

# Add-on sales: using the 'fries factor'

Want to add value to every sale? The secret's in the sell, according to Nigel Dibbo

According to MTW Research, although there has been a slight improvement compared with 2010, 30% of merchants experienced a decline in turnover last year, with a further 16% seeing sales contract to some extent.

Strategies for fighting back range from increasing revenue via bigger ranges and higher prices, to reducing costs by slashing overheads and operational spend.

There is another revenue generation option however, that many merchants may be overlooking. I call it the 'Fries Factor'. Look back to the last time you ordered at your favourite fast food outlet or restaurant. I'm willing to bet that your ever-helpful waiter – no matter how new to the job – asked "Would you like fries / a side-order with that?" It's the same when you buy a new TV. You're just about to pay when the assistant helpfully asks if you have the correct cables to connect up your new toy. With your



beloved new purchase raring to go, how can you resist?

The point is that by merely making the effort to ask, these retailers are adding value to a large proportion of the sales they make. That's extra pounds to the bottom line. Every day, all year round.

It's almost impossible to estimate the average value of a typical merchant sale, but judging by the challenges facing the builders, plumbing and decorating merchants my team talks to every day, no-one can afford to miss out on extra revenue.

For merchants, just like any other trade, the secret to success is in determining which

complementary product you can offer at the point of purchase that is a) guaranteed to have almost universal appeal and b) consumable, and therefore needing to be re-purchased on a regular basis. Even better if the margin generated on the add on product is much higher than the 'commodity' priced items that fill the average merchant order. The TV retailer can make as much money on the cables as he can on the TV. If the product can also be offered regularly to account customers as part of their deliveries, so much the better. Thereafter it's simply a case of effective, impulse-buy merchandising, and training your counter staff to proactively suggest the item at the till as an add-on to every main sale.

Dulux Decorating Centre is one of those who have seen a sales uplift using this technique, creating add-on sales by offering industrial strength cleaning wipes with every order. Category and development group manager for the company, Drew Hutchinson, said: "We've been running 'add on'

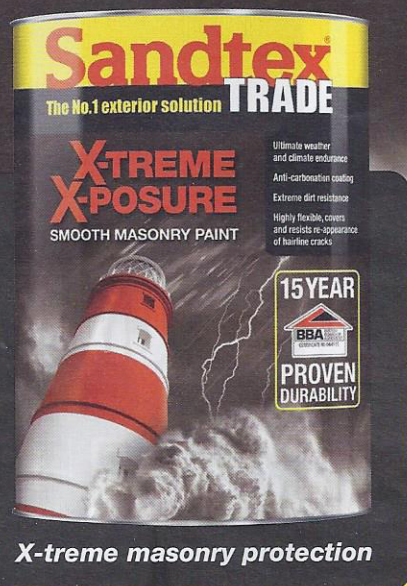
sales drive promotions for some time and they really deliver. Often the best results come from products that have universal appeal and trial drives repeat sales for the future."

In reality, of course, you won't make £10 on every sale. But on balance, the rewards of reminding customers about a product that they really do need, that works and that adds value to your bottom line, has got to be worth the effort.

This kind of product is outside the normal scope of your core building and landscaping supplies, yet is universally useful to every tradesman who will daily get his hands dirty with a combination of grime, paint, PU foam and the like.

A pack of, for example, the industrial wipes, offered systematically to counter, phone and even online customers could potentially add £10 to every sale. Just think of your sales of, silicon, grab adhesives, expanding foam, bitumen and paint, how simple to add in the phrase - 'If you're buying some of that you'll be needing some of these?'

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