



Reduce Your Customer's Risk

One of the underlying factors why people don't buy from you is that they perceive a risk. Perhaps they are unsure of the brand, the new product, or your service offering. They want to know that what they buy for their company or their family will leave them in good standing. Identify the risk and offset that risk by communicating value and offering the best warranty. Domino's built a brand on delivering pizza in 30 minutes or it's free. Typically, customers have 4 types of risk perceptions: financial, social, functional, and safety. By building a relationship with your customers and asking the right questions, you can figure out what type of risk they perceive and allay these fears.

- Financial Risk
- Social Risk
- Functional Risk
- Safety Risk

Financial Risk: Customers worry that the cost of the product or service you offer will not be equal to the value. You can reduce this risk and create a perception of value in the product by having payment plans and guarantees.

Social Risk: No one wants to be humiliated or embarrassed. If the thought of buying your product has the potential of causing a social risk your customers will steer away. You can reduce this risk by positioning your product to the correct market and engaging with your customers in a way that reinforces their ego.

Functional Risk: Simply put, your product needs to do what it says. Warranties and guarantees can reduce functional risk to your customer.

Safety Risk: If your product has the potential to hurt someone, you need to be aware of that risk and have plans and strategies in place to reduce the risk to your customers. This may include government inspections, certifications, or safety standards that give your customer the satisfaction that you have done everything necessary to reduce the risk of harm to them and those around them.



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What are 5 ways you could reduce risk to your customers?

- 1.
- 2.
- 3.
- 4.
- 5.

Increase Conversion Rates with Facility Design and Layout

Let's look at some of the things that you can use to improve your customer's experience and drive your sales and profits up once they are in your business location! As long as you have customers who are physically coming into your business, you can do more to increase conversion rates and sales to these customers by considering some of the following.

- Location
- Your Customer's Experience
- Layout for Better Sales
- Pick Your Colors Carefully
- Eye Level, Buy Level
- Stack Them High and Watch Them Fly
- More Facings = More Sales
- Big Sells More



List 3 specific ways you could increase your customer conversion rates.

- 1.
- 2.
- 3.

Measuring and Plugging Conversion Leaks

There is no business that I know of that has a 100% conversion rate. Websites with a 2 or 3% conversion rate are typically very successful. The normal rate is often less than 1%. Even destination retail stores have conversion rates that are well below 100%. What does your conversion rate look like? How many people are contacting you and not buying? Tracking conversion rates on websites is easy, because there are numerous tracking devices which measure and report to you on a regular basis. However, for small business owners, conversion rates can be a mystery. When I started tracking conversion rates in my stores, I was surprised by a number of things. Firstly, the conversion rate was higher than expected. Secondly, the fact that we were tracking conversion rates really got my staff more involved in ensuring that everyone that came through the doors was taken care of.

How do we track the conversion rate? In our stores, for certain periods of time, we have a pen and paper out in order to keep track of how many people leave the building without a purchase. Often times, the staff make notes of what area the customers are in and what they are looking at; especially if we don't have that product in stock. This is incredibly valuable information because we can plug those conversion leaks. If we have customers leaving because we are continually short of a certain item, we can make sure that that product is in stock. Also, in some businesses, there are times in the day, week, month, or year when there are not enough staff on the schedule, which can result in a loss of customers. Are your traffic counts up but sales down? If this is happening to your business, try to figure out a way that you can plug that leak. Maybe you have certain sales staff on your floor who don't complete the sales? Is your staff doing things at certain times in the day that is preventing your customers from getting served? Do your potential customers act in a certain way at a certain time? Are there more browsers in the evening but fewer sales? Increase sales results and you will increase profit. Measuring your conversion rates is a simple way of figuring out how to get more people buying from you.



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Make a point to go through the front door of your business and view things through the eyes of your customers. Start in the parking lot. What do you notice? Is your signage eye-catching or does it just get in the way? Is the grass cut and are the plants trimmed? Once inside, does it look clean? How does it smell? Do you need new paint? How is the layout? Did anyone greet you?

Have someone make the changes you need to improve your business to make it more appealing to the customers.

How can you measure your conversion leaks?

What are 2 ways you are going to try and encourage more sales with your prospects and customers at your location?

1)

2)