

letters from our readers



WRITE TO US! E-MAIL: RETAILNEWS@CGTA.ORG FAX: (905) 690-7934
MAIL: 103 NISKA DRIVE, WATERDOWN ON LOR 2H3

ask a pro Daily Sales Targets

Should I be setting daily sales goals?

Yes. Every retailer should set daily sales goals. It's actually quite easy to do and will help you reach your annual sales target. (If you don't have that mapped out yet either, you should!)

To determine daily sales goals, divide your sales forecast for the year, which ideally should be around 15% to 20% more than last year's sales, by the number of days you'll be open.

You should also count the number of customers that come through your door each day to determine your average sale (average number of customers divided by average daily sales), which is an important sales management tool. For instance, if your average sale is currently \$20, but you're forecasting a 15% overall sales increase for the year, then your average sale should be \$23. How can you reach that? I'd recommend buying a great \$3 add-on product and placing it close to the cash. Tell staff to introduce the selected product to each customer cashing out.

Keeping track of the weather, your competitor's sales activities, your promotional activities and how all of these impact daily sales will also help. For instance, you'll be able to effectively determine how much impact – positive or negative – the circumstances have had on sales. From there you can plot how you'll make up that lost revenue or if you need to revise your forecast.

Obviously the easiest way to track this information is with a POS (point of sale) system. If you don't have one, please investigate buying one. If you don't know where to start, write to me and I'll direct you.

In the meantime, use a calendar to keep track of sales targets and daily customer numbers. Make sure staff know

what you're doing and why. They're the key to reaching these daily and yearly goals.

Barbara Crowhurst is a retail specialist, business coach and trainer with an extensive background in retail business management, store design and merchandising. She's currently working with and coaching retailers throughout Canada, the United States and Mexico. Telephone: (905) 686-8898. E-mail: retailmakeover@sympatico.ca.



ask a pro Gift Cards

Will gift cards increase my sales?

According to Statistics Canada, retailers reported an average 1.4% increase in sales last January and one of the key drivers of that growth was the impact gift cards purchased in December and redeemed in January had on sales.

Furthermore, a 2004 survey by Leger Marketing indicated that 47% of Canadians tend to spend more than the value of the card, nearly one-third of shoppers (31%) are motivated to shop at certain merchants because they offer gift cards and 39% would rather receive a gift card than a traditional gift.

Moreover, 40% of shoppers using a gift card buy items at full price, more than double the number of shoppers (16%) who pay the asking price using other payment methods. (J.C. Williams Group).

Other benefits of gift cards, which you may not have considered include:

Refunds: A difficult-to-manage transaction for most retailers, refunds can be issued in the form of a gift card which generates return trips, ensures the

customer spends the refund at your store and eliminates the need for cash reimbursements that could be spent elsewhere.

Customer incentives: Increase customer loyalty and return visits by providing gift cards as a bonus for making certain types of purchases. For example, 'spend more than \$150 today and receive a \$25 gift card for next month.'

Leverage data: Gift cards can also be used to capture customer information. Using this information, you can determine your customer's purchasing patterns and personalize your offerings to them.

Taking into consideration all the benefits offered to businesses and consumers, it's clear that gift cards are here to stay, and the variety of applications, convenience and ease of implementation are convincing more and more companies to embrace them as a logical way to grow their businesses. ■

Malcolm Fowler is the vice-president and general manager at Ernex, a division of Moneris Solutions Corporation. Headquartered in Vancouver, B.C., the company specializes in providing technology products and services which help businesses better interact with their customers. www.ernex.com.



Need some inspiration?

Log onto www.cgta.org and browse articles from our back issues. The site currently boasts a range of articles from the last nine issues, along with current trend predictions.