

Smart consumer shopping in 2009

There's good news and bad news for retailers and shoppers, according to the U.S. Department of Commerce.

The bad news is that retail sales are down since the same time last year by about 13 percent, but the good news is that the numbers are up since January of this year by about .2 percent.

The total amount in retail sales is \$994.9 billion, which means consumers are still buying, just not as much as last year. And the recent uptick, according to Steve Howard, author of Boomer Selling from Action Press (www.boomerselling.com) means that consumers are starting to open their wallets again.

"They're just being choosier, now," he said. "When the economy was good, they would be quick to buy, and they'd ignore poor sales tactics or even whether they could afford the purchase. They'd just put it on the plastic! Today, they are more discriminating, and they are trying to avoid the mistakes of the past. But they are spending, nearly a trillion dollars, in the retail marketplace."

Howard's belief is that consumers are paying more attention to basic principles of buying and selling, and they are getting wiser to what he calls "the greedy salesman."

"In order for a consumer to be comfortable to buy during this recession, three conditions must first exist," he said.

Consumers must:

- Want what the salesman is selling;
• The perceived value of the product must exceed its price;
• The consumer must be able to actually afford it.

However, the "greedy salesman" ignores those conditions, and tries to obscure the truth," Howard said.

He pointed out these traits of the greedy salesman:

- They try to "guess" how much money consumers have to spend

- They ask canned questions, work from scripts, attempting the one-sales-pitch-fits-all approach

- They offer limited choices, or packages, invariably meaning that no matter what the consumer does, he is likely going to wind up paying for a feature or an option that he may not want.

- They also try to sell the consumer something they just don't want, or couldn't afford, or both.

Good salespeople, Howard said, will abide by the three conditions, and work to create confidence in the consumer.

"A better approach, which should be easily recognized by consumers, is that they will work to create confidence on the part of the consumer that the product or service on the table meets those three conditions.

They'll work to determine the consumer's desires or needs, and then they will reduce the risk to the consumer by customizing the product or service to address both what they want and how much they can afford."

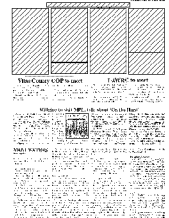
Howard believes that consumers are still spending, and they are actively looking to do more, but they are not going to fall into the traps they fell into over the last couple of years that put them into debt.

"Adjustable rate mortgages, large vehicles they couldn't afford, electronics they didn't need - all of those old buying habits are going away," Howard said. "Consumers are getting smarter, and hopefully that trend will make the greedy salesman a thing of the past, as well."

Steve Howard

Steve Howard, president of the ACT Group, a training and consulting firm in Phoenix, Ariz., is one of the best known thought leaders in the sales training industry.

His books, articles, audio tapes, seminars and in-field consulting have solidified that reputation. His background includes positions as a technician, man-



ager, marketing representative for the Carrier Corporation, sales engineer, vice president of an engineering firm specializing in energy issues and a technical and business consultant.

Steve has written numerous books on service agreements, sales and marketing and more than 100 magazine articles and special reports.