

# AudioVideo<sup>®</sup> INTERNATIONAL

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## The Best of CES



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## Strategies



# SELLING UP TO SURVIVE

STELLAR SALES ASSOCIATES SHARE THEIR TECHNIQUES FOR  
STEPPING UP CUSTOMERS **BY MICAH SHEVELOFF**

**A**s the prices of CD head units have nearly become competitive with a dozen eggs at the local supermarket, sales trainers are constantly encouraging their disciples to “sell up.” The concept of stepping the customer up is certainly not a new one. However, there is more focus placed on it during a time when car stereo consumers are getting out the door having spent less money. As an example, many limited-distribution head unit manufacturers offer margins just over 30% (at retail) on their entry-level CD players, before any discounting or promotion. The margin increases sharply in the middle and higher segments of their lines, up 5% to 10%. Considering the high cost of retail space, insurance, advertising, and payroll, the margin lost selling the price-entry model could be the difference between profit and loss. Promotional items thrust into retail stores by manufacturers consumed with gaining visibility and market share have not only eroded ticket totals, but gross margin has suffered as well. 12-volt retailers have decorated their showrooms with profit-

laden accessories, hoping to supplement some of their lost revenues with gold-plated connectors, better cable, kits, cases, and cleaners. As this phenomenon has become a reality for the 12-volt retailer, the technique of “selling up” has become a means of survival.

### FINDING YOUR STYLE

Cain Bussolini is a salesperson at a Connecticut Tweeter Etc. Although his employer provides monthly sales training, including an indoctrination on how to step the customer, Bussolini believes that salespeople adapt the concept to their own style, fueling the effort with a passion for music or an excitement about quality custom installations. Qualifying the client is an important part of gaining a sense for what gets them fired up. “Selling 12-volt to the older crowd,” he said, “I usually draw comparisons to home audio systems. I show them what they could have, and play them away from budget and towards what sounds great. Good-sounding music is addictive; once they hear it, it becomes difficult to step down.”

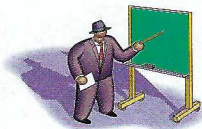
Tweeter Etc.’s national director of product training, Bob Stinehour, added that in addition to monthly sales training, the staff also receives two “mini-meetings” per month. Such one-on-one sessions help to keep everyone updated on the technology and functioning smoothly within the Tweeter Etc. sales guidelines. Stinehour emphasized that the focus at

Tweeter Etc. is placed on their top-down methodology, introducing the consumer to the best product, and then addressing their specific needs through a consultative selling approach.

John Higgs of Classic Stereo in Grand Rapids, MI agrees with the concept of striking at the heart of people who love the sound of great music. “We teach our staff to qualify consumer’s needs, not their budget.” With rapidly advancing technology, electronics customers are often unaware of what is available to them. Classic’s salespeople often suggest to a prospective 12-volt buyer, “Hey, before we get started, would you like to have a little fun?” Such an opening allows the salesperson to introduce the latest and greatest, such as mobile multimedia or Classic’s legendary bass room. After subjecting the consumer to the excitement at the high end, the entry-level systems are usually too drastic a step backwards. People love the whizz-bang-cool stuff, and many are hooked with just a taste of what is available. Higgs explained that his stores merchandise higher-than-average-priced components, almost refusing to play the pricing game at the bottom of the barrel. “We have been opened for 19 years and we continue to grow,” says Higgs, expressing his confidence in his marketing strategy. “Our salespeople qualify their customers, and start with the best component that suits their needs. Additionally, our installers are all MECP-certified, and our staff will proudly show off one of our demo vehicles, reminding the customer that the same installers who built these show cars will be

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working on their car as well. Our policy has always been to never, ever, give the install labor away.”

Dennis Jaques, a salesman in the New England region for many years, agrees with the concept of appealing to the passions of an interested client. “I always begin by qualifying the customer musically, and then bringing them to a high-end system to start off. Customers are rarely offended if you begin at the top of the ladder, and illustrate what the lower end gear can’t do.” Jaques focuses on creating a relationship with the consumer, planting the seed for future system upgrades. “I use the front stage, add bass, add an amp, and rear fill progression with most 12-volt shoppers. How can you add a woofer if you can barely even hear the bulk of the music?” The strategy has paid off, as Jaques has had tremendous success selling expensive, front-stage component speaker systems, opening the door to future upgrades and starting the customer off with margin-rich product. “The first thing most customers do after the sale is run out to the parking lot to see how loud the thing plays. I have already explained to them what the next step in the system is, and they’re already working on how they can drum up the cash for the upgrade before their car is even a mile

down the road.” Jaques explained that most of his young 12-volt customers have to buy in stages, and the initial qualification helps him weed out the tire-kickers from the legitimate shoppers. “The beauty of establishing a relationship with an excited car stereo client is that I get them coming back into the store and asking for me. They buy upgrade after upgrade, and they bring their friends in as well.”

### FORGING TRUST

Rick Bacon, the ‘mobile regional’ for Sound Advice in Florida, emphasizes the critical importance of establishing a trusting relationship with customers. “Our newly hired salespeople immediately enter into a two-week training program.” Bacon explained that the first week is mostly technical with support from manufacturers and their training personnel. The second week focuses on the Sound Advice sales structure; how customers are to be greeted, how relationships with them are established, and how all of that leads to an accurate qualification of their needs. Although salespeople at Sound Advice are aware of product margins and the necessity to sell profitably, they are instructed to concentrate on satisfying the customer’s needs and establishing a trusting relationship, which Bacon explained is a long-term investment in return business. “We really prefer that the sales staff gain the customer’s trust before they even begin to show product,” says Bacon. He emphasizes that the biggest segment of 12-volt customers is 16 to 24 years old, and that the initial hard work in gaining their trust will pay off in their

potential as long-term clients. Sound Advice hosts four ‘mini-CES’ training events, attended by all sales and installation staff, each year. Although the effort represents a sizable investment, Bacon is confident that customers will benefit from the intimate knowledge that his staff has for their products. “Our salespeople are also taught the assumptive close when it comes to car stereo installation. When you buy brakes pads, you assume that the mechanic will install them. The same should apply to car audio at Sound Advice. However, if the customer does have other plans, we will sell them the equipment over the counter.” Bacon also explained that Sound Advice offers a lifetime warranty on installation, as well as a lifetime reinstallation policy. Although it is costly for the company to continuously reinstall car audio systems they have sold in the past, they maintain a loyal following of repeat customers who could otherwise wander off, lured by aggressive promotions or colorful advertisements.

Although 12-volt retailers today must be practical about sales volumes and profit margins, the efforts by the sales trainers doing the best work remains focused on the needs of the customer. If volumes and margins can be supplemented within the framework of satisfying the client, everyone experiences growth and success. Those sales initiatives that place an unrealistically high priority on revenue at the expense of the customer’s trust are doomed to erode the standing of retailers among the populace in their communities, say industry experts. It stands to reason that exceptional service and knowledgeable staff will support a profitable sales environment.