go up?

Imagine what would happen if you did those same things you do on that last day of the month or during the sales contest every single day with every single customer? I can imagine it. The result of an increase in your conversion and ADS will probably be a double-digit sales increase.

Is it possible? Is it achievable? The only people who can make that decision are you and your store team. Small changes will create impressive results if you actually take action.

Believe me, if I could eventually see Jane's floor, you can make a difference in your business.

About the author: Doug Fleener is a veteran retailer with over 25 years of hands-on retail experience with world-class retailers including Bose Corporation and The Sharper Image. He has also owned and operated his own specialty stores. In his ten years at Bose, Doug grew the Retail Direct Group from four to 100 stores and was instrumental in developing Bose's unique and engaging retail methods.

Doug is now president and managing partner of Dynamic Experiences Group LLC, a Lexington, MA based retail and customer experience consulting firm dedicated to helping retailers improve their customer experiences that results in higher sales and profits.

Fleener is the author of the book *The Profitable Retailer: 56 surprisingly simple and effective lessons to boost your sales and profits*. He is a frequent speaker around the world on retail issues and his insights has been covered in leading business media including *The New York Times*, *Entrepreneur*, and *Shopping Centers Today*. Along with partner Matt Norcia they write the popular retail blog *Retail Contrarian*.

Doug lives in Lexington, Massachusetts with his wife and two daughters, where in his free time he barbecues while listening to Jimmy Buffet music.

Learn more at www.dynamicexperiencesgroup.com or call Doug at 866-535-6331.