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Information about products can be gained from a variety of sources – some sources are genuine and honest, while others are of dubious worth and contain details that are incorrect, biased or insufficient.

As a team leader, you need to know where you can obtain good product information so you can demonstrate effective sales techniques to your staff and build your personal credibility among customers, workers and higher level management.

**Understand sales terms**

You need to become familiar with a range of terms used in relation to the sales process. It is important to understand from the outset that the word ‘product’ includes reference to services as well. This means any statement about products produced or sold by an organisation also covers any services the organisation may offer or supply.

When an organisation and a customer agree to exchange certain products for a certain payment, we call this ‘making a sale’. However, the actual definition of making a sale will depend on the context you work in.

A sale is when:
- on-the-spot cash payment is made – money is exchanged
- a cheque is tendered in payment
- an electronic transaction takes place – such as payment using EFTPOS or a credit card
- a purchase is made online
- an order is placed – this may require payment of a deposit (depending on organisational policy)
- a contract is signed
- a financial transaction occurs, such as a lay-by agreement, charging to an account or invoicing.

**Specified areas**

Team leaders and their staff are not expected to know everything there is to know about all products in all areas. But they are expected to have an excellent level of knowledge about products in a specified area. This is a legitimate expectation from your employer and your customers.

You and your staff need to build product knowledge relating to the products in your department for which you have sales (or other) responsibility. You may need that product knowledge to advise internal customers, external customers or both.
With this in mind, it is important in your role as team leader to understand the aspects of product knowledge, as shown below.

### Key aspects of product knowledge

| Customers rely on you and the sales team to provide them with comprehensive and accurate information and to supply truthful and pertinent answers to their questions. |
| Customers want sales staff to recommend suitable products and to help them make purchasing decisions. |
| Your employer expects you to know what you are talking about when serving customers, because they have shown trust in your expertise by appointing you. |
| A high level of product knowledge helps create rapport with customers, increasing the likelihood of a sale being made. |
| The level of product knowledge of sales and customer service staff is directly related to the level of sales an organisation makes. |
| Your employer expects you to educate other sales team members through formal training, coaching and mentoring. |

### Role and skills of the team leader

Developing product knowledge is an essential and time-consuming task. Team leaders need to be well organised and use their time effectively in order to get the work done.

Here is information about developing product knowledge.

<table>
<thead>
<tr>
<th>Role</th>
<th>Skills</th>
</tr>
</thead>
</table>
| Plan the research and other work that needs to take place | • Time management  
• Organisation of multiple activities  
• Prioritisation of competing needs and demands  
• Allocation of supporting resources |
| Implement tasks necessary to achieve required outcomes | • Personal motivation and drive  
• Focus and self-discipline  
• Delegation  
• Interpersonal skills  
• Record keeping and filing |
Hard-copy product information materials

These materials, which are often also available in electronic/online format, include:

- catalogues – publications that showcase the products available from suppliers and manufacturers and give details of items in the range
- price lists – details on unit prices, additional fees (delivery, pre-order, options charge) and discounts (bulk purchase)
- product packaging – the boxes, wrappers and enclosures such as user manuals and operating instructions that are provided with the items by the manufacturer
- product information sheets and fact sheets – educational and sales tools provided by manufacturers or suppliers when stock is ordered, or developed in-house by an organisation specifically for its staff and customers
- technical specifications – files that may not be supplied to the general public but are kept on hand to answer occasional technical questions and for reference by staff and installers
- shelf talkers – in-store signage supplied by manufacturers that provides basic information to customers
- advertising materials – promotions in newspapers and magazines, on billboards and posters or in stand-alone flyers and brochures.

Electronic product information materials

Electronic and online options may also be available in hard-copy form.

Here are examples of electronic sources.

Manufacturer websites

These often contain generally available information for consumers and password-protected areas for industry personnel giving access to additional product information, pricing details, and delivery and order protocols.

Email newsletters

These are free regular updates with information on new products, selling points, promotions, personnel changes and industry events.
Industry events

Industry events are good sources for networking and seeking further information. Events may be local, interstate or overseas and can take many forms.

Here are some examples of industry events.

<table>
<thead>
<tr>
<th>Industry events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibitions, trade shows and sales conventions – a wide range of suppliers and manufacturers present information on their products</td>
</tr>
<tr>
<td>Seminars conducted by an industry body or a peak group or association – members and interested parties meet to discuss nominated topics</td>
</tr>
<tr>
<td>Information sessions operated by government agencies – commonly conducted to inform organisations about a pertinent legal issue</td>
</tr>
<tr>
<td>Product launches – a manufacturer releasing a new product onto the market holds an event to create interest and inform sellers/retailers about the product</td>
</tr>
<tr>
<td>Product rebranding – a company re-releases an existing product, renaming it and repositioning it in the marketplace</td>
</tr>
<tr>
<td>Product demonstrations – demonstrators or sales representatives tell potential on-sellers all about their product lines and show how to use (and sell) them</td>
</tr>
</tbody>
</table>

Information from competitors

Information from your competitors may be freely available to the general public or it may be specific information you have asked for and obtained when posing as a purchaser.

Examples of this information are:
- verbal advice provided by sales staff in response to queries
- sales literature including brochures, information sheets and general point-of-sale materials
- price lists and catalogues
- draft contracts and letters of offer
- advertisements
- online information such as websites, blog articles and social media channels.
Strategies for determining reliability and validity

Determining the reliability and validity of an information source involves a combination of approaches. You need to undertake a personal assessment of each source prior to using the information provided, which involves making your own judgment based on the factors that are important for your role and the work your sales team is required to deliver.

To help you in this process, you can:

- ask senior staff at your organisation which sources of product information they use and why they use them
- talk to your personal industry contacts and ask them what sources they use and what they think are the relative merits
- search online to see whether the source has been criticised for errors or bias and how that criticism was answered
- test sources to find out whether the nature and quality of the detail are suitable for you and your work in practice
- talk with customers to find out their responses to the information provided to them from different sources.

Example: evaluate information sources

John works as a team leader in a busy suburban store that sells electrical goods. John’s boss, Lorraine, asks him to evaluate two information sources to determine whether they can be used to generate product knowledge for a range of computers, printers and electronic equipment she plans to introduce into stock.

John begins his evaluation with the manufacturer’s website. He notes that the information is comprehensive, the site is easy to navigate, information is current and all products are supported by photographs and relevant technical detail. Users are prompted to nominate their region so that only models available in the Australian market are displayed. John also notes that the site has a password-protected merchant portal.

Next John evaluates the head office of the Australian supplier. He telephones to ask about products, spare parts and guarantees. He receives poor service from the person on the phone, who displays a worrying lack of knowledge about the range and is unable to provide clear answers to simple questions. When John asks about wholesale prices, delivery times and terms of trade, the person says, ‘Oh dear, I’ll see if I can get someone to call you back. What’s your number?’

John arranges a meeting with Lorraine and passes on his findings. He explains that the material available online from the manufacturer is comprehensive and current. If the merchant portal is similarly helpful, this could provide further support in terms of product release schedules, bug notifications, recalls and market data. He then explains that his contact with the Australian supplier was not promising. He wonders whether they would get regular visits from a sales rep or any kind of local support.

John suggests that he contact a former colleague who works in a computer store to find out about her experience with this range and which information sources she uses.
**Key features**

Key features are those that:

- are the primary or most significant facts or characteristics of the product
- are highlighted in the advertising and promotional material for the product
- may be the unique selling point for the product
- may be the reason that the product was developed and brought into the marketplace.

**Unique selling point**

A unique selling point (USP) or proposition refers to a feature that is specific to a particular product, service or retailer. This means no other product or store has this selling point, at least among your competitors.

Stores often seek to develop or sell products with USPs in order to gain a competitive advantage in the marketplace.

A USP could be a fun, convenient or useful feature of a product. It could be a time, location or option for a service. It may be as simple as free gift wrapping or as complex as a proprietary software system. Or it could just be that you are $10 cheaper or ten minutes faster than the opposition.

Team leaders must ensure their sales staff know about any USPs that exist so they can emphasise these to customers during the selling process.

**General descriptors**

A general descriptor is basic information that covers:

- the type of product
- the name of the manufacturer
- the brand name or model number
- the code number – for ordering or reference purposes.

**Product specifications**

These give details of the size, shape, performance and manufacture of the item. The nature of this information varies depending on the type of product.
Shelf life

When a product is perishable (food, pharmaceutical products and some chemicals) or has a finite service life (personal distress beacons, batteries, fire extinguishers), this information needs to be conveyed to the customer.

Shelf-life information is usually printed clearly on the packaging of a product. In some cases this information is governed by legislation.

Here is more about shelf-life information.

<table>
<thead>
<tr>
<th>Types of shelf-life information</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Use-by dates</td>
</tr>
<tr>
<td>• Best-before dates</td>
</tr>
<tr>
<td>• Expected battery life – hours</td>
</tr>
<tr>
<td>• Replacement dates for spare parts – based on service hours or calendar dates</td>
</tr>
</tbody>
</table>

Options

Many products are offered with options so that the basic product can be tailored to suit the buyer’s needs, wants and preferences. Different options are strongly linked to different price points.

Here are details you may need to advise customers about for products and services.

<table>
<thead>
<tr>
<th>Product details</th>
<th>Services details</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The range of models offered</td>
<td></td>
</tr>
<tr>
<td>• Colours</td>
<td></td>
</tr>
<tr>
<td>• Sizes</td>
<td></td>
</tr>
<tr>
<td>• Styles</td>
<td></td>
</tr>
<tr>
<td>• Functions</td>
<td></td>
</tr>
<tr>
<td>• Duration</td>
<td></td>
</tr>
<tr>
<td>• Frequency</td>
<td></td>
</tr>
<tr>
<td>• Locations</td>
<td></td>
</tr>
<tr>
<td>• Packages</td>
<td></td>
</tr>
<tr>
<td>• Inclusions and exclusions</td>
<td></td>
</tr>
</tbody>
</table>

Packaging

Product features may also include aspects of packaging such as:

- how the item is packaged for in-store delivery into the sales environment
- individual product packaging statistical information describing details of the ‘on shelf’ product that is displayed for sale
- visual representations of what the item looks like when displayed for sale.
Strategies to support the team

Team leaders can use their knowledge of product features to support their sales team. Here are five sales steps that can be used to assist a sales team in reaching its goals.

1. Generate lists
   Generate lists that identify the features of nominated products in an easy-to-read, dot-pointed format. Put key features first, then subsidiary ones.

2. Hold training
   Hold training, briefing or brainstorming sessions to explain and explore the product features. Provide handouts and supporting material.

3. Use role-play
   Role play sales situations; demonstrate how to use the features on the list to sell a product, then get team members to take turns in the roles of salesperson and customer.

4. Highlight USPs
   Highlight the unique selling points (USPs) of your products and your organisation, so staff can bring these to the attention of customers.

5. Compare and contrast
   Compare and contrast similar products, including those options or models in your product line, as well as those sold by the competition.

Numerical skills

The term ‘numerical skills’ refers to the application of arithmetic and mathematical techniques to the manipulation of figures.

You and your team may need numerical skills to:

- add, multiply, divide, subtract and perform percentage calculations in order to calculate relative values of products
- show comparative value-for-money options
- perform cost–benefit analyses
- help customers identify the most suitable choice for their needs
- understand and explain the physical dimensions of a product.
Product strengths and weaknesses

The following are generic and indicative examples of product strengths and weaknesses. Always keep in mind the customer’s needs, as they may be willing to accept a perceived weakness (such as no discount for cash payment) because they simply prefer to pay cash and see this as a strength of the service provided.

Similarly, a product that has a number of safety-related warnings may be perceived by some to be too complicated, but for others this is a sign of responsibility and accountability on the part of the manufacturer.

Price, quality and safety

Here is some information about strengths and weaknesses of various product features.

<table>
<thead>
<tr>
<th>Price</th>
<th>The amount of money paid by the customer for the product; an important consideration, but not the single deciding factor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Strengths:</strong></td>
</tr>
<tr>
<td></td>
<td>• Cheaper than another brand or model</td>
</tr>
<tr>
<td></td>
<td>• Cheaper than what the competition is charging for the same thing</td>
</tr>
<tr>
<td></td>
<td>• Quantity (bulk) purchase prices/discounts available</td>
</tr>
<tr>
<td></td>
<td>• Discount for early bird purchases</td>
</tr>
<tr>
<td></td>
<td>• Discount for cash purchases</td>
</tr>
<tr>
<td></td>
<td><strong>Weaknesses:</strong></td>
</tr>
<tr>
<td></td>
<td>• More expensive than other brands or models</td>
</tr>
<tr>
<td></td>
<td>• Competitor stores or online businesses offer same product at lower price</td>
</tr>
<tr>
<td></td>
<td>• Same price for an item whether customer buys one or 20 items</td>
</tr>
<tr>
<td></td>
<td>• No discount for cash payment</td>
</tr>
</tbody>
</table>
### Service provision

The service delivered by the organisation, the staff and the suppliers/manufacturers as part of the overall selling process

**Strengths:**
- Clear exchange, replacement and refund policy
- Formal and publicised complaint-handling policy
- Prompt and informed service
- Organisation also does repairs and maintenance
- Organisation also sells spare parts at reasonable prices
- Wide range of payment options
- Support services such as training, delivery, set-up, installation, removal of old item

**Weaknesses:**
- No formal returns policy
- No formal complaint-handling policy
- Poor service provision by sales and other store staff
- Products have to be sent away for repair or service
- No spare parts available or they are very expensive
- Cash-only payment or lack of standard payment options
- Limited or no after-sales service

### Operation

The practical use of the product

**Strengths:**
- Product is user friendly
- Manual and operating instructions are comprehensive and well written
- Novices find the item simple and easy to learn
- Item integrates with other products/systems

**Weaknesses:**
- Product is difficult or complicated to use
- Manual and operating instructions are insufficient, incorrect or poorly written
- Limited or no connectivity with other products/technology

### Availability

The accessibility of the product

**Strengths:**
- Plenty of product in store or in inventory
- Short lead time for orders to be delivered
- Reliable supply

**Weaknesses:**
- Limited or no stock in inventory
- Lengthy delay between placement of order and delivery of item
- Item is not a regular product line or available only on a seasonal basis
Guarantees
A guarantee is a promise made by a seller to a buyer that if a product does not meet certain standards, the buyer is entitled to some form of compensation.

In Australia, consumer law mandates a minimum guarantee for all purchases of goods and services under $40,000.

Read more about the Australian Consumer Law (ACL) at: www.consumerlaw.gov.au.

Organisations can choose to offer their customers extra guarantees, in addition to these basic rights. For example, a company could make the following guarantee:

*If you don’t agree with us that Smith’s Slippers are the comfiest slippers you’ve ever worn, return them to us within one month for a full refund, no questions asked.*

This guarantee is in addition to the legally mandated requirement that the slippers should be of acceptable quality.

Consumer guarantees
The Australian Consumer Law (ACL) sets minimum guarantees for purchases made by consumers of under $40,000. The consumer guarantees apply to:

- new products
- second-hand products
- sale items
- items bought online from an Australian business.

Here is more information about minimum guarantees under the ACL.

### Goods

Under the ACL, goods under $40,000 are automatically covered by a blanket guarantee

- The item must be of acceptable quality:
  - able to be used for the purpose for which it is sold
  - safe
  - free from defects and faults
  - of acceptable appearance and finish
- Performance is as advertised and as a reasonable person would expect
- The item must comply with promises and descriptions made about it, including any verbal promises made by sales staff
- The item supplied must match the models or samples used, shown or displayed during the sales process
- Customers must get free and unencumbered title to goods when they pay for them
- Spare parts or repair facilities must be available for a reasonable time after purchase
For further information, visit the Australian Competition and Consumer Commission website at: www.accc.gov.au and select ‘Business’ and then ‘Treating customers fairly > Offering warranties’.

**Details of a warranty**

A warranty commonly names the business (the warrantor) and indicates that evidence of purchase is required for warranty claims.

In addition, a warranty usually:
- describes the extent of coverage; for example, ‘that the product will be free from defects for the warranty period’
- stipulates the warranty period that applies to the item
- specifies exclusion clauses the manufacturer will seek to rely on, if the product has been misused, abused, used contrary to instructions, incorrectly installed, modified or altered by the user, repaired by anyone else other than authorised personnel, or used with products specifically named
- details parts or items covered; for example, ‘including accessories’
- excludes loss of data, if the item is capable of storing data
- provides a ‘statement of remedy’ explaining the warrantor’s intentions regarding repair, replacement and/or refund, and affirming that the product is covered by (and nothing in the warranty detracts from) the provisions of the Australian Consumer Law
- advises customers how to avail themselves of the warranty service, such as listing where to send the product for repairs.

**Service support**

Service support (or sales support) is a generic term referring to both the mandatory requirements imposed by law to protect consumers and also the optional services an organisation may choose to provide to its customers.

It is important for team leaders to understand the kinds of support that are available to customers in order to communicate this to their team. This could be done by including services in sales-related role-plays and training so the sales team can practise their application.

Team members can highlight and use service support as appropriate during the sales process; ensure service support is explained to potential customers as and when necessary during the sales process; and use the service support to address customers’ identified barriers and convert potential sales into results.

You can familiarise yourself with the types of service support available by:
- reading internal store policies and operating procedures
- talking to management, peers and experienced staff
- participating in formal internal organisational training
- reading advertisements and promotions run by the organisation.
Effective selling requires salespeople to present items to customers that meet their identified individual needs. This means it is crucial to be able to determine what those needs are.

Successful sales team leaders must be able to:
- show their teams how to identify customer requirements
- demonstrate how to identify the features of products and services that have potential buyer appeal
- encourage their team to convert those features into benefits in order to optimise the likelihood of a positive sales outcome.

**Buyer appeal**

‘Buyer appeal’ refers to the features or qualities of a product that make it attractive to potential customers. In practice, these features are called benefits.

Sometimes there may be one strong, single factor influencing customer buying behaviour, such as price, and sometimes there is a mix of factors such as price, colour options and availability.

These motivating factors are as individual as the customer. All salespeople need to be able to determine what the customer sees as important and why. This must always be the focus of sales pitches, because the aim of a good salesperson is to find the product that best matches the customer’s requirements – even if the customer isn’t quite sure yet what they need.

**Identify customer preferences**

Before you can promote one particular product feature over another, you need to understand and confirm a customer’s preferences and needs. You should use a range of communication skills to do this, including active listening.

Here is more information about active listening.
When describing products, make sure the language is clear and easy to understand, as there may be technical language or jargon used by manufacturers or suppliers. Where you need to be specific, include a definition or explanation.

Here is a selection of features and how these tangible qualities have corresponding benefits.

<table>
<thead>
<tr>
<th>Feature (fact or characteristic)</th>
<th>Benefit (for customers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is a discontinued model</td>
<td>Is being cleared at cheaper price</td>
</tr>
<tr>
<td>Is made in Australia</td>
<td>Can be serviced locally</td>
</tr>
<tr>
<td>Is the latest release or version</td>
<td>Provides most up-to-date features</td>
</tr>
<tr>
<td>Weighs one kilogram</td>
<td>Is light; easy to carry/move</td>
</tr>
<tr>
<td>Produces XYZ standard products</td>
<td>Saves money</td>
</tr>
<tr>
<td>Operates on AC or DC power</td>
<td>Offers flexibility</td>
</tr>
<tr>
<td>Is collapsible</td>
<td>Stores easily</td>
</tr>
<tr>
<td>Is made from recycled materials</td>
<td>Is environmentally responsible</td>
</tr>
<tr>
<td>Comes with three-year warranty</td>
<td>Gives peace of mind; provides security</td>
</tr>
<tr>
<td>Is produced to strict, stated specifications</td>
<td>Gives confidence in quality</td>
</tr>
<tr>
<td>Is pre-cut</td>
<td>Saves time and effort</td>
</tr>
<tr>
<td>Is made from cotton</td>
<td>Is lightweight and breathes</td>
</tr>
<tr>
<td>Produces one copy every 2 seconds</td>
<td>Saves time</td>
</tr>
</tbody>
</table>

**Discuss benefits**

Identifying product features, converting them into benefits that will be valued by a customer and communicating them to that customer are all essential parts of the social and interpersonal exchange that is at the heart of all retail transactions. Being familiar with product benefits optimises sales outcomes for the customer and for the organisation.

Sales team leaders must explain and demonstrate to sales staff the importance of the following aspects:

- Features are important to the process but only as the basis for the conversation, and not as the focus or the end in itself. From the customer’s perspective, it is the benefits that provide them with what is most important to them.
- ‘Features tell but benefits sell.’ Because customers can readily see the features of a product, they do not need much time spent on these issues. What they may not realise is the benefits the product can bring to them; this aspect demands extra time and more attention during the sales process.
- Sales professionals should strive to sell the benefits, not the features. The sales process is a personal thing and the focus must always be on the customer and what is best for them, so describing the benefits illustrates how their needs can best be met. Be careful of not overselling and be sure the benefit really does help the customer.
Example: convert features into benefits

Aaron works as a spare parts interpreter for a major country truck and trailer dealership. He has just taken delivery of a new range of shock absorbers suitable for trucks, buses and trailers. He decides to follow standard practice and develop a list of benefits for the products, drawing on the listed features of the shock absorbers as identified by the manufacturer, so others in the spare parts department can pass on this knowledge to help their customers. He makes sure that any technical terms are explained to customers who may be unfamiliar with them.

<table>
<thead>
<tr>
<th>Product name: Mighty Mackay Monster Movement Modifiers (5M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of information:</td>
</tr>
<tr>
<td>Company website: <a href="http://www.mmmmm/spares.50.45.41.htm">www.mmmmm/spares.50.45.41.htm</a></td>
</tr>
<tr>
<td>Service manual</td>
</tr>
<tr>
<td>Advertising/POS material</td>
</tr>
<tr>
<td>Product packaging</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Features</strong></td>
</tr>
<tr>
<td>40, 45 and 55 mm internal bores</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Greater body size</td>
</tr>
<tr>
<td>Casvolpax® fluid</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Single cast unit</td>
</tr>
<tr>
<td>12-month/200,000 km limited warranty</td>
</tr>
<tr>
<td>Australian design</td>
</tr>
<tr>
<td>Optional nitrogen gas cell</td>
</tr>
<tr>
<td>Trade and switch</td>
</tr>
<tr>
<td>Nationwide service and support at 678 depots</td>
</tr>
</tbody>
</table>
Other organisational polices

There are many other organisational policies that could become selling points. Make sure your staff are aware of all the services your organisation offers and the benefits these could bring for customers.

Here is more about organisational policies and procedures that can become selling points.

Organisational policies and procedures

<table>
<thead>
<tr>
<th>Pricing</th>
<th>Will the store sell the item to a customer at the marked price even if the item has the wrong price ticket on it? Does organisational policy allow a salesperson to alter the selling price? Often, policies that allow a small discount may provide a real benefit to the customer.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giveaways</td>
<td>Does your store run promotions in which the purchaser receives a gift if they spend a certain amount or buy a certain product? Make sure you are aware of such promotions.</td>
</tr>
<tr>
<td>Lay-by</td>
<td>What conditions are in place for lay-bys? Lay-bys are a great benefit to customers as they can secure an item when it is available, but they must be informed of and understand the conditions before signing up.</td>
</tr>
<tr>
<td>Availability</td>
<td>Knowing that there is stock available (even if the salesperson has to phone another branch) is a benefit to a customer as they won’t have to wait for the product.</td>
</tr>
<tr>
<td>Delivery, installation and set-up</td>
<td>Free delivery within a certain area is generally seen as a benefit for a customer. Is there a policy for after-hours delivery? Having items installed and set up is important for customers who are busy or unable to do this themselves.</td>
</tr>
<tr>
<td>Customisation</td>
<td>Is there a policy that goods can be customised to suit customer preferences? Is there a cost associated with this service? Customisation enables the product to be tailor-made to suit the needs of the individual and may save the customer time and trouble.</td>
</tr>
<tr>
<td>Miscellaneous services</td>
<td>Alterations (free or for a small fee) save customers time and they purchase a product that suits them and meets their needs. Gift-wrapping enhances the appearance of the item and saves the customer time and money. Do you have a parcel hold counter, customer toilets, baby-change facilities, personal shopping service or any other service or facility that could help your customer?</td>
</tr>
</tbody>
</table>
Topic 3
Evaluate competitors’ products

Very few organisations have the luxury of operating without competition. For most businesses, the trading environment is dynamic and competitive – new stores emerge and new products are released, all vying for limited customer dollars. To be successful, you need to know who your competitors are, what their products are, where they are located and what they are doing to attract customer attention and make sales.

Implicit in this is the need to analyse opposition stores so effective action can be taken to respond to their product and service initiatives, prices, offers and other sales and promotional activities.

In this topic you will learn how to:

3A Use a range of information sources to research competitors’ products
3B Compare competitors’ products with own products
3C Establish how your organisation’s products rate against your competitors’ and communicate differences to the buyer
The 5 Ps

Here is an outline of the 5 Ps as used in competitor analysis. Remember that 'products' is used as a general term describing anything sold or offered by an organisation, whether it be goods or services.

### Products

- Types and range of products
- Brands, makes and models
- Options available
- Customisation services
- Product features and benefits
- Support services (pre-sale and after-sale)
- Packaging and labelling
- Branding and brand recognition (image and status)
- Match to target market

### Price

- Standard prices charged, pricing structure
- Loyalty schemes
- Discounts – type, amount, eligibility criteria
- Specials, deals, packages, sales
- Price points
- Set-up and running costs, consumables

### Promotion

- How they advertise – TV, radio, newspapers, magazines, billboards, social media, online
- Where they advertise – specific publications or media outlets used; location of billboards
- When they advertise – days of the week; times of the day; seasons
- Who they advertise to – target markets, demographics
- Promotional campaigns being used – including those aimed at sales staff and/or agencies (for example, bonus schemes; sales competitions)
Communication practices

When communicating the relative standing of your organisation’s products against competitor products, consider the following points:

- Be honest – all information provided must be truthful and never misleading or deceptive
- Never argue with customers – they have a right to their opinion
- Do not put pressure on them to buy – you may get a sale, but the customer will leave feeling unhappy
- Target the presentation – to the identified needs, wants and preferences of the individual
- Highlight the differences – to draw distinctions between products
- Avoid disparaging the competition’s products or service – customers view this as unprofessional
- Highlight weaknesses or deficiencies in competitors’ products – in a polite, factual manner
- Emphasise points of likeness, where appropriate – to provide reassurance about similarity between items

Example: establish relative standing of your organisation’s products

Jasmine is working with a member of her sales team, Robert, to help in the sale of a new queen-size bed to a demanding and well-informed shopper.

Jasmine: Robert tells me you are interested in the new Lorelei Queen.

Customer: Yes, I want one for my daughter. She’s getting married and I said I’d buy her a bed, but I’m not sure I can justify the price you’re asking ... the store up the road has a similar one at $800 less.

Jasmine: Certainly $2350 is a lot, but this bed is made from Australian huon pine, top of the range, recommended by the Australian Bed and Blanket Association and guaranteed for 10 years. The mattress features the latest 250 independent mono-spring, 20-zone, self-acting air-ride system – yes, I know that’s technical talk, but it means the surface adapts to the individual body size and weight and can be pre-programmed for density and temperature: useful in our changeable weather.

Customer: Yes, but the other store has the same brand of mattress.

Jasmine: True, but that’s the previous generation support system, which only has 17 inter-locked springs per row, no temperature control and the standard mattress top without the air-ride system. I think your daughter and her new husband would appreciate the extra comfort and better night’s rest they’d get from the mono-spring system. And we offer free delivery of the new bed and mattress and free pick-up of any old bed and mattress. That costs around $150 at most other stores.

Customer: That’s good about the delivery, but I’m not sure if they’d ever use the adjustable base.

Jasmine: That’s a consideration a lot of people mention and I understand how you feel. Lots of other customers who consider a new bed have felt the same way, but the different positions the base can be configured into helps relieve pressure on body parts and joints, and our Lorelei Queen purchasers say they’ve found this to be a really useful function for them. Let me demonstrate it for you and then you can have a go and see what you think.