



About the Author

Carl Davidson is president of Sales & Management Solutions, which provides sales and management training designed exclusively for the water equipment industry. For more than 13 years, he has helped more than 1,400 companies in seven countries. For a free demonstration tape and catalog, contact the company at 800-941-0068; www.salesco.net.

Packaging and Major Ingredients of the Sale

Positioning
Options
Strategies
Interactions
Tactics
Innovations
Networks
Interactions
Growth

There are two pillars to success in our industry that some salespeople overlook. They make a big difference to sales and profits and deserve some study. They are what separates the big earners from the not-so-big earners.

In our industry, customers often need several pieces of equipment. Maybe they need a softener, an iron filter, RO system and a whole-house carbon filter. If you offer each of these as a separate buying decision, most customers will balk. They may buy one or two and then, "we'll see about the rest later." This is a natural reaction on their part to spending money and making many decisions—they need time to think and to decide if their initial decision was a good one. The result? A \$1,500 softener sale for you and the company. The result for the customer? Less than ideal water. Everyone loses. All this suffering was caused by semantics. Let's look at how the offer could be worded to make a package sale happen.

Many years ago when I began selling, I found I sold most people just an RO system or just a softener. I would occasionally get a "double" but less than 30 percent of the time. One day, I decided to add both together on my price list. All I did was add my \$1,500 softener to my \$1,000 and made my list price \$2,500 or about \$70 per month. Amazingly, I found that when people were not faced with making two decisions, almost all of them bought both. Think of what this means. If you currently sell 10 softeners a month at \$1,500 each and about 20 percent of the people also buy a \$1,000 RO system, your sales equal \$17,000. If you use the packaging principal and it makes 70 percent of the people buy ROs, it will increase your sales by \$5,000 per month. That's a 30 percent increase in sales and commissions just for adding the two items together.

The foundation for success with this technique is to make sure you do a good job at the beginning of the demo asking the customers questions about how much

they waste on hard water and bottled water. You need to have them tell you they waste more than the combined payment of your total package. This can be done with the right techniques and makes package selling very easy to accomplish.

Once you are proficient at packaging an RO and softener, why not move on and up? You might consider packages that include whole-house carbon filters, iron filters and anything else your customers might need for better water. One of our clients packages these items in levels. He has the bronze package of an RO system and softener; the silver with RO, softener, iron filter; and the gold package, which is the silver plus a whole-house carbon filter.

These packaging techniques can double or triple sales without the cost of more advertising or the trouble of doing more demos.

The second technique is positioning. Positioning simply is a way to justify a better price by positioning your product above others in the market place. You see many companies using this technique. For example, have you ever wondered

why designers write their name on clothing they sell? The answer is to justify a better price. Consumers will pay more for clothes with Calvin Klein on them than for plain clothing. Salesmen who sell Mercedes do not live in fear that customers are going to say, "Hey, I can get a Geo Prism for a lot less down the street."

So what's this got to do with you? Plenty. You, too, can position your product exclusively to justify a better price. Instead of saying, "They all have the same resin and valves," learn to describe your product as the very best available—a premium brand of product and service. Have plenty of reasons handy that you can use to answer customer objections or questions about your price. Find out what exclusive features, benefits and certifications your product has. Learn how to use examples from their daily life to point out how much better their life will be with your product. Think of your product as the Cadillac of water treatment and start to build reasons why "everyone knows" it is a premium brand.

For more information on this subject, write in 1011 on the reader service card.