



Business Builder

Tips & Techniques to Help Your Business Grow

5 Mistakes That Could Ruin Your Holidays Sales

Holiday sales typically represent half of a retailer's yearly sales and as much as 75% of their annual profits. Today's consumers are value-conscious and demanding. Retailers must do everything right or buyers will walk. Here's 5 common mistakes:

#1 Betting Too Heavily on Discount Pricing: You can't compete with Wal-Mart on price, so don't even try. Instead, keep your prices reasonable and turn customer service into your competitive edge. Discounting also eats into holiday profits. Make sure all customers are greeted and waited on when they enter your shop. Customer service has become so poor that people are actually surprised when they find good service.

#2 Spending Too Little on Advertising: You can't gain market share if you disappear from consumer's radar. Trying to cut cost by cutting back on advertising will only hurt your overall sales. Invest some time and resources in researching the kind and frequency of marketing that will build results for your business— it will definitely pay off during the holidays.

#3 Marketing To Just Your Best Customers: You want to treat your VIP's well this holiday season, but don't forget to take your message to other customer segments. Tailor different promotions to different customer groups. Consider the different buying patterns of your regular customers, browsers and on-line shoppers and change the way you reach out to them.

#4 Overlooking Feedback: It's important to monitor customer e-mail and queries. You can find out in real time what customers are buying by noticing what's left in abandoned shopping carts, misplaced on shelves or just not moving very well. If possible, print out a daily sales report that shows what is selling— and what's not— and then adjust your purchases, your display techniques and your marketing. Putting a dress on a mule doesn't make it a thoroughbred, so don't waste time trying to sell merchandise that just won't move.

#5 Forgetting Last-Minute Shoppers: Shoppers are buying gifts and services later and later in the season. More and more purchases are made with just-in-time urgency, so you should plan for this in your inventory, labor and marketing. Plan to ratchet up promotions for last-minute specials and products in an effort to attract the wave of late shoppers.

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