Promote Products and Services to Customers

D2.TCC.CL1.08

Trainee Manual

Australian AID
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William Angliss Institute
Specialist centre for foods, tourism & hospitality

Promote Products and Services to Customers

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Trainee Manual

Project Base

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The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.

The ASEAN Secretariat is based in Jakarta, Indonesia.

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Introduction to trainee manual

To the Trainee

Congratulations on joining this course. This Trainee Manual is one part of a 'toolbox' which is a resource provided to trainees, trainers and assessors to help you become competent in various areas of your work.

The 'toolbox' consists of three elements:

- A Trainee Manual for you to read and study at home or in class
- A Trainer Guide with Power Point slides to help your Trainer explain the content of the training material and provide class activities to help with practice
- An Assessment Manual which provides your Assessor with oral and written questions and other assessment tasks to establish whether or not you have achieved competency.

The first thing you may notice is that this training program and the information you find in the Trainee Manual seems different to the textbooks you have used previously. This is because the method of instruction and examination is different. The method used is called Competency based training (CBT) and Competency based assessment (CBA). CBT and CBA is the training and assessment system chosen by ASEAN (Association of South-East Asian Nations) to train people to work in the tourism and hospitality industry throughout all the ASEAN member states.

What is the CBT and CBA system and why has it been adopted by ASEAN?

CBT is a way of training that concentrates on what a worker can do or is required to do at work. The aim is of the training is to enable trainees to perform tasks and duties at a standard expected by employers. CBT seeks to develop the skills, knowledge and attitudes (or recognise the ones the trainee already possesses) to achieve the required competency standard. ASEAN has adopted the CBT/CBA training system as it is able to produce the type of worker that industry is looking for and this therefore increases trainees chances of obtaining employment.

CBA involves collecting evidence and making a judgement of the extent to which a worker can perform his/her duties at the required competency standard. Where a trainee can already demonstrate a degree of competency, either due to prior training or work experience, a process of 'Recognition of Prior Learning' (RPL) is available to trainees to recognise this. Please speak to your trainer about RPL if you think this applies to you.

What is a competency standard?

Competency standards are descriptions of the skills and knowledge required to perform a task or activity at the level of a required standard.

242 competency standards for the tourism and hospitality industries throughout the ASEAN region have been developed to cover all the knowledge, skills and attitudes required to work in the following occupational areas:

- Housekeeping
- Food Production
- Food and Beverage Service

- Front Office
- Travel Agencies
- Tour Operations.

All of these competency standards are available for you to look at. In fact you will find a summary of each one at the beginning of each Trainee Manual under the heading 'Unit Descriptor'. The unit descriptor describes the content of the unit you will be studying in the Trainee Manual and provides a table of contents which are divided up into 'Elements' and 'Performance Criteria". An element is a description of one aspect of what has to be achieved in the workplace. The 'Performance Criteria' below each element details the level of performance that needs to be demonstrated to be declared competent.

There are other components of the competency standard:

- *Unit Title:* statement about what is to be done in the workplace
- *Unit Number:* unique number identifying the particular competency
- *Nominal hours:* number of classroom or practical hours usually needed to complete the competency. We call them 'nominal' hours because they can vary e.g. sometimes it will take an individual less time to complete a unit of competency because he/she has prior knowledge or work experience in that area.

The final heading you will see before you start reading the Trainee Manual is the 'Assessment Matrix'. Competency based assessment requires trainees to be assessed in at least 2 – 3 different ways, one of which must be practical. This section outlines three ways assessment can be carried out and includes work projects, written questions and oral questions. The matrix is designed to show you which performance criteria will be assessed and how they will be assessed. Your trainer and/or assessor may also use other assessment methods including 'Observation Checklist' and 'Third Party Statement'. An observation checklist is a way of recording how you perform at work and a third party statement is a statement by a supervisor or employer about the degree of competence they believe you have achieved. This can be based on observing your workplace performance, inspecting your work or gaining feedback from fellow workers.

Your trainer and/or assessor may use other methods to assess you such as:

- Journals
- Oral presentations
- Role plays
- Log books
- Group projects
- Practical demonstrations.

Remember your trainer is there to help you succeed and become competent. Please feel free to ask him or her for more explanation of what you have just read and of what is expected from you and best wishes for your future studies and future career in tourism and hospitality.

Unit descriptor

Promote Products and Services to Customers

This unit deals with the skills and knowledge required to Promote Products and Services to Customers in a range of settings within the hotel and travel industries workplace context.

Unit Code:

D2.TCC.CL1.08

Nominal Hours:

25 hours

Element 1: Develop product and service knowledge

Performance Criteria

1.1 Identify opportunities to develop product and service knowledge

1.2 Describe the benefits of staff having high levels of product and service knowledge

1.3 Apply formal and informal research techniques to gain product and service knowledge

1.4 Seek customer feedback to supplement product and service knowledge

1.5 Share product and service knowledge with other relevant internal personnel

1.6 Initiate action to identify changes in customer preferences, needs, wants and expectations

1.7 Contribute to changes to products, services and service standards to meet identified customer needs

Element 2: Develop market knowledge

Performance Criteria

2.1 Explain the concept of target markets

2.2 Define the concept of niche markets

2.3 Describe how promotions and offers may vary to suit differing target markets

2.4 Identify sources of information about enterprise-specific target markets

2.5 Describe the demographic characteristics of enterprise target markets

2.6 Explain the benefits of using target markets within an organisation

Element 3: Promote products and services

Performance Criteria

3.1 Describe promotional initiatives that may be used to promote products

3.2 Demonstrate how to develop and produce a static in-house promotion

3.3 Verbally promote products and/or services to customers

3.4 Demonstrate products and/or services to customers

Element 4: Apply selling skills

Performance Criteria

4.1 Approach the customer in a sales environment

4.2 Gather information about customer needs, wants and preferences

4.3 Demonstrate selling skills

4.4 Overcome buying objections

4.5 Maximize sales opportunities within a buying situation

4.6 Close the sale

Assessment matrix

Showing mapping of Performance Criteria against Work Projects, Written Questions and Oral Questions

		Work Projects	Written Questions	Oral Questions
Element 1: Develop product and service knowledge				
1.1	Identify opportunities to develop product and service knowledge	1.1	1, 2	1
1.2	Describe the benefits of staff having high levels of product and service knowledge	1.1	3	2
1.3	Apply formal and informal research techniques to gain product and service knowledge	1.1	4	3
1.4	Seek customer feedback to supplement product and service knowledge	1.1	5	4
1.5	Share product and service knowledge with other relevant internal personnel	1.1	6	5
1.6	Initiate action to identify changes in customer preferences, needs, wants and expectations	1.1	7, 8	6
1.7	Contribute to changes to products, services and service standards to meet identified customer needs	1.2	9	7
Element 2: Develop market knowledge				
2.1	Explain the concept of target markets	2.1	10	8
2.2	Define the concept of niche markets	2.1	11	9
2.3	Describe how promotions and offers may vary to suit differing target markets	2.1	12, 13	10
2.4	Identify sources of information about enterprise-specific target markets	2.1	14	11
2.5	Describe the demographic characteristics of enterprise target markets	2.1	15, 16	12
2.6	Explain the benefits of using target markets within an organisation	2.1	17	13

		Work Projects	Written Questions	Oral Questions
Element 3: Promote products and services				
3.1	Describe promotional initiatives that may be used to promote products	3.1	18, 19	14
3.2	Demonstrate how to develop and produce a static in-house promotion	3.2	20, 21, 22	15
3.3	Verbally promote products and/or services to customers	3.2	23, 24	16
3.4	Demonstrate products and/or services to customers	3.2	25	17
Element 4: Apply selling skills				
4.1	Approach the customer in a sales environment	4.1	26, 27	18
4.2	Gather information about customer needs, wants and preferences	4.1	28	19
4.3	Demonstrate selling skills	4.1	29, 30	20
4.4	Overcome buying objections	4.1	31, 32	21
4.5	Maximize sales opportunities within a buying situation	4.1	33	22
4.6	Close the sale	4.1	34, 35, 36	23

Glossary

Term	Explanation
4WD	Four-wheel drive vehicles
4Ps	Price, Product, Place, Promotion. Four key elements in Marketing, also referred to as 'the Marketing Mix'
5Ps	Price, Product, Place, Promotion, People. Five key elements in Marketing – the 4Ps plus 'People'
Accoutrements	Small items ancillary to another, more central item; accessories
B&B	Bed and Breakfast
Bin card	A document established and maintained by the venue to record stock movement and assist in determining stock usage and the financial performance of the business
Brainstorming	A way to generate ideas to address nominated situations where people are encouraged to put forward suggestions without criticism
Built attractions	Man-made attractions as distinct from natural attractions
Bundling	Combining elements (products, services, facilities) into a package deal – the purchase price for the 'bundle' is commonly less than would be the case if all elements were bought individually
Business hub	Facilities at a venue to cater for business people including facilities such as computers, internet connection, photocopier, fax machine and access to translation, interpreter and secretarial services
CCTV	Closed Circuit Television
CRS	Computerised Reservation System – an electronic system used to record bookings and various guest or venue/industry-specific data
Credit limit	The maximum amount a customer can charge up before being asked to settle part or all of the account
Demographic characteristics	Classifications used to identify, describe and differentiate between individuals or groups for marketing purposes including age, gender, income, ethnicity
FIT	Fully Independent Traveller – person who has not booked through another business. They pay their own way and are not eligible to any group or loyalty discounts

Term	Explanation
IT	Information Technology – computers and other electronic equipment or systems
Inclusions	Elements of a packagel – such as food, tickets, entries to attractions or local tours
Invoice	A document from a supplier – it accompanies a delivery and lists all items supplied and their price
KISS	Keep It Simple Stupid – a concept indicating a basic and straight-forward approach is more effective than a complex and highly sophisticated one
KPI	Key Performance Indicator
Lateral thinking	Thinking that applies unique ways of thinking to a traditional problem or situation leading to a new way of looking at an old issue
MICE	Meetings, Incentives, Conventions, Exhibitions
Open questions	Questions unable to be answered with a 'Yes', 'No' or a short answer. They start with 'Who', 'How', 'When', Why' and 'What'
Overbooking	A company policy where the venue accepts more bookings (for accommodation and tables in restaurants) than they can cater for. The overbooking percentage is based on historical data within the venue regarding the number of No Shows the venue has experienced. Overbooking exists to help the venue optimise revenue by reducing the number of rooms or tables unsold
PA	Public address (system)
POP	Point-of-Purchase
PR	Public Relations – goodwill between two or more parties
Product knowledge	Knowledge about the venue where you work including products sold, services provided and the policies, procedures and protocols guiding the operation of the property. It can also embrace knowledge about the local area
Promotional Mix	The blend of different media, methods and techniques used by a venue to advertise and promote what it has to offer to its various markets
Prospect	A customer who might make a purchase but has not actually done so
Purchase order	A document generated by the venue and sent to suppliers to authorise supply or purchase of the items listed

Term	Explanation
SOP	Standard Operating Procedure
Six Thinking Hats	A creative thinking system invented by Edward de Bono
Statements	A document from a supplier totalling all invoices for the period, and requesting payment for the period (commonly one month). It also lists all credits, monies paid and allowances to which the venue is entitled (discounts, refunds, loyalty bonuses)
Target market	A group of people with similar characteristics the venue has decided it wants to attract and sell to
USP	Unique Selling Point/Proposition – a product or service only being offered at one venue and not available anywhere else

Element 1: Develop product and service knowledge

1.1 Identify opportunities to develop product and service knowledge

Introduction

Comprehensive, accurate and up-to-date knowledge is the basis of all effective promotion of products and services.

This Section identifies what product and service knowledge may relate to and describes ways in which staff may gain this critical knowledge.

The context of this Unit

The focus of this Unit is on staff in a property required to promote and sell products and services to potential customers.

Sales staff include:

- Bar attendants
- Food and beverage waiters
- Retail assistants in venue shops
- Any venue staff with responsibility for:
  - Selling tickets
  - Promoting upcoming events
  - Encouraging patrons to purchase any product or service the venue offers:
    - Reception staff
    - Concierge
    - Supervisors
    - Hostesses
    - Porters and bell boys
    - Doormen
    - Telephone operators
    - Sales and Marketing personnel
    - Function/MICE staff.

Product knowledge

Product knowledge is a generic term referring to knowledge about:

- Products sold
- Services provided
- The venue
- Policies of the property

Procedures used within the business

- Protocols guiding the operation of the venue
- Local attractions, services, facilities and events, festivals and infrastructure.

Examples of product knowledge

There is no limit about what product knowledge covers and it can address knowledge about:

- The brands, sizes and differing qualities and types of physical products the venue sells
- Items on the food and drink menus –look, taste, cost and ingredients
- The credit cards accepted by the business and the payment options available to customers to pay for items and services they purchase
- Staff and management at the venue including various roles and responsibilities of individual employees
- Operational matters such as deposits for bookings, charges for use of facilities, busy and quiet times, opening and closing times, safety and security issues, quality control and service provision standards
- Layout of the property and the location of products, rooms, facilities and personnel.
- Local information about a wide range of topics including:
  - Tours – where there is a need to know information including:
    - Where they go and what they involve
    - How to book them
    - Cost
    - Duration
  - Transport options, where you need to know:
    - Public transport options – for example, rail and bus
    - Private options – hire cars, charters, local tourist options (tuk tuks, camels, 4WDs, boats, taxis)
    - Location of stations, depots and businesses

  - Cost
  - How to book or obtain tickets
- Conferences, conventions, functions and entertainment, addressing:
  - Names and locations of businesses commonly hosting these events
  - Facilities available at the businesses
  - Contact details
  - What events are currently being conducted
- Shopping and restaurant facilities, where you should know:
  - Names, location and contact details for specialty and generic shops with a focus on businesses for which the area has a reputation
  - Names, location and contact details for a wide range of eating and drinking options across a variety of price points, styles and quality levels
- Retail shops operating within properties – such as:
  - Bottle shops
  - Gift shops
  - Foyer shops
  - Souvenir shops
  - Booking agencies
  - Business support agencies – secretarial support, IT support, translation and interpreter services.

Individual focus for product and service knowledge

As a worker in the industry, your product and service knowledge must start with and focus on the area where you work.

When you have developed sound knowledge in this area, you should start expanding your knowledge into related area and then into supplementary areas.

Food waiters

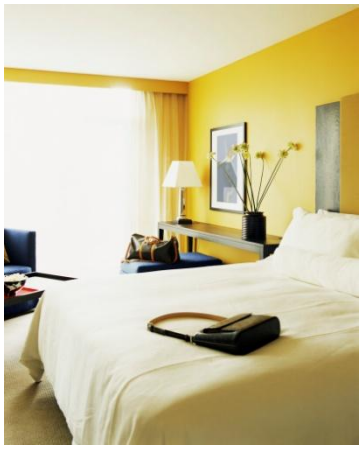
Food waiting staff should start building knowledge about the menu. This information should include menu items, prices of items, which menu items can be offered as a main course and as an entrée, which foods are genuinely fresh and which are frozen, days and times the dining area is open, different cooking and service styles of different dishes or how lunch service differs to evening.

When they have a comprehensive knowledge of these topics they should them move on to developing a good understanding about the bar and the drinks available, their costs and the ingredients in mixed drinks, the wine list and understanding which wines complement which menu items.

They should look at general venue information – trading hours, policies and procedures, history and facts of the venue (size, number of rooms and staff, name of owners).

Finally they should develop knowledge about the local town, city, region and country.

Front office staff



Reception staff should make sure their initial knowledge covers issues such as the layout of the property and the different room options, facilities available in rooms and throughout the venue, room rates, discounts available to nominated guest types, payment methods, elements of accommodation packages, booking requirements and the policies relating to deposits, cancellations and refunds.

With this information staff may then develop a better understanding of the food and drinks available, opening hours for the swimming pool, gymnasium, sauna and spa, and the variety of extra products andf services available to guests in their room through the Housekeeping department and Room Service.

They may then move on to learning local knowledge.

Opportunities to develop product knowledge

Opportunities to capture and maintain product and service knowledge include:

Personal experience

Personal experience is one of the best sources of product knowledge.

Being able to talk to customers using first-hand experience is highly effective, builds credibility and demonstrates professionalism.

Personal experience can be gained by:

- Tasting food served by your venue –asking questions of kitchen staff about the flavours, cooking styles, cooking time, ingredients and recipes
- Tasting beverages – and talking to staff about recipes for cocktails, brand names of spirits and wines, alcoholic strengths and serve sizes
- Experiencing accommodation rooms – to gain an insight into the facilities in the room, views, levels of luxury and quality
- Walking around the venue – to become familiar with the layout of the venue, facilities available and to meet other staff
- Viewing venue activities – such as:
  - Observing Reception at busy times (peak check-in and check-out times) – to identify what occurs and gain an understanding of what other staff do and the potential issues
  - Watching functions – to see how they are conducted, the way function rooms and ancillary areas are set up, the roles undertaken by staff at various events
  - Spending time with staff from different areas – to gain an insight into what they do, how they do it and the problems they have to deal with

- Be a customer in your workplace – if possible spend time as a customer in your venue to experience what the service, food, drinks and accommodation are like and gain a greater understanding of how different venue systems operate.

Reading

You can gain significant product knowledge by reading informational brochures and other materials provided by suppliers and manufacturers.

This may embrace:

- Reading labels – of products
- Reading tasting notes – for food and beverages
- Reading product guides – to identify the range of products offered by suppliers
- Reading price lists – to gain an appreciation of cost and selling prices, discounts, fees and charges and delivery issues
- Visiting the website for suppliers and manufacturers – to read online information.

Reading internal documents

It is also essential to read all venue-based information such as:

- Workplace SOPs
- Venue checklists
- Staff handbooks
- House policies.

You should also make an effort to read all advertising the venue undertakes as this gives you an idea of the expectations the business is creating in the minds of its customers.

Attending product launches

When a supplier or manufacturer introduces a new product into the marketplace they usually hold ‘product launches’ to promote their new product to potential purchasers.

The product launch is intended to:

- Raise awareness about the product – amongst consumers
- Give people an opportunity to view, taste or experience the product
- Sell the product.

Invitations to product launches are commonly issued to management at the venue or to those with responsibility for placing orders.

Make sure you advise these people you are interested in attending product launches as and when they occur so you can grow your product knowledge.

Also monitor the general media, especially newspapers and trade magazines for information about product launches – these may provide details about the time and venue for a product launch or indicate a need to register to attend.

Attending trade events

If there is a local hospitality, cooking, accommodation, food and beverage or similar trade event (or convention, exhibition, seminar or display) you should make an effort to attend.

These are excellent ways of identifying current industry issues and products, as well as being an excellent way of networking with others.

Talking to sales representatives

Most suppliers have sales representatives who call on the business on a regular basis.

Sales representatives (known also as 'sales reps' or just as 'reps') visit the business to take orders for stock and for PR purposes. These PR calls are courtesy visits where they do not actively ask for an order but simply call in and 'have a chat'.

This talk can be useful in finding out what is happening at other venues, trends in the industry, new releases and product launches, potential stock outages of products they sell, and impending price rises.

They are an excellent source of information, certainly about their product, but also about the industry in general because they visit so many properties and speak to so many staff.

Sales reps can also help with arranging visits to their factory, warehouse or place of business.

Visiting suppliers, distributors and manufacturers

Where you deal with local suppliers, distributors or manufacturers it is a good idea to contact them and make arrangements to visit their premises.

A telephone call to the manager or a word with the representative who calls on your business should enable this to occur. Perhaps use the Purchasing Officer at your venue as a means of facilitating the visit.

It is worthwhile visiting major businesses your venue does business with to see how they operate, meet key staff and obtain an understanding of their work integrates with your venue.

If you have local growers of food and beverage products you should ensure you visit these people so you can provide this 'local knowledge' to visitors.

Talking to others

Much useful information about your workplace and its products and services can also be gained from talking to:

- Managers and owners
- Senior and experienced staff
- Customers.

1.2 Describe the benefits of staff having high levels of product and service knowledge

Introduction

Product and service knowledge must be used for it to be beneficial.

This Section gives reasons why there is a need to develop product and service knowledge and explains the benefits inherent in having high levels of this knowledge.

Why bother developing product and service knowledge?

The main reasons venue staff must develop excellent product and service knowledge are to:

- Optimise sales within the venue – all venues will expect sales and service staff to maximise revenue from the people they serve, without exploiting anyone and without putting pressure on them to buy

- Encourage visitors to spend more time in the area – the more time a visitor spends in the town, city or region, the more money they are likely to spend at the venue and in local shops and businesses.

  If you can use your product and service knowledge to get a visitor to spend an extra day (or two) in your venue, you have done a great service not only to your employer but also for local jobs and the local economy.

Benefits of product and service knowledge

The benefits of having high levels of product and service knowledge include:

Being able to provide professional assistance to customers

High levels of product and service knowledge allow you to:

- Have confidence in your ability to sell and the approach you take with customers
- Present products and services in an appropriate way meeting identified customer needs, wants and preferences
- Establish a rapport with customers based on their confidence in you and your demonstrated credibility

- Engage with customers and build an ongoing relationship encouraging repeat and return business
- Show, display or present products and services in such a way that demonstrates their best features and highlights their appropriateness for potential purchasers
- Offer potential customers the opportunity to test, try or sample the products or services being considered or offered for sale.

Being able to distinguish between alternatives

Many products or services are offered for sale in a variety of options.

Products

Products may differ on the basis of:

- Brand name – certain brands are more popular or well known, and some equally good brands are less well known.

  Many international visitors will seek a local product so they can enjoy the local experience

- Size – you need to know the size options so you can best recommend the most appropriate size and value-for-money to your customer based on their identified need
- Quality – products often come in a range of different qualities. You must be able to differentiate between the range of quality options within each product type, enabling you to give advice on which alternative best meets the needs of the buyer
- Country of origin – you must always be able to inform potential purchasers about the country of origin of products as many people infer quality into this.

  In addition, some customers may deliberately seek to obtain products from a certain country
- Features – these are the distinguishing characteristics separating one product or brand from another.

  Typically, the more expensive an item, the more features it has to justify the increased price
- Price – you must know the selling price of all items offered for sale including all associated price-related information such as:
  - Discounts:
    - Who they apply to
    - Rates of discount for a single item
    - Bulk discount rates
  - Methods of payment – including:
    - Credit cards accepted by the venue
    - Non-cash payment options – check, travellers' checks, vouchers, debit cards, electronic funds transfer
    - Cash – in relation to knowing what currencies are accepted, and exchange rates for foreign currency.

Services

Services may have options in terms of:

- Duration – while some services are a standard duration or length, many are offered across a variety of times to enable customers to select a 'length' option best suited to their needs.

  You must know how long each duration option lasts in terms of time
- Delivery choices – a service may be delivered:
  - By one or more persons – this has implications for quality of service delivery and (usually) price charged
  - In 'standard' form – that is, without any add-ons, frills or other options
  - In 'optioned' form – that is, with one or more extra services incorporated into the original service

- Location – a service may be delivered:
  - In the privacy of the guest's room
  - In a communal setting – where other paying customers are present
  - At a remote location – away from the venue
- Time of delivery – this addresses issues associated with:
  - Service provision during 'normal' hours
  - Service delivery out-of-hours – which may include weekends, nights, before a stated time each morning, at holiday times or at peak periods.

Meeting customer service level expectations

Excellent levels of product and service knowledge enable you to provide service meeting or exceeding customer expectations.

This demonstrates your professionalism and respect for the patron.

Customers expect staff to know what they are talking about and know the products and services they are selling.

Failure to meet these basic expectations can result in:

- A lack of customer confidence in the venue *overall* – the reality is often *all* aspects of the venue suffer when staff are unable to respond satisfactorily to one request
- Decreased amount and value of purchases – a lack of suitable product and service knowledge translates either into a 'no sale' or reduced sale because customers do not have confidence in the sale staff serving them
- Reduced levels of satisfaction – meaning people are less likely to return and make a subsequent purchase, and are less likely to recommend the venue to their friends, family or acquaintances.

Maximising selling opportunities

If you do not have high levels of product and service knowledge you are much less likely to be able to:

- Identify opportunities to sell – these opportunities frequently present themselves whenever a sales-related enquiry is made
- Create supplementary sales – these are the opportunities for making extra sales, also known as 'add-on sales', whenever a sale is made
- Recommend a product or service for consideration by the customer as a future purchase – this may include:
  - Mentioning the entertainment available this coming weekend in the function room
  - Asking if a couple checking-in at Reception would like a table booked for their evening meal in the hotel's dining room
  - Making people aware of the special package deal being introduce next week for house guests.

Being better able to meet and overcome buying objections

It is a fact of life many people will not automatically buy a product or service recommended, offered or available to them.

Customers often have a need to be convinced they should make a purchase and can raise one or more 'objections' to buying something.

High levels of produce and service knowledge better equip sales people to:

- Identify these objections
- Recognise and accept them as legitimate concerns
- Meet the objections – presenting logical reasons why the 'objections' are unfounded and explaining why the offer being made is sound
- Overcome the objections – and close the deal by making the sale or taking a booking and a payment.

More on this in Element 4.

1.3 Apply formal and informal research techniques to gain product and service knowledge

Introduction

To gain necessary product and service knowledge there is always a need to be proactive. You need to make an effort to capture the required information.

There must be a conscious effort to gain the required knowledge and awareness this effort must be ongoing and a blend of different research options.

This Section reinforces aspects of Section 1.1 and presents additional ways in which relevant product and service information can be obtained.

Undertaking research

The best, most useful and most effective product and service knowledge is generated as a result of a mix of formal and informal research techniques.

These two research options are *both* necessary to develop the information required.

You cannot do one or the other.

Formal research techniques

Not all types of formal research are equally applicable to every venue type, so the following are presented as options from which you may choose in order to build your product and service knowledge.

Reading surveys and ratings

These are often reports undertaken and distributed by third parties such as a peak industry or government authority or the Head Office for a chain of establishments.

Some reports are provided free-of-charge and some may have to be paid for.

Reports may be provided in hard copy form or may be an electronic or online version.

These surveys may report on:

- Innovations in the industry, region or at nominated properties – relating to services, operational systems, trends, improvements to traditional equipment and machinery, new inclusions for rooms, packages or stays
- Food and beverages available – new menu items, drinks, service techniques, recipes and preparation styles
- Destinations and attractions – providing:
  - Information on new and upgraded facilities
  - Customer feedback and satisfaction surveys
  - Comparative data showing relationships between different countries, locations, spending patterns and attendances

- Potential industry movement and direction – identifying:
  - Initiatives being planned by industry or government bodies– including promotional campaigns to attract visitors and raise awareness of the region
  - Action to be taken by leading industry operators
  - Incentives for industry operators to undertake or participate in nominated activities
  - Emerging trends
  - New markets.

Administering questionnaires

Administering questionnaires involves developing, distributing and analysing the responses to questionnaires prepared by the venue.

Developing questionnaires involves:

- Identifying a specific topic to research – there must be a distinct and definite focus for the research
- Deciding on the information to be generated or captured by the research – ensuring research creates date useful in terms of the questions being asked
- Generating the research questions to be used on the questionnaire – and testing them to ensure they solicit the required information
- Producing the actual questionnaire – which may be applied in hard copy form, online or as the basis for interviews.

Distributing questionnaires involves:

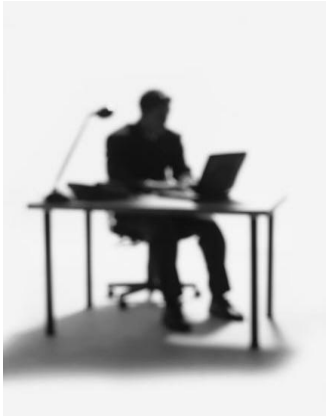
- Identifying the target market to whom the questionnaire will be applied – the questionnaire should be applied to those who reflect the profile of the market

  This may include determining the demographic characteristics (see Section 2.5) of this market
- Determining the number of people who should be canvassed by the questionnaire – in order for reliable and valid data to be obtained
- Sending out questionnaires to identified or potential respondents
- Following-up on responses – to ensure questionnaires are completed and returned, and are completed fully and honesty.

Analysing questionnaires involves:

- Classifying responses into relevant categories – so information can be collated, quantified and manipulated

- Evaluating responses – to identify:
  - New information
  - Confirmation of existing knowledge
  - Trends
  - Topics for future research
  - Action the venue should take in response to the data.



Conducting internal testing

This involves conducting testing within the venue to:

- Determine quality of products and services provided– quality may be determined with reference to individual factors such as:
  - Taste
  - Safety
  - Size
  - Consistency
  - Time taken – to serve customers, check guests in/out or to take a booking
- Identify differentials between products and services –to distinguish between similar offerings of the same type.

  For example, testing may identify how the 'standard' offering differs from the '*de luxe*' offering.

Evaluating existing external data

This covers the reading and researching of product data and information provided by suppliers.

Common examples of this information include:

- Product specifications
- Product comparison charts – where different types or brands of similar products are compared and contrasted
- Packaging and product labels
- Tasting notes
- User or manufacturer instructions
- Troubleshooting guides and service manuals
- Warning and laundry labels.

Reading internal documentation

Reading internal documentation refers to the activities involved in reading and understanding enterprise documents about products and services including:

- Standard recipes – for menu items and drinks
- Stocking charts – showing the location, types and quantities of items:
  - Displayed on shelves in the bottle shop
  - Provided to guests in their room, bathroom, kitchenette, refrigerator or mini bar
- In-house advertisements – for all products and services offered to customers. These may describe the food available in a certain dining area or upcoming entertainment and events
- SOPs – detailing how a certain product or service should be provided
- House policies – to gain a full understanding of the parameters applying to product and service provision as covered by various house policies.

Reviewing customer feedback

Most venues will have some amount of feedback from customers about their feelings and experiences with products and services provided at the property.

Customer feedback is sometimes referred to as 'The Breakfast of Champions' as it often contains information that, when acted on, can transform an ordinary venue into an outstanding one.

Refer to Section 1.4 for more information on customer feedback.

Informal research techniques

Informal research is much less structured and focused than formal research and often occurs unintentionally as you undertake other things.

Informal research techniques include:

Engaging in general discussion

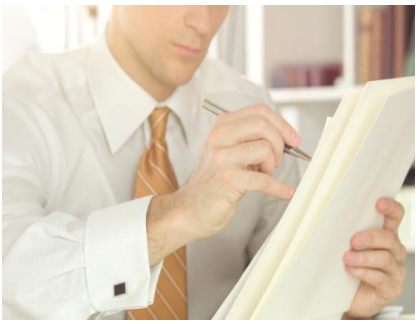
General discussion includes talks with colleagues, management and customers.

They may be targeted to a specific issue or can be 'chance' conversations.

Keys to making 'general discussion' an effective research tool are:

- Ask plenty of questions – featuring 'open' questions
- Listen to the answers.

Reading, watching and listening to the media



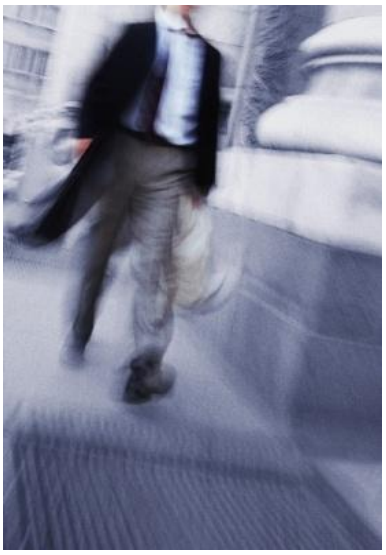
This is general media research which can occur when reading, watching or listening general media, or it can take place as a result of:

- Reading a regular industry publication
- Watching food, travel and holiday shows on television
- Listening to advertisements on the radio promoting hospitality, tourism and other businesses of interest
- Listening to, watching or reading about news involving the industry.

Reading various literature

This entails reading a range of:

- Tourist and venue information brochures, pamphlets and flyers
- Internal enterprise material about products and services
- Industry-relevant reference and text books
- Guidebooks
- Trade magazines.



Being a tourist in your local area

This means you should make an effort to:

- Visit local tourist attractions – natural and built
- Look around local shops
- Participate in local events
- Make yourself known to staff at the local Visitor Information Centre – and become familiar with what they have available to pass on to visitors at your venue.

1.4 Seek customer feedback to supplement product and service knowledge

Introduction

Analysing customer feedback has already been identified as important in the successful operation of a business.

To optimise customer feedback potential it is vital you make an effort to actively seek out and obtain feedback. You must never simply rely on customer feedback being given to you.

This Section identifies proactive strategies available to capture customer feedback.

Context of customer feedback

Acting appropriately in response to customer feedback is regarded by many operators as essential to the ongoing viability of any business.

Customer feedback refers to:

- General comments or observations
- Compliments
- Complaints.

Made by customers about products offered by the venue, service delivery at the venue, or any aspect of facilities at the venue.

Why is customer feedback so important?

It is important to review customer feedback to:

- Identify trends or issues in feedback requiring action to prevent recurrence of a problem – such as revisions to SOPs, policies, packages and advertisements.

  Generally speaking, try to identify 'trends' in feedback as opposed to 'one off' instances, however can be times when one-off comments are important and must be responded to in relation to:

  - Anything related to safety
  - Issues where there is the potential for the venue to be sued or prosecuted
  - Instances where there appears a significant probability the media will be notified and may become involved
  - Situations where the customer has threatened to notify the authorities
- Take action to address specific customer dissatisfaction – such as:
  - Sending a letter of apology

- Making a phone call to the customer to explain or discuss the issue they have raised
- Offer of a free meal or similar by way of apology
- Provide a discount for products or services purchased as a goodwill gesture.

Obtaining customer feedback

The following have proved effective mix of methods of capturing feedback from customers:

Developing, distributing and analysing responses to questionnaires

This refers to producing hard copy questionnaires containing questions on nominated topics for customers to respond to.

The responses are analysed to determine the nature and extent of the thoughts, feelings and experiences provided by respondents.

See Section 1.3 for more detail.

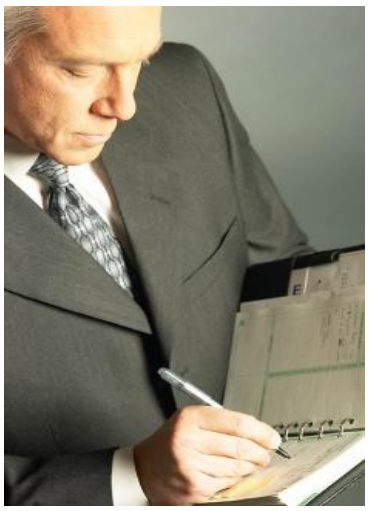
Talking to customers

Talking to customers is something every staff member should do in a customer-contact scenario as it:

- Helps develop a rapport with the customer
- Demonstrates interest in the customer
- Enables you to obtain customer-specific information, such as:
  - Their needs, wants and preferences
  - Their buying limitations – timeframes, costs and quality
  - Their previous experiences and current expectations.

To make 'talking to customers' a useful customer feedback tool you must:

- Ask questions – and actively seeking customer opinion and thoughts on products and services. You can never rely solely on the information provided automatically by the customer
- Actively listen to what customers say – to identify the key points they make and note the issues they raise
- Ask follow-up questions – to clarify initial points made or to gain additional information about topics they have not fully explained
- Use appropriate communication and interpersonal skills, such as:
  - Using polite and respectful language
  - Ensuring body language reflects verbal language
  - Showing an interest in the customer throughout the conversation.



Checking internal buying patterns and trends

By referring to internal sales records including receipts, cash register data or sales figures on a database, you can gain insight into:

- The popularity of products and services available for sale
- Trends emerging regarding individual products and a services
- Slow-moving products and services
- Customer data on purchasers or purchases – where a database is used that contains basic information such as:
  - Gender of buyers
  - Time of purchase
  - Method of payment
  - Quantity purchased.

Review and analysis of this information can indicate the products and services to promote to certain customer profiles.

Preparing and using 'Customer Comment Cards'

These are traditionally left in guest rooms, at reception, behind bars, in dining areas but there is no reason the same principle cannot be used in just about any other area of the venue.

It is also acceptable to *offer* these cards to customers and encourage them to complete and return them.

The keys in using these cards are to make sure they are collected and read.

Using an online feedback option

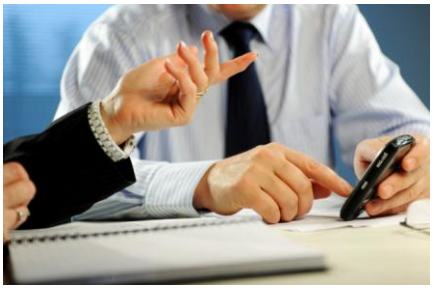
This can include a 'Tell us what you think' facility or some other 'Customer Feedback' option on the venue website.

Where this is used it is important someone checks the feedback pages on a regular basis and responds to the feedback promptly.

Not acknowledging feedback is not only impolite, but makes a bad situation worse.

Using an automatic response message is not enough to demonstrate to customers their feedback has been received.

Establishing a feedback panel



This involves bringing together a representative sample of the venue's customers (based on their demographic characteristics) customers to provide comment on activities, and the products and services available at your venue.

This panel may be asked to contribute random comments about different aspects of the venue's offering.

These panels are sometimes referred to as 'focus groups' as they focus on different aspects of the venue's operation every time they meet.

Conducting taste testings

This is an effective way to gather feedback on food and beverage items offered for sale.

Customers are given free samples of each product and asked to provide feedback about topics such as:

- Taste, eye appeal or aroma
- Serve size
- What they would pay
- How often they would buy.

This comment can be used to help determine customer expectations and preferences.

1.5 Share product and service knowledge with other relevant internal personnel

Introduction

Once you have developed product and service knowledge in relation to your workplace, you should make an effort to pass this information on to your colleagues.

This Section addresses ways in which you might share this understanding with other staff.

Why do this?

The reasons you should share your product and service knowledge with other workplace staff is to:

- Demonstrate you are a team player – and will assist others whenever you can
- Show you have taken the time and trouble to obtain such information – which will impress management with your dedication and professionalism
- Assist them in their sales and promotion efforts – which will have positive flow-on effects of increasing revenue, generating more positive customer relations and creating more repeat and referral customers.

Ways to share product and service knowledge with colleagues

All the following techniques have proved effective in passing on product and service knowledge to other workers within a venue or business.

The techniques are simple and cost-effective.

Conducting internal staff meetings

Most venues have regular staff meetings where attendance by staff is compulsory.

You can use these meetings as a forum for sharing product and service information.

If there is not already a regular agenda item in this regard, suggest one is included for all staff meetings.

Mentioning information at briefings

Many properties hold a staff briefing before the start of trade as well as a de-briefing at the end of the day or shift.

These are another useful opportunity to advise colleagues about new or revised product and service information either verbally or using another option (paper-based, demonstration, visit, taste test).

Developing paper-based information

When you have discovered new or update product and service information, it is useful to create a brief handout or 'data sheets' to give to other staff informing them of what you have found.

This handout need only be basic providing it contains all relevant facts.

When preparing these handouts:

- Use plenty of headings –to break information into relevant categories, as appropriate to the product or service being described
- Use dot points – to present the information.

Conducting internal product and service activities

This may require you to conduct one or more of the following to inform staff of what you have learned:

- Visits to different departments – to show staff what you have found, or let them see what has changed (in guest rooms, outside, front-of-house and back-of-house)
- Observations of new or amended practices – so they gain a first-hand insight into the revised procedure
- Demonstrations – of how new equipment, practices or systems operate
- Practice sessions – where others can try out new procedures, equipment or protocols to learn what it is all about, or hone their skills
- Conduct tastings – of new recipes for food and drink items so staff can see what the products look, smell and taste like.

Allowing staff to experience services

This usually requires approval from and the authorisation of management but is a very effective method of sharing with others exactly what the new or improved/revised products and services are all about.

This option enables staff to experience the same products and services a paying customer would experience so they can gain personal insight into what is being offered.

In practice it may mean staff experience:

- Staying in a guest room for a night
- Having a meal in a dining area
- Making a reservation or booking
- Using the venue website.

Conducting training sessions

Structured training sessions can also be an excellent way of sharing information about venue product and service information.

These training sessions should feature:

- Explanation for why the training is being conducted – there must always be a valid reason for staff having to participate in training
- Presentation of information as well as demonstrations, where appropriate
- Opportunity for staff to practice any new skills required
- Encouragement to staff to implement revised practices or knowledge
- Informal evaluation to determine whether or not there is need for additional learning or practice.

Acknowledging effort

Whenever someone shares their product and service knowledge with you:

- Thank them
- Tell them you appreciate their effort and what they have shared
- Encourage them to continue with their efforts and share any future information they discover
- Never simply accept what has been shared without acknowledging it.

1.6 Initiate action to identify changes in customer preferences, needs, wants and expectations

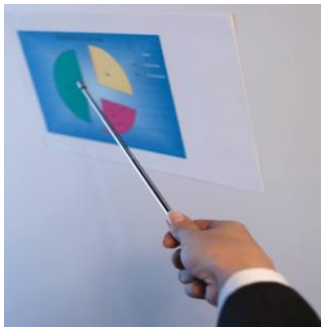
Introduction

A key to obtaining information about customer preferences, needs, wants and expectations is to be proactive.

Previous notes have identified it is never sufficient to simply wait for customers to provide feedback. You have to make an effort to solicit their contributions.

This Section presents several practical methods that can be employed to identify changes in customer thinking.

Ways to identify changes in customer preferences, needs, wants and expectations



Undertaking market research is recognised as the best way to obtain information about your customer preferences, needs, wants and expectations.

'Market research' is action taken by the venue to determine what customers want when they are at your venue.

Market research data should reveal what is important and what is not to your customers.

The data revealed by market research is used to:

- Produce better products and services better meeting the identified needs of the target customer.

  This may involve the introduction of new policies, equipment, facilities, products, services, removal of unpopular services or an upgrade of existing offerings
- Guide the development of venue-specific policies and procedures – so the operation of the business meets identified customer need
- Demonstrate the extent to which the venue is customer-focused – as opposed to being venue-focused.

  'Customer focus' refers to the approach taken by a venue to its customers whereby all decisions and actions are focused on what the customer wants, as opposed to being focused on what the venue wants.

  For example, the customer may want bigger serve sizes and a faster check-out when they leave the venue.

  When a venue prefers self-focus over customer-focus the usual result is a decline in business and sales.

Examples of market research activities

Market research activities can range from complex and sophisticated to simple and easy.

Examples include many activities already mentioned:

- Applying questionnaires – as described in Section 1.3
- Undertaking one-on-one or group interviews – to obtain information from past, present and potential customers in a face-to-face setting. This allows body language to be observed and interpreted, and follow-up questions to be asked, as appropriate
- Telephoning customers to solicit feedback – it is best to only telephone customers who have agreed they are willing to participate in this style of market research
- Experimentation – changing dishes, altering the layout of a room or modifying the products or services available to determine if the changes are positive in the eyes of the customer
- Sending out mail surveys – for people to respond to. An incentive (free drink/meal) may be offered to encourage customers to participate
- Initiating a competition – for customers to invent or suggest a new product or service for the venue to implement, with a suitable reward provided
- Using focus groups – to provide feedback on targeted topics
- Participating in industry-wide surveys – this means the venue responds to surveys conducted by peak industry or government bodies

- Engaging the services of an external market research company – this is an expensive option and will require management authorisation. Only companies with a demonstrated track record in your industry sector should be used and great care must be taken to ensure:
  - Research addresses topics approved by management
  - Expected data will function to assist with identified customer issues
  - The quantity of responses obtained for the research will be sufficient to allow reliable conclusions to be drawn from the data generated
- Reading existing materials – such as:
  - Brochures and advertising – of the venue and of competitors
  - Books and magazines
  - Reports – on industry-specific data as well as wider industry market research findings on changes in customer preferences and buying patterns
  - Surfing the ‘Net – and visiting sites relevant to the industry sector or venue type
- Tracking internal trends and changes – as they apply to venue sales patterns with reference to customer databases and/or sales histories and stock usage figures.

Market research data

Market research must produce data that can be used by the venue to guide its activities and the products and services it makes available.

Data may be classified as being:

Quantitative data

This is the statistical side to the research and refers to things such as:

- Levels of patronage and pedestrian customer traffic – past the front door, into the venue or different departments
- Number of customers who spend money in the venue or a department on a transaction-by-transaction basis
- Number of customers who use specific facilities in the venue
- Number of people in specified age groups – such as the number of customers aged between 20 – 25 years of age
- Ratio of males to females who use the venue, make enquiries or make purchases.

Quantitative information is also known as ‘hard data’.

Qualitative data

This is information that answers the ‘why’ market research questions such as:

- Why customers use your business or go elsewhere
- Why they do not like the taste of a certain drink or dish
- Why they feel a certain way about a certain thing
- What it would take to convert the customer into a regular customer
- Why they buy XYZ brand/product.

Qualitative information is also known as ‘soft data’.

Secondary data

This is data (quantitative and qualitative) collected from existing sources.

This data is not therefore newly generated, but merely a consolidation of existing facts.

Sources already exist within your business and elsewhere to gather this information – for example:

- Sales receipts to identify trends and average sales
- Names of customer database
- Customer returns and refund information
- Data from professional market research companies
- Reports and information in trade magazines

- Data and reports prepared and distributed by Industry representative boards and bodies
- Articles and information contained in newspapers and magazines
- Information in a range of literature – including your local telephone book.

All these sources can provide a rich pool of information about market research topics you want answered.

Sometimes this information is free, and sometimes you have to pay for it.

Primary Data

This is new, first-hand, freshly generated data (quantitative and qualitative) you generate from original research.

What you choose to research here in the area of *primary* data research can be identified from the gaps you have found in the secondary data available to you.

The primary data helps complete the picture in terms of the information you need to capture about your customers and specific objectives of market research.

Areas for research

The topics used as the focus for market research will usually depend on/reflect:

- Problems the venue is encountering – lower profits, reduced patronage, increased complaints
- Directions the venue intends to take in the marketplace – such as introduction of new products or services, targeting new markets, re-positioning itself in the marketplace.

Areas for research often relate to 'the 5Ps' – Product, Place, Price, Promotion and People.

The following is an indicative list only – there are countless other topics that may be addressed.

Product

Market research questions may address:

- What products and services to customers like, prefer or dislike?
- Why?
- What would customers like to see the venue introduce, change or get rid of?
- Why?

Place – including operating hours

- Is the current location of the venue and its department acceptable, suitable or preferable for customers?
- Would they like to see the venue move or expand?
- Where to?

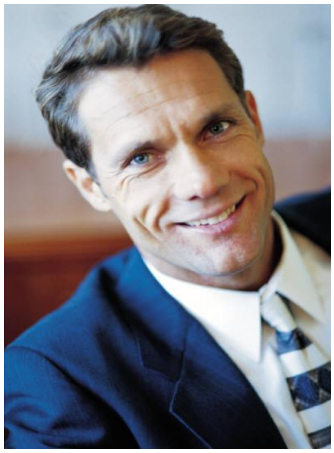
- Do they like to make booking by phone, in person or online?
- Are opening hours acceptable to the customers?

Price

- Do customers think venue prices for products and services are too high or too low?
- Would they pay a higher price for a different item?
- Would they prefer the venue to offer packages as opposed to individual items where each product or service is individually charged for?
- How do they prefer to pay?
- Are available discounts suitable?
- Do customers understand how they can save money when buying from the venue – through buying packages, memberships or groups?
- Are venue policies regarding advanced deposits, commissions, refunds or cancellation charges acceptable?

Promotion

- What do customers think of venue advertising and promotional campaigns? Are they effective?
- What newspapers do they read? What sections of the newspapers do they read?
- What television stations do they watch, and when?
- What radio stations do they listen to, and when?
- How do they prefer to receive information about what the venue has to offer, special rates, packages and deals?



People

- Do they think venue staff are competent and knowledgeable?
- What aspects of service delivery are staff good at, and where could they improve?
- Do customers trust/believe staff when dealing with them?
- Are there sufficient staff on duty to service the needs of customers?

1.7 Contribute to changes to products, services and service standards to meet identified customer needs

Introduction

All employers will expect staff to make intelligent and insightful contributions towards changing the products and services offered to customers.

This Section describes some of the ways you might impress management with your thoughts on what can be done to create better products and services.

The need for change

If a business refuses to change the products and services it offers to customers it risks losing business because it may:

- Fail to keep pace with the ways in which its customers are changing–the venue will lose its genuine customer-focus in terms of service delivery, service standards and operational practices
- Miss the chance to exploit a lucrative commercial opportunity that also benefits the customer and meets their needs, wants and expectations
- Continue to offer dated and irrelevant products and services – to customers who have moved on to something newer.

It is vital all staff and all venues realise the marketplace and their customers are dynamic – 'dynamic' means constantly changing and evolving. It means customers have tastes and preferences that develop over time and never stand still. What they liked and preferred last year is often not what they want this year.

The speed of change is also growing as customers become increasingly part of a global community with regular international travel, access to internet information and regular overseas news through television and other media.

No longer are customers happy to continue to receive 'the same old thing', they are increasingly seeking out 'the newest' and latest.

What they have seen or experienced elsewhere, they want from your venue.

Contributing to change

Contribute to changes to products, services and service standards may involve:

Suggesting evidence-based reasons for change

It is important all the suggestions made for change are supported by actual workplace or industry-based evidence, as opposed to vague thoughts or general impressions.

There must be proof there is need for change.

This can take the form of:

- Feedback showing customer dissatisfaction
- Internal sales figures indicating decreasing sales/profit
- Examples of individual workplace occurrences .

Preparing presentations to support personal recommendations for change

To be successful in achieving significant change in the workplace you will often need to prepare a presentation supporting your recommendation.

This presentation may be verbal, a paper-based report or a PowerPoint presentation.

The presentation should address:

- Reasons for change
- Cost to implement change
- Cost of not implementing change
- Details of implementation of the change, commonly an Action Plan, including:
  - Personnel involved
  - Training needed
  - Required changes to supporting policies and procedures
  - Arrangements for practice and implementation of changes into established practice
  - Timelines for introducing and embedding changes.

Participating in group activities designed to identify the need for change

This might include:

- Assessment and evaluation of current workplace practices, products and services
- Analysis of products and services (including facilities, policies, procedures and systems) at opposition establishment
- Identification and review of ‘best practice’ for the items under consideration.

Participating in group activities to develop change

This might include participation in ‘creative thinking’ techniques such as:

- Brainstorming – a technique for generating ideas to address a nominated problem
- Lateral thinking – applying thought to a nominated problem that is unique or novel in its approach to the issue (sometimes called ‘thinking outside the box’)
- Critiquing suggestions made by others – in a constructive manner
- Use of the ‘Six Thinking Hats’ – see below.

Six Thinking Hats

In 1985 Edward de Bono developed what he saw as a better method of thinking using the metaphor of six coloured hats: white, red, black, yellow, green and blue.

Each coloured hat refers to a way of thinking and de Bono suggested in order for any issue to progress, all those involved in the discussion needed to be wearing the same coloured hat at the same time.

In addition, because no single hat is right or wrong (they each represent different types of thinking), they allow for consideration of a range of thoughts on any one topic thereby enabling what de Bono calls ‘cooperative thinking’.

The white hat focuses on information, including hard facts and soft information such as rumour and personal experience.

The red hat is tied to and permits emotions, feelings and intuition to be considered.

The black hat is the critical thinking hat, making judgements and deciding if things are right or wrong.

The yellow hat relates to values and beliefs.

The green hat is the productive hat asking for ideas, alternatives and possibilities.

The blue hat is all about process control and organising the other hats.

The hats are used by initiating discussion and asking people to put on, for example, their yellow hat. During the discussion, only references from the yellow hat perspective are entertained.

If someone contributes creative thinking ideas, their input may be met with ‘We are doing yellow hat currently but we will move on to green hat shortly’.

Alternatively, the group may decide ‘We need some red hat thinking on this topic now’.

More detail can be obtained at can be obtained at www.debonothinkingsystems.com/tools/6hats.htm or buy the book Six Thinking Hats by Edward de Bono.

Work Projects

It is a requirement of this Unit you complete Work Projects as advised by your Trainer. You must submit documentation, suitable evidence or other relevant proof of completion of the project to your Trainer by the agreed date.

1.1 Select and identify one product and one service available to customers in the organisation where you work.

For both the product and service you have identified present a report:

- Describing how you could develop necessary product knowledge for the product and the service within your workplace and using research techniques
- Explaining how this knowledge may help you promote and sell the product and the service
- Identifying workplace sources of customer feedback that could be used to supplement the development of product knowledge for the product and the service
- Detailing how you could share product knowledge about the product and the service with other staff
- Identifying action that could be taken in your workplace to determine changes in customer preferences, needs, wants or expectations in relation to the product and the service.

1.2. Talk with management, your supervisor or an experienced staff member in your workplace and question them about your potential involvement in contributing to changes to products or service standards to meet identified changes in customer needs.

Prepare and submit a written report or video reflecting answers given to you on questions such as:

- Does the venue have a formal structure for capturing information from customers about their changing needs, wants, preferences and expectations?
- If so, what is the structure?
- What is your role in the structure?
- If there is no structure, what expectations do management have regrading your role in identifying and passing on changing customer needs, wants, preferences and expectations?
- What examples exist in your venue demonstrating how feedback from staff has led to useful/important changes in what the venue offers to customers?

Summary

Develop product and service knowledge

When developing product and service knowledge:

- Start with the basics for your work role and then expand into other areas
- Actively seek out and use workplace and out-of-work opportunities to gain and update knowledge
- Realise product and service knowledge underpins effective sales activities
- Use a mixture of formal and informal research techniques to capture relevant information
- Understand the critical nature and positive impact of customer feedback in relation to product and service knowledge
- Actively seek customer feedback as opposed to waiting for it to be provided by customers
- Take the time and make the effort to share new or updated product and service knowledge with others at your workplace
- Thank those who share product and service information with you
- Be proactive in identifying changes in customer preferences, needs, wants and expectations
- Participate in market research activities to help determine customer preferences, needs, wants and expectations
- Accept product and service knowledge is dynamic – what is relevant and appropriate today can be out-of-date in the future
- Help your venue to identify changes that need to be made to workplace products and services to meet ever-changing customer needs.

Element 2:
Develop market knowledge

2.1 Explain the concept of target markets

Introduction

Target markets are groups of people with similar demographic characteristics that a business wants to sell to or attract to its premises.

This Section presents a range of factors related to target markets for venues.

Important points to understand about target markets

When considering the concept of target markets you need to understand:

- Venues will have more than one target market – there is no limit on the number of target markets any venue can have
- Target markets are not necessarily small in number – target markets can be huge in volume
- Venues can change their targets markets over time – as new opportunities emerge.

The keys for sales staff

Sales staff need to:

- Know the ways in which the individual products and services differ to suit the varying needs of all the target markets including:
  - Exactly how all products and services differ in terms of options, price, availability and suitability
  - The target groups for which different products and services have been developed
- Focus their sales and promotion efforts on the aspects of the products and services identified by market research as being important and of value to the target market group, including:
  - Explaining to customers how certain products and services will best suit their needs, wants, preferences and expectations
  - Matching what is offered to market research findings and individual customer needs.

Examples of target markets

The venue perspective

Management, and the Sales and Marketing department, will have a different perspective on 'target markets' than operational staff will have.

For example, management and Sales and Marketing may consider and work with target markets such as:

- Corporate and commercial clients
- Adventure tourists, eco-tourists and other classifications of tourists
- International visitors.

Individual sales staff perspective

For frontline staff involved in promoting products and services to customers, the focus is likely to be on:

- Business customers – who have different aims and requirements than those who travel for pleasure, interest or other reasons
- Families – where parents and children comprise the buying group
- Individual customers – that is, the FITs travelling on their own or in small group
- Groups – such as large group tours booked through travel agents, tour operators, airlines and similar third party entities.

Points of difference between target markets

While all customers, tourists, patrons and visitors will demand certain standard requirements (safety, security, food, drink, accommodation), the target markets will demand something extra or different.

It is by catering to these differences and meeting these varying requirement the venue will satisfy the customers and generate repeat or referral business.

Variations in target markets can mean:

- The entire venue focuses everything it does across the whole organisation directly and only on the needs of the target market it has identified in terms of:
  - Staff uniforms
  - Forms of address used by staff towards customers
  - Décor of the venue
  - Facilities offered
  - Product range available
  - Service standards
  - Prices charged.

- Staff at a venue or business are expected to recognise customers from the various target markets attracted to the venue and treat them differently to reflect their individual needs.

  For example:

  - A family dining with children would be offered a 'Children's Menu where this would not be offered to a group of business men
  - Tourists from an English-speaking background would be given an English language menu rather than one written in the home language
  - People travelling in groups would be seated together and offered the elements (food, drinks, tickets, services) appropriate to the package they are travelling under
  - Business people eating at lunch time would be served faster than families – so the business people can return to work if they need to.

Reasons why target markets are used

Target markets are used by venues to:

- Create a point of difference between them and other venues – thereby encouraging people to spend money at your venue rather than at a competitor location
- Better understand the needs, wants, preferences and expectations of the customers they attract and serve
- Enable venues to better develop and offer products and services – known to be preferred by potential customers
- Allow more effective use of promotions and advertising – knowing who your target markets are enables the venue to place and time advertisements so they have a better chance of reaching their intended audience/market.

Reasons why target markets are selected

A venue will select the target markets it wants to attract:

- To align with venue vision, mission and values
- Based on previous experience and current expertise
- To exploit opportunities in the marketplace
- In order to maintain business viability
- To meet competition in the marketplace
- So as to set new directions for the business.

Examples of how products and services are tailored to target markets

The inclusions or elements of a product or service can all be altered in some way to better meet the needs, wants, expectations and preferences of target market customers.

For example:

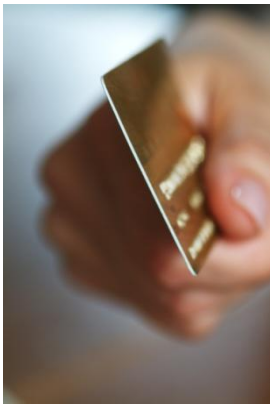
- Business people at a lunch may require a quick meal without alcohol – so they can get back to work as soon as possible, unaffected by liquor – by contrast an elderly couple may prefer a longer meal time, accompanied by several glasses of wine
- School groups at an attraction may require structured and approved hands-on activities enabling students to learn from the experience in an experiential manner – while, by contrast, other visitors may simply want to be left alone to wander around at will to do and see whatever takes their fancy/interest
- Women may prefer a room developed specifically for females – featuring a different colour scheme to 'normal' rooms, women-specific facilities in the bedroom and bathroom and the security of knowing there are only females on that floor and the corridors are monitored by CCTV
- Tours for international visitors to a local natural attraction may incorporate a tour of the zoo and gardens (plus lunch, photographs and a DVD of the area) as well as the trip to the river, beach or location
- An elite market paying a premium price for their experience may be provided with enhance privacy, increased convenience, better quality products and more comfort than is available to standard visitors paying a lower price.

The Marketing Mix

Section 2.3 presents more information on this topic introducing the concept of the Marketing Mix.

The Marketing Mix considers four elements (also known as the 4Ps) – Price, place, product and promotion, to better meet identified need for each different target market they have established.

Analysing market research as the basis for target market development



Market research data can be analysed to reveal the needs, wants, preferences and expectations of individual target markets.

The aim of the analysis of market research data is to:

- Identify things the target markets want and do not want
- Enable calculation of the size of the target market
- Define the demographic characteristics of each target market
- Determine how much they are prepared to pay for these items
- Reveal the frequency with which they will purchase the products and services they want.

The critical requirement is venues must be able to provide what the customers want and do so *at a profit*. No venue will ever offer everything their target markets wants because they could not do so and at the same time make a profit.

The results of analysing market data will often mean management, owners or the Sales and Marketing department will:

- Introduce, remove or vary – one or more inclusions in an established package to create a new package suitable and better targeted to a nominated group of customers
- Combine existing products, services or facilities into a new package – known as 'bundling'
- Alter the price of a product, service or package
- Decide to target a new group of customers based on the market research data
- Promote current or future products and services in a different way - using different mediums, promotions, advertising, times, locations or publications.

2.2 Define the concept of niche markets

Introduction

Many venues deliberately focus their sales and marketing efforts at 'niche markets'.

This Section explains what is meant by a niche market and provides operational information for capitalising on niche markets in a workplace context.

Niche market defined

A niche market is a sub-section of a target market.

It is often a market very few, if any, other venues are targeting or catering for.

It always has some characteristics differentiating it from the rest of the market.

In many cases, a niche market transforms into a target market in its own right as the potential for the niche materialises and when competitors start focusing their efforts toward attracting these markets.

Very often a niche market can be relatively small in terms of numbers, but return a much higher rate of return, including profit, than other target markets.

Examples of niche markets

In tourism, niche markets are very common and constantly emerging. Examples of niche markets have included:

- Eco-tourism
- Medical tourism
- Educational tourism
- Farm tourism
- Food and wine tourism.

In hospitality venues, examples of niche markets have included:

- Pet-friendly venues
- B&B operations
- High-rollers (in casinos).

Benefits of identifying and establishing niche markets

Properties who seek to identify and cater for niche markets do so because:

- It enables advertising and promotion to be more effectively undertaken – by placing advertisements in selected magazines, newspapers and locations
- They are able to provide the products and services preferred by the niche market – specifically catering for a niche market is simply a matter of making a minor adjustment to an existing product, service, facility, policy or procedure
- The revenue and profit potential from niche market customers is significant – customers in the niche market will be:
  - Sufficiently large in number to justify the changes
  - Prepared to pay a premium (higher) price
- The business gained from one or more niche markets will result in greater market share – niche markets can contribute significantly to the overall financial performance and ongoing viability of the operation. Venues constantly look for ways to take business from their competitors
- Development of niche market is an extremely customer-focused thing to do – nothing demonstrates a venue's intention of looking after its customers more than a fully-developed niche market approach.

Benefits for you in knowing your niche markets

You can target your efforts to gain product and service knowledge to those things that have been provided for and developed for the specific requirements of your niche markets.

This means you will make an effort to ensure you:

- Know what the people in these markets want, need and prefer
- Are competent to provide all services to them you have responsibility for delivering
- Know where the niche market products are located and available so you can provide them when necessary
- Treat niche market customers according to their individual expectations as appropriate to their niche market type.

Identifying your niche markets

The best ways to identify the niche markets your venue has identified and caters for are to:

- Ask your manager – ask them who your niche markets and explain how your products and services vary to cater for them
- Read the advertisements and promotional materials used by your venue – these will help you determine who both your niche and target markets are.

Meeting niche market needs

Meeting niche market needs is the same as meeting target market needs.

Identify the niche market customer

The first essential step in meeting niche market needs is to identify the niche market customers.

You can do this by:

- Reading their reservation details – when bookings are made there may be a reference to the fact the customer is a niche market customer. For example, a box may be checked on a paper-based booking card or on an electronic page on the CRS to indicate the person belongs to a nominated niche market category
- Observe the customer – the way they behave, their belongings (clothes, equipment, luggage) can sometimes readily indicate they are a member of a certain niche market group.

  A customer arriving with a dog in a pet-friendly hotel should obviously be informed about the dog facilities available even though their reservation details have not identified them 'having a pet'
- Talk to the customer –when you welcome them and begin to build a rapport with them, you can ask questions to reveal whether or not they have certain interests

- Ask other staff and management – sometimes you will be advised at a staff briefing about imminent visits by niche market customers.

Match service delivery to identified

When you have identified the niche market to which customers belong you must use this knowledge in the provision of service delivery to them.

In practice this means you should:

- Welcome them as a niche customer – make the effort to recognise their status as a member of a specific group and spend a moment asking them about their interest, or reason for travel. Make sure they understand they are known and respected for being at the venue as a valued and special person
- Take action to meet promises made by the venue in promotions it has undertaken aimed at the specific niche market type including:
  - The type or location of the room they are provided with including facilities within the room
  - Inclusions they are given on arrival or during their stay –products to support their niche market status (such as [as appropriate] sporting equipment, clothing, maps, local information, guide books) and tickets (for entry to local attractions, landmarks, events or buildings)
  - If families with children were one of your niche markets, you might:
    - Give parents a complimentary children's DVD – for them to screen on their in-room TV/DVD player as a means of entertaining the children/keeping them occupied
    - Arrange free access to the children's TV channel on the in-room TV for their room
    - Distribute the venue 'Children's pack' to each child – a bag with an assortment of items, toys, games, colouring book for children
    - Provide parents with a handout showing the location of the play ground or crèche together with operating hours
    - Supply a copy of the Children's Menu for in-house dining and room service.

Provide relevant *advice and information* – without waiting to be asked for it, and giving the information even though it may appear in a hard copy of other form elsewhere in the venue.

For example, if business people were one of your niche markets and you identified people at check-in as business people you might:

- Advise them how to use the Express Check-Out facility to speed up their departure when they check-out
- Notify them of the location of and services available through the venue 'Business Hub'

Offer them a handout listing and pricing the interpretation and translation services available through the Front Office.

Being alert to niche market potential

Always be alert to passing on to management any observations about customers, or feedback from them, which may be useful to management in developing new niche markets or refining existing niche markets.

For example if customers mentioned they would prefer something new/different, or said they really enjoyed or disliked an element of their visit, this should be conveyed to management (or the Sales and Marketing department) so they can consider it when revising existing arrangements, or planning to establish new markets.

2.3 Describe how promotions and offers may vary to suit differing target markets

Introduction

Where a venue has identified different markets target markets or niche markets, it will normally vary its advertising and promotion to better engage with each identified market type.

This Section looks at how advertising and promotion may alter depending on the markets being targeted.

The Marketing Mix

Products and services aimed at different target and niche markets will have one or more of their 4Ps (Promotion, Product, Price and/or Place) altered in some way to better meet identified need for each different market.

Section 2.1 ('Examples of how products and services are tailored to target markets') indicated how some of these may vary and the following Section provides more insight into the application of the 4Ps concept into catering for different market needs, wants and preferences.

Points to remember when considering the following are:

- Every product or service offered by a venues has all 4Ps
- Every product and service is able to have one or more of its 4Ps altered – by the venue as it deems fit
- There is no requirement to alter all 4Ps for any product or service – it is common just to change one of the 4Ps. Changing just one of the 4Ps for a product or service results in the creation of a new product or service
- You can take the one product or service and tweak it several ways to produce three different offerings:
    - Product 1 – is the lowest priced option featuring just the basic elements. It must be paid for in cash. It is advertised only in the local media and is available only in-house at the venue. It is called the 'Premium' package

- Product 2 – is essentially the same as Product 1 but features some extra features and benefits, is available via on the internet as well as in-house. It is called the 'Exclusive' package and costs 50% more than the 'Premium' option. It is advertised in travel magazines and on the venue website as well as through selected agencies
- Product 3 this is a variation on Product 2 with again, even more inclusions (a better room or view, a later check-out, valet parking, complimentary Champagne on arrival and tickets to events) and costs 200% more than Product 2. It is called the 'De Luxe' package.

The following headings indicate further how the 4Ps can be altered to create different products and services and better target the identified requirements of target and niche market customers.

Product

- A package deal for families will have inclusions (entertainment, activities, events) aimed at satisfying children as well as adults
- A package deal for business people might include all their meals
- A guest room for business people may feature internet connection and a larger desk
- An accommodation venue targeting business people may provide support facilities such as a business hub
- Meals for health conscious customers will feature low salt, low fat menu items with an emphasis on freshness
- Dining areas promoting themselves as 'family friendly' may have colouring books and coloured pencils for children.

Price

- Packages for business people will bundle business elements together so a distinct price reduction can be demonstrated while still delivering required products and services
- Discounts may be offered to families at off-peak times to attract them when the venue is quiet
- Methods of payment for businesses will include provision of accounts to head office – payment for families and FITs will be settlement on departure. For groups, pre-payment of all charges may apply
- Meals for children will be lower reflecting their reduced portion size.

Place

- An accommodation venue targeting business people may have a 'women only' floor – so women feel safer
- Venues targeting younger people may have longer opening hours to meet usage patterns
- Venues relying heavily on customers arriving by air will offer courtesy vehicles to and from the airport.

Promotion

- Advertisements aimed at attracting overseas customers will be placed in international newspapers and magazines as well as on the company website
- Publications read by the target and niche markets be used to carry advertisements aimed at these markets
- Where the target and niche market is an English-speaking country the advertisements and promotes will be conducted in English
- Where advertisements and promotions are carried in the international market, prices offered will be in the currency of that country
- Different photographs will be used for different markets – focusing on the identified interests of those markets
- Competitions used to attract interest in the venue will feature different rewards when aimed at differing markets

Understanding the background to offers made to target markets

Your venue will have developed its target and niche markets as a result of:

Talking, listening and feedback

Taking to customers and potential customers and listening to their feedback and thoughts is an effective and very inexpensive way of obtaining information to use as the basis for developing new offerings for customers.

Contributions from customers are a common trigger for the creation of new products and services to be offered to markets as they contain important and relevant insight into what customers actually want, need, like and dislike.

Talking to customers is first-hand feedback and often the most honest and illuminative feedback available.

Talking, listening and feedback is all part of being customer-focused.

Doing market research

The market research may be intentionally aimed at identifying new markets and niches, and new products and services to offer but much market research data, when analysed, reveals opportunities not previously identified.

For example, market research into reasons why people are not staying at your venue may reveal you do not provide a free breakfast, or do not accept payment by American Express or do not have a free internet connection in the rooms. Simply providing these items significantly improves your offer (and creates a new offer) in the eyes of your target niche markets.

You simply add these previously missing items and then make sure you tell your markets what you have done.

Conducting market research is another very customer-focused thing to do.

Action to meet the competition

Many new offers come into existence because your venue wants to maintain or grow market share.

Anything you or your competitors do that no other property does is called a USP (Unique Selling Proposition). It is something only you or they can provide. This USP is often a primary focus of most advertising and promotion. The intention is to tell customers about something no-one else has.

Where the USP impacts on the operation of other properties by attracting significant customer and revenue, the opposition properties begin to also offer the previously unique product or service. In this way, USPs are constantly evolving as what was once a USP ceases.

A new or improved product or service

As part of SOPs at your workplace, a traditional product or service is regularly reviewed and revised with a view to updating, improving or upgrading it.

The changes made to the previous product or service as a result of the review and revision really results in a 'new' offering even though it is really only a variation on a theme.

Alternatively your venue may have seen a new product or service overseas and decided to be the first in the region to feature it, so they decide to buy the equipment or technology and integrate it into their current offerings.

The need for profit

All commercial venues must make a profit to survive.

The amount of money they make must be enough to pay all expesnses and give owners a return on their investment.

New target and niche markets will only have revised offers made to them if the venue can convince itself:

- There are sufficient numbers of people in the market to buy what is being considered for offer
- The market is willing and able to pay a price and buy with sufficient frequency to ensure an acceptable level of profit can be made.

No venue will continually make new offers unless it believes the effort will be financially rewarded.

Monitoring promotions and offers

Management or the Sales and Marketing department will want to monitor all promotional campaigns and advertising so they can track success of their efforts.

Key Performance Indicators

One way of tracking marketing efforts is to establish one or more KPIs which will indicate the relative success of marketing effort.

KPIs are commonly dates with figures attached to them – for example, a KPI for an advertising campaign may be:

- To attract 200 deposit-paid bookings for minimum three days of accommodation by 30/03/2015
- To generate X amount of money by a certain date from room sales to new international clients
- To increase the number of meals sold in the dining room by 10% by a certain date.

In order for KPIs to be used effectively, you must:

- Know what the KPIs are – and fully understand exactly what they mean. Many KPIs are open to interpretation and different people may interpret them and act on them in different ways. You need to be sure about what they mean before you start acting on them
- Have a baseline – you need to know what the situation was *before* the campaign stared because these figures (sales, profit, rooms sold, meals sold, tours sold) will be used as the basis for calculating actual performance
- Know how statistics are to be captured and compiled, and how they will be manipulated for the purposes of determining the final KPIs – for example:
  - There may be certain internal documents to be completed so data can be tracked – if these documents are not correctly filled in, then sales may not be counted even though they occurred
  - The accounting database may need to have certain information fields populated for data to be truly reflective of actual workplace performance
  - Some sales may not be taken into account – it may be room sales through an agent

- Know the dates applicable to measurement – so you know when the monitoring starts and finishes. This is important where your personal performance is linked to the KPIs and other business performance indicators.

Other ways to monitor promotions and offers

It is also possible to track how people became aware of an offer/promotion in other quite simple ways.

- When you talk to people who are making an enquiry or reservation ask them a simple question – 'How did you become aware of this offer?'
- Add a field to online booking facilities – and ask people to identify how they became aware of the offer
- In the promotion ask people to telephone a unique number – used only to receive calls for that offer
- In the promotion ask people to mention a code word – which identifies if they saw the offer in a specific media outlet. Different codes are used for all the different advertising options used
- Attach a competition to the offer asking people to phone, send or enter online – and count the number of responses.

Record and communicate your findings

The two keys to determining how customers became aware of offers are to:

- Record the information – keep a log of the responses, whether on paper or electronically
- Pass on the data to the relevant person.

The Promotional Mix

Also known as the 'Promotional Blend', the Promotional Mix is the range of means selected by a business to communicate with its target niche markets.

It is the way the venue mixes its advertising, sales promotion, personal selling, publicity and public relations efforts and activities.

A Marketing Plan will usually guide the way resources are applied and money is spent in this regard.

An effective Promotional Mix will:

- Use techniques and strategies identified in market research as the needs of the target niche markets prefer
- Use a mix of advertising and promotional options
- Target 'middlemen' as well as end user customers – some promotion must always be directed to those outside the venue who help sell the venue. These can include members of the media (travel writers, journalists, industry experts), travel agents, booking agents, tour operators, airlines and other transport operators (who develop package deals which may include accommodation and activities at your venue)
- Direct information to sales staff – within the venue to advise them of campaigns and offers, and to generate incentive to sell.

The Promotional Mix is much more than an 'Advertising Mix'. Just spreading promotional money over radio, TV and print is **not** a true Promotional Mix. This only addresses the 'Advertising' sector of Promotion.

In some instances, this reliance solely on advertising may be what is required, however it does leave a large numbers of areas (such as PR, direct selling, point-of-sale materials) not covered.

This concept really widens the targets of your Promotion and shifts the emphasis away from only the end-user. It highlights everyone involved in selling the venue is deserving of attention in terms of Promotion.

The following activities are common and regularly used in the following situations:

Promotions aimed at customers

- Banners and streamers – these are 'attention getters' and have a 'look at me' function getting the message in front of the public and creating interest
- Actual product samples – such as in-venue sampling or take-home samples and product giveaways
- Calendars, fridge magnets, pens, diaries, desk organisers, desk pads – merchandise featuring the venue name and contact details and remind customers about the venue and what it has to offer
- POP displays – attention grabbing and interest raising displays and stands, these should also provide information about the product and any Specials available
- Contests, coupons, stamps – these work along the lines of 'the more they buy, the better chance they have' or the bigger or better the 'prize' they can win
- Trade shows – these take your offering into the public arena.

Promotions aimed at 'middlemen'

These are promotions aimed at other businesses who help sell your products and services – not every business will need to consider this element. Options include.

- Price deals – by quantity, by early 'pay-by' date, by brand name or product type. The more they sell the better the commission they get. The more of a certain brand they sell, the better the reward for them

- Promotion allowances – where you contribute to their costs of promoting your product
- Sales contests – a prize or bonus for the one who sells the most of your products or services
- Calendars and gifts – tickets to shows or sporting events, holidays as a 'thank you' for continued sales support for your venue or for achieving a set level of sales
- Trade shows – see above
- Catalogues, brochures, information material – supplying details to support the sales process both for the customer and middlemen.

Promotions aimed at your own sales staff

These are the activities you might consider undertaking to increase or maintain sales:

- Contests – where you reward outstanding effort
- Bonuses – money or prizes for achieving a set target (either in terms of units sold or revenue, for securing new contacts, for achieving a profit target)
- Meetings – designed to enable information dissemination about new or revised products, services or marketing strategies, explaining and promoting targets
- Catalogues, brochures, information material – see above
- Training – so staff know all about the products and services, how to use and sell it.

2.4 Identify sources of information about enterprise-specific target markets

Introduction

To successfully promote and sell venue products and services it is not enough to understand the generic concept of target and niche markets, it is vital you understand the specifics of the individual markets as established by your workplace.

This Section identifies several sources of enterprise-specific information about target and niche markets. Some are new sources and some have been identified previously.

Internal documents

All venues will have a range of internal documents that can be used to provide details about enterprise-specific markets.

These records may be paper-based (forms or reports), in electronic format (databases and data stored on the intranet), or a combination of both.

Sample documents can include:

- Business goals, plans and strategic directions – these will provide an overview of the markets the venue seeks to attract.

  There may be specific activities attached identifying how the venue intends capturing these markets and timelines for achieving sets of objectives
- Trading records – these are records detailing the sales of products and services

  These records may include:
  - Sales dockets
  - Receipts

- Cash register tapes
- Purchase history cards or electronic files
- Customer databases – where specific purchase types may be listed by date, room number type
- Duplicate copies of guest accounts.

These records can provide useful information relating to:

- Types and quantities of products and services sold
- Amount of revenue raised
- Numbers, amount or volume of sales
- Busy and quiet times for sales
- Classification of purchaser – in-house guest, corporate client, FIT
- Method of payment
- Discounts allowed
- Commissions payable

- Stock records – these may be a combination of records maintained by the venue and documents provided by suppliers when they deliver stock.

  These records may include:

  - Purchase orders
  - Invoices and statements
  - Bin cards.
  - These records can be useful in identifying:
  - The type and volume of products sold
  - When products are used
  - Where within the business (by location) the products are sold.

Market research

Reading the results of market research undertaken by the business is an extremely useful source of information about the customers your venue attracts.

These customers may belong to a target niche market. Research data will make the market classification quite clear.

To gain optimum benefit from market research data you should actively seek out:

- Internally-generated current market research reports – these should be provided following every major market research undertaking and provide information relating to:
  - Number of people surveyed
  - Their demographic characteristics – see below, Section 2.5
  - Survey topics about which feedback was solicited

- Responses to the topics
- Analysis of the data – indicating, for example:
  - New products, services, policies and practices to be introduced
  - Changes to existing products, services, policies and practices
  - Removal of existing products, services, policies and practices

- Historical market research data – to gain insight into how markets have developed and changed
- Completed Customer Comment Cards – for raw data on how customers feel and their issues
- Online feedback surveys completed by previous customers – see 'Completed Customer Comment Cards'.

See previous market research notes for more detail.

Information from support businesses

The hospitality and tourism industry comprises numerous businesses that operate in an ancillary, or support, capacity.

There is a mutually supportive and advantageous relationship between many venues and these support businesses.

For example:

- The industry relies on financial institutions for financing and for providing the infrastructure (checks, electronic payments) to support transactions but the banks also rely on hotels and venues to generate revenue
- The industry relies on a range of suppliers, trades people, service technicians and systems providers to enable a venue to function efficiently, effectively and safely – these support businesses also rely on the industry to purchaser their products and services.

Many 'support businesses' can provide your venue with useful market information and insight, such as:

- Level of trade in the industry – especially regarding trends regarding visitor numbers, where visitors are staying and where they are spending
- How other properties are doing and what they are doing – in terms of activities and initiatives to attract customers, new deals, revised products and services or price discounts.

Most of this information is 'word of mouth' information provided by sales representatives who call on your business but some businesses (especially banks, financial institutions and peak industry bodies) often release monthly or three-monthly reports detailing factors and statistics of interest to various industry sectors.

Ask your Supervisor if the venue receives any of these and if they do, ask to see previous copies of them and asked to be put on the list to receive future copies.

You may find you can discover important market information from data provided by:

- A range of suppliers and distributors – including retail and wholesale sectors
- Agencies with whom you have a working relationship
- Head office and associate businesses
- Dedicated marketing-specific organisations – who usually charge a fee to provide this type of data.

Customer feedback

Feedback from customers is a vital form of information about markets.

It is often characterised by being honest, direct and based on personal experience with the venue and its products and services.

You can find out customer feedback as already discussed (Customer Comment Cards, online feedback) as well as by:

- Talking to customers
- Asking customers questions about their experience at your venue
- Observing the body language of patrons – to determine if they are satisfied or not
- Following up on instances where customers have:
  - Made a complaint
  - Complimented the venue and staff
- Encouraging other staff to contribute their observations regarding feedback from customers.

2.5 Describe the demographic characteristics of enterprise target markets

Introduction

Demographic characteristics may define a targeted niche market or they may be used to describe the mix of people comprising a market.

This Section identifies a range of demographic characteristics commonly used by businesses who use the concepts of niche and target markets.

Why is this important?

Knowing the demographic characteristics of your target niche markets helps you determine what they want, how to serve them, what to offer them and what not to recommend to them.

You must relate these characteristics to the specifics of your individual markets and the products or services you have to offer them.

Remember it is possible not all the demographic characteristics listed below will apply to your venue. Certainly every separate target niche market will have a different set of these characteristics.

The idea is for you to use the relevant demographics characteristics for each market to guide your thinking about what customers in that market group are likely to need, want, expect or prefer.

A word of caution

While understanding the demographic characteristics of your target and niche markets is a good idea, you **must** also understand and acknowledge all customers are individuals and thus, there will always be customers who do not fully conform to the generic suite of characteristics for their market group.

Be alert to this possibility and ensure all your sales and promotion activities reflect this extremely important customer service point.

Demographic characteristics

Demographic characteristics may relate to one or more of the following – remember the mix of these factors will change between market groups:

- Age – this is usually:
  - A range of years – such as ‘18 – 35 years of age’
  - A minimum/maximum indicator – such as ‘above 21 years of age’, or ‘below 65 years’
  - A descriptor – such as ‘baby’, ‘child’, ‘adult’ without any specific age nominated

Knowing the age of customers provides insight into:

- The standards and style of service they expect
- Forms of address to use
- Suitable and unsuitable products and services

- Gender – this is commonly included in 'Age' references (such as 'Males, over 21') and generally involves reference to:
  - Male or female – the traditional and obvious classification of people according to their gender
  - 'Unknown' –you are unsure given the information available whether the person is a man or a woman

Knowing the gender of customers provides insight into:

- Suitable and unsuitable products and services
- Seating or rooming arrangements

- Marital status – this commonly identifies:
  - Mr, Mrs or Ms
  - Number of children – many Westerners have children when unmarried and living in a *de facto* relationship, or living alone. You cannot assume a male and female who arrive at your venue with children are married but their needs, wants and preferences will normally be the same as for a married couple with children
  - No classification is normally made for people who are widowed or divorced unless the venue has determined these people constitute a useful niche market

Knowing the marital and children status of customers provides insight into:

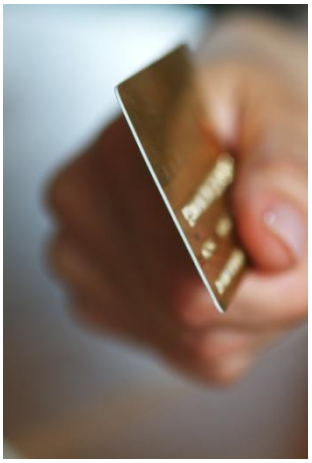
- Suitable and unsuitable products and services especially those directed at younger people and the parents of children
- Seating or rooming arrangements – attention may be paid to separating those with children from people without children, providing high chairs

- Identification of the nature and size of the buying unit – such as:
  - Company
  - Natural person
  - Group
  - Agent – such as an agency making sales (of rooms, tickets, tours) on behalf of the venue
  - Wholesalers – such as group tour operators, airlines
  - Retail operators – such as other venue operators
  - Government purchasers
  - Domestic or international customers

Knowing the buying unit provides insight into:

- Prices to be charged
- Packages to be promoted
- Preferential booking – for rooms and dining
- Restrictions applying to products or services that can be charged to accounts

- Earning level – knowing the amount of money people in the target market earn enables calculation of their disposable income and this has implications for:
  - Prices charged
  - Inclusions in packages
  - Quality of products and services offered
  - Levels, standard and quality of facilities, fittings, and the overall venue appearance and ambience



Access to credit - many visitors do not have cash to pay for the products and services they want but if they have access to credit (credit cards, electronic credit). They are regarded by the venue as capable of buying and are thus legitimate purchasers from a target market perspective.

Having access to credit is critical in many hospitality situations where credit card details are often captured when the guest checks-in even though they may not intend making a credit purchase.

Most venues will also have a 'credit limit' meaning the guests are asked to settle their account with the venue whenever it reaches a set amount/limit

- Ethnicity – knowing the ethnicity of people provides an insight into:
  - The language spoken – meaning staff who speak the language may be rostered on duty or menus and other printed information may be provided in the most appropriate language
  - Customs of the customers – so staff can prepare to observe, understand and comply with them
  - Information and assistance individuals may need when in a foreign country

- Geographic location – some properties will develop markets based on the geographical location of people.

  For example, a venue in a city may establish specific markets for:
  - People and businesses in the Central Business District – who are likely to have different requirements including functions, day use rooms, dining and catered events
  - Local, suburban clientele
  - Other national clients

Knowing the geographical location of customers provides insight into:

- Suitable products and services to offer
- Conversation topics to engage in
- Service styles and speed of service
- Local and regional preferences for products (food, drinks) and services

Employment – most venues will try to determine the employment status of their customers as this is directly related to their earning level, disposal income and access to credit.

They will also seek to identify whether or not their markets are employed or unemployed

Unemployed people may be classified as:

- Retired – and regarded as a lucrative market when they have access to significant retirement funds to spend on tourism and travel
- Unable to obtain work – and therefore unlikely to have ready access to either cash or credit. This does not *necessarily* mean they are not an attractive market but it does indicate the offers made to them will need to be:
  - Cheap
  - Good value-for-money
  - A 'no frills' service or product

- Transport used – most venues like to know how their customers arrive.

  Knowing this has implications for:

  - The provision of house vehicles (cars, limousines, buses) to collect people from airports, stations, terminals, and other arrival points
  - Information needing to be available to advise customers regarding:
    - The local, public transport system and travel options
    - Commercial options available – taxis, hire cars

  - Developing links between the venues and the transport providers – many hotels develop mutually beneficial relationships with airlines, cruise lines and coach companies

- Media used – venues like to know the media used by their customers as this enables them to best target the advertisements, offers and information they make to them.

  Some markets will prefer TV advertisements, some will prefer to read newspapers and some will insist on face-to-face sales staff providing offers and negotiating deals

- Preferred payment option – no successful venue can insist their customers pay cash.

  There is always a need for all venues to take into account how their customers want to pay and knowing their preferred method of payment enables venues to cater for these preferences by:

  - Charging in-house purchases back to the room or house account
  - Making currency exchange facilities available in the venue
  - Accepting payment by traveller's checks
  - Accepting a wide range of credit and debit cards
  - Processing transactions using electronic funds transfer options
  - Providing accounts to well known customers
  - Initiating protocols for acceptance of personal checks in payment for purchases.

Knowing payment options available in the venue enables you to advise customers accurately about how they may pay. Where guests can pay by credit card they may spend more as they do not have to have immediate access to cash.

2.6 Explain the benefits of using target markets within an organisation

Introduction

Not all businesses use target markets but those who do experience significant benefits from doing so.

This Section reinforces previous information regarding the benefits of target marketing and introduces some fresh reasons why so many properties adhere to a target marketing approach to their customers.

Benefits of using target markets

Benefits of using target markets may relate to:

- Being better able to meet identified need – as determined by market research activities such as questionnaires, surveys and focus groups.

  Rather than developing or producing 'something' the venue will know what customers want and can target their efforts at producing these things

- Faster sales – it is quicker to make a sale when the products and services you have for sale readily and easily match what it is the target market customers want to buy.

  Customers will quickly recognise specially developed products and services meet their needs so they are likely to purchase more, buy with greater frequency and make their actual purchase more quickly

- More profitable sales – most target market customers are willing to pay a premium for products and services that meet their needs, match their expectations and are their preferred choices.

  More profit is also possible due to faster sales (see above), and reduced waste (see below)

- More satisfied customers – when a venue provides products and services designed specifically to address the needs, wants and preferences of target market customers the obvious result will be customers who are much more satisfied because the products and services will better meet their requirements.

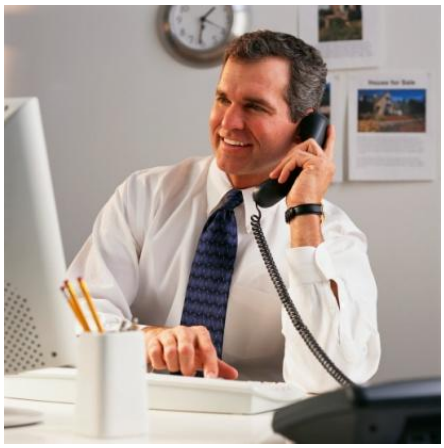
  Targeting products and services to the known preferences and requirements of customers is a very customer-focused thing to do

- Less waste – products and services created to match known preferences and need, will mean the venue uses its time and other resources more effectively by only producing products and services known to be acceptable to its customers and hence much more likely to be sold.

  This means less waste in terms of time spent producing items which will not be sold, and a decrease in waste product as fewer items will have to be discarded, or sold at a lower price to clear them from stock

- Ability to become established as a specialist supplier – venues who offer products and services aimed specifically at the known needs, wants and preferences of target niche groups will quickly gain a reputation for being customer-focused on those groups.

  The result of this is customers from these groups will come to regard the venue as a specialist supplier, and they will seek them out when they want to make a purchase



- Being able to get to know the target market better – as your level of interaction with target and niche market customers grows you will learn more and more about them and their needs, wants and preferences.

  The more you know, the better you can cater for those needs, wants and preferences meaning being target market focused builds on itself. Greater insight breeds greater insight

- Reducing the likelihood of competitors entering into the marketplace – in a free market economy, new businesses will enter a market when they perceive there is a profit to be made. This means when your venue demonstrates they have identified a profitable market, competitors may try to follow your lead and take advantage of the opportunity you may have created.

  Where you have developed significant target markets and catered specifically for those markets, competitors often realise they can never achieve the same understanding and relationships with those customers and so stay out of the marketplace accepting their attempts to enter the market will not meet with the required level of success or profit.

Work Projects

It is a requirement of this Unit you complete Work Projects as advised by your Trainer. You must submit documentation, suitable evidence or other relevant proof of completion of the project to your Trainer by the agreed date.

2.1 Talk with management at your workplace and ask them questions necessary to obtain sufficient information to enable you to answer the questions below.

Submit a written report based on their responses:

- What target markets does the venue or your department seek to attract, and what are their demographic characteristics?
- What niche markets does the venue or your department seek to attract, and what are their demographic characteristics?
- How does the venue vary its promotion to focus on these different target and niche markets?
- What benefit does management see in using the concept of target and niche marketing?

Summary

Develop market knowledge

When developing market knowledge:

- Learn the various target and niche markets your venue caters for and seeks to attract
- Know the different products and services suitable or developed for the different target and niche markets
- Recognise the demographic characteristics differentiating between your target and niche markets
- Refer to market research information and data to use as a basis for learning what different markets want, need, prefer or expect
- Take time to read and analyse internal information and data to gain an understanding of previous customer buying patterns and trends
- Integrate information from support businesses into knowledge about markets
- Realise all products and services can be altered to suit different markets by changing one or more elements of the Marketing Mix
- Talk to customers and seek their feedback about products and services of the venue and available elsewhere
- Use monitoring and KPIs to judge the effectiveness of promotional initiatives
- Apply a range of options to communicate sales-related information to customers and those involved in sales and promotion activities.

Element 3:
Promote products and services

3.1 Describe promotional initiatives that may be used to promote products

Introduction

All staff involved in selling activities must be aware of the promotional initiatives used by the venue.

This section identifies a range of promotional activities employed by venues.

Why is this important?

It is important to know about the promotional initiatives being used currently in order to:

- Explain them to customers – who may not know about them when they arrive at the venue, make a booking or make an enquiry
- Describe the benefits of the initiative – this means being able to tell customers the savings provided by the initiative, the time it will save them and the other advantages inherent
- Meet customer expectations – by being able to provide supplementary information when customers make enquiries about promotional initiatives currently being advertised
- Optimise sales – there is direct link between promotional activities and sales, so sales-related staff must be able to explain and promote these initiatives to generate maximum revenue.

Promotional initiatives

Promotional initiatives may be aimed at specific target niche markets or targeted at the general public.

Promotional initiatives may relate to:

Internal promotions

Internal promotions are undertaken within the venue or by staff at a remote location such as a shopping centre, exhibition of fair.

Options and activities for internal promotions may:

- Static displays – these are stands or displays used to promote one or more products. They will feature:
  - Products being promoted –products available for sale at the stand
  - Supporting materials – to create interest, action and interest. These may include strobe lights, DVDs, music or ancillary accoutrements.

    For example, a stand promoting wine may also feature a looped DVD on wine production or tasting, wine glasses, tasting notes, corkscrews, decanters, and wine books.

    Using staff at static displays is optional – to assist and advise customers or process sales and bookings. A sign may be included in the display directing customers where to go and what to do to buy a product/service or make a booking

- Demonstrations – these are excellent ways of promoting a service, as distinct from a physical product, and explaining how a product may be used.

  Demonstrations enable:
  - Customers to view what is involved in using product – giving them advice and tips on technique, options and practice
  - Customers to better understand what a nominated service involves – and appreciate what is entailed in its provision
  - Customers to sample a product or service – many demonstrations deliberately intend to allow potential customers to experience first-hand what a product or service is all about.

  Common demonstrations include cooking of dishes and mixing drinks

  Demonstrations are often combined with tastings (see below)

- Tastings – these are common promotional initiatives in an industry where there are many food and beverage choices.

  Tastings can:
  - Be used as market research – to obtain feedback on menu items proposed for inclusion on a menu
  - Introduce new menu items to customers – by providing them with free samples
  - Showcase the diversity and quality of products offered in various venue outlets

Care must be taken to ensure:

- Children cannot access tasting of alcoholic beverages
- Customers are not burned on equipment used to keep food hot

- Videos or DVDs – these may be integrated into displays, demonstrations or tastings or can operate as stand-alone advertising or points of interest.

  Where videos or DVDs are used they are commonly 'looped' meaning they run continually.

  It is important they are relevant to the product or service being promoted, are current and contain nothing likely to cause offence.

  Many videos/DVDs operate in 'silent' mode (without sound)

- Competitions – are regarded as a fun way to promote a product and service. They may also be integrated with other forms of promotion such as tastings and demonstrations.

  The use of competitions is popular for:

  - Naming a new or upgraded product or service
  - Raising interest in a new product or service – 'Guess the weight, or size, or ingredients …'

  Most competitions require those who enter to provide their name and contact details and these may be used by the Sales and Marketing department to add to their database of contacts.

  It is vital the prize offered to competition winners has value in the eyes of the customers – prizes often include:

  - Cash
  - Entry tickets to events, shows and rides
  - Accommodation
  - Wining and dining at the venue

- Celebrity appearances – the use of celebrities can be an effective way to promote or endorse an initiative.

  The celebrities may simply make an appearance, endorse products or arrangements may be made for them to speak or demonstrate or experience a product or service.

  The type of celebrity used must reflect the image of the venue and align with the intended target niche market.

  Having celebrities appear can:

  - Create enormous additional media coverage
  - Give credibility to a product, service or venue.

'Specials'

The term 'Specials' is open to wide interpretation.

Anything 'out of the ordinary' can be regarded as a 'Special'.

In practice a 'Special' may be:

- A price reduction (discount) on one or more products or services for a given period – accommodation venues commonly offer seasonal specials for quiet times, and venues traditionally quiet at weekends will offer 'weekend specials' or 'weekend get-aways'
- A product or service not normally available being made available for a limited time
- A bonus being included when a purchase is made – such as 'Buy one, get one free', or 'Spend a certain amount of money and receive a free item/service'.

Packages

Packages are offers made which feature the bundling of items (products and services), selling the package at a price less than the sum of the total price for their individual elements/inclusions.

Package deals may include:

- Accommodation – in a specified room type
- Food – such as 'dinner in the dining room' or 'Continental breakfast'
- Drinks – for example 'Champagne on arrival' or 'complimentary wine with dinner'
- Trips and tours – such as entry tickets to local events, zoos, shows
- Transfers – transport to and from airports and travel terminals.

Events

'Events' involves the venue conducting or participating in:

- Trade fairs
- Exhibitions
- Product launches
- Joint venture promotions – where the venue might join with an airline, tour operator or local business to promote mutually beneficial products and services, packages, deals and other initiatives.

Events may be held within or at the venue, at a conference or event facility, or at a local shopping centre or other site where target market customers have ready access.

Media campaigns

Media campaigns refer to the use of various media outlets to advertise promotional initiatives.

'Campaign' implies:

- An extended use of the media
- Use of many different media options
- Targeting of different markets in different ways – certain target markets may have unique advertisements developed for them with media options used to reflect their known preferences for receiving information
- Ancillary support for the media campaign – using branded merchandise and hard copy materials, creating in-house displays or using posters in the venue all carrying the same message, logo or colours contained in the media advertising.

Media options

A venue may use:

- Newspapers – a combination of local and national newspapers to:
  - Run advertisements – text, graphics and pictures of the venue, an event or a new product or service
  - Offer coupons related to the promotional initiative – for customers to redeem or entitle them to the product or service at the centre of the promotion
  - Provide entry forms – where the promotional initiative involves a competition

- Radio – to advertise the initiative at times and during programs known to be listed to by the relevant target and/or niche markets.

  The promotional initiative may also involve 'live crosses' to the venue or using the venue as the forum for broadcasting

- Television – as for 'radio'. There may be an opportunity for staff to make 'live to air' statements, conduct on-air tours of the venue and facilities or demonstrate services
- Their website – creating web pages focusing on different promotional activities with links to buying or booking pages
- Social media – using Twitter or Facebook to tell people about promotional initiatives.

3.2 Demonstrate how to develop and produce a static in-house promotion

Introduction

The use of internal static displays or stands is a traditional and effective way for venues and individuals departments to promote to customers.

This Section identifies several factors to consider when developing such as in-house promotion.

Need for all displays/stands to have an objective

All promotions, including internal displays and stands, must have one or more objectives.

Common possible objectives are:

- To reinforce, continue or support other promotion of an existing product or service
- To introduce a new product or service to the marketplace
- To offer tasting or sampling of a product
- To notify customers an existing product or service has been revised and altered in some way
- To meet direct competition
- To resurrect flagging sales
- To build a larger customer database
- To fill a space – there may be a place in the venue looking 'empty' where there is a need to make it more attractive, inviting or exciting.

Integration with external media and other campaigns

In some cases there will be a need for a display to align with, extend or reinforce an external media or other promotional campaign.

In these situations the objective for the in-house display must be determined in consultation with those who developed the broader media campaign.

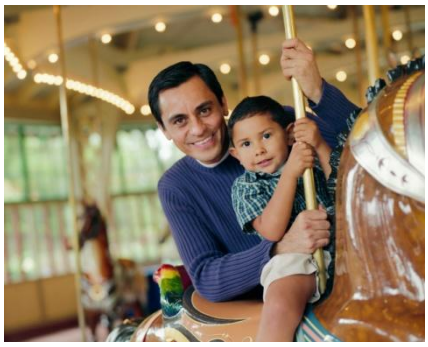
Common requirements are:

- For in-house displays to appear as they appear in other media-based advertising
- To ensure products and services mentioned in external advertising are available on the in-house displays
- To double-check all prices, offers and wording of signage, lists, schedules and promotional materials match whatever is being promoted in the media.

Possible audiences

The range of possible audiences for in-house displays is without limit but must be considered before the display is built. Identifying the audience impacts on aspects of the display (such as products used, signage, language, materials used, timing and placement) to make the display effective.

Possible target audiences for displays may be:



- New customers – where the display tempts new customers into the venue to try the product or service being promoted, or just experience the display
- Existing customers – displays can be undertaken to 'reward' them, or to try to get them to widen the items they buy
- Businesses– 'businesses' are an often overlooked market, but can often represent a distinct market worthy of attention and special promotions
- Children – the display may be of children's products with the aim of making sales, or the display may be required to entertain children while their parents are otherwise engaged
- People seeking to celebrate a current event – these are common around celebration, festival and holiday times
- People of different ages – displays may be targeted at specific age brackets
- People from a range of social, cultural and ethnic backgrounds
- People with varying physical and mental abilities
- People with varying degrees of language and literacy.

The target and niche markets established for the venue will often provide the focus for the display in terms of audiences.

Products and services to be displayed

There must be a reason to promote the products and services featured in a display, as identified above.

It is important these products and services are the focus of the display.

Product integrity

There is always a need to promote a product or service in a suitable manner.

This means you never have free reign to promote a product or service or how to create the display.

All displays and internal promotions must be in-keeping with the image of the product or service and align with venue image and market position as well as customer expectations.

This is very much an individual venue consideration. What is suitable or acceptable in one venue or department may not be permitted in another.

However, in general terms, your display should never downgrade a product or service by virtue of the context in which it is displayed, or the nature of the display that is created to promote it.

This often comes down to a matter of taste.

There is a saying in visual merchandising 'the product must always be 'the hero with integrity'. This means the image and reputation of the product or service being displayed must not be sullied by the devices used to display it. The idea is to complement and balance the product, not to dominate it or to detract from it in any way.

For example, it may be inappropriate to create a display for coffee, and drape the display with items of lingerie.

However, the use of items of lingerie may be totally appropriate for displays with a 'Naughty Coffee' theme highlighting the use of spirits and liqueurs in coffee.

The focus of everything must be the customer, and what is appropriate for them.

Certainly no display should give offence, even though it may be designed to stimulate interest, raise an eyebrow or create a mild amount of controversy.

Knowledge about the target markets for displays will be prime in dictating the 'pitch' you create in the display and the products you may elect to use, or reject.

Planning

All displays will benefit from planning.

Planning can require the involvement of others including management, marketing staff, staff from other departments in the venue and even customers. It should result in a written 'display plan' being prepared detailing issues such as:

- Location of displays – within the venue
- Time displays need to be operational – stating:
  - Times of day
  - Days of week
  - Times when staff are required to man the display – to promote products, to make sales, or to explain products and services
- Budget – cash, time, staff and physical resources
- Consumables – a list of, and limit to, items to be given away (or used in demonstrations, sampling, tasting) at the display
- Supporting materials at the display – to enhance the look of the display, create additional interest in the display and introduce a higher level of prestige and professionalism
- Theme for the display –As already indicated, there can be a need for a departmental display to integrate with a venue-wide promotion
- General outline of the look for the display – indicating how the 'final product' will appear.

Display options

Static in-house promotions may include:

- Window displays
- Table displays
- Counter displays
- Free-standing displays.

Locating the display

In most cases, the display needs to be in or near a high traffic flow area in order to maximise exposure and impact.

This is not always possible and if a high traffic flow location cannot be allocated, the display may need to be re-thought and, perhaps, not done at all.

There is nothing more frustrating than spending the time, trouble and effort in creating a display no-one looks at.

High traffic areas will be:

- Near doors
- Near service counters
- Near cash registers
- In established walkways – for example, between the door and reception or service counter; between the entrance door off the street and the elevators
- Near toilets
- Near telephones
- Near points where customers place their orders or make payments.

Display props

In-house displays commonly feature the use of appropriate props to support, extend and highlight the offering being promoted.

Display props are usually the first point of visual contact for most customers, before they read any signage or brochures. Props can include anything except actual samples of stock.

The props you choose must send an immediate message to the customer 'Look at me!'

This is a vital initial impression and should reflect the true nature of the product or service.

That is to say, it is not sufficient to grab customer attention with something having nothing to do with what is being advertised or promoted. Product and venue integrity must also be maintained.

For example, if you were to create a display to promote a Club Med type resort you would choose props such as a palm trees sarong, cocktail glass with cocktail umbrella in it, sunglasses, deck chair, sunscreen, beach towels, sand, surfboards, and a bikini. The intent is to suggest the 'sun, surf and party' message to young prospects.

The selection of props thus relies heavily on the objective for the project. This underlines the need for you to have a very good grasp on what is expected before you start planning and creating the actual display.

By contrast, if you were being asked to promote a beachside golf club, you may well choose different props. In this case, you may elect to use books on a chair, sun hats, golf buggies, golf clubs, a deck of playing cards, crossword books, a game of Scrabble and a beach umbrella. The point being the target market for the golf club and the resort are quite different and the props must reflect this.

When creating a display there is also a need to pay attention to the quality of the props and their cleanliness. Whatever is used must be presentable and reflect venue standards.

Remember to contact suppliers and other support industries to see what they can both give or lend to you. Many brilliant displays have been created using equipment, stock, stores and other items lent free-of-charge from other businesses.

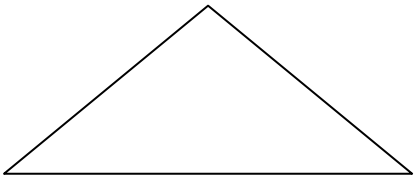
Using established display techniques

The basic display format is to create the display in a triangular shape, also known as the 'pyramid effect'.

Three practical applications of this pyramid effect are shown below:

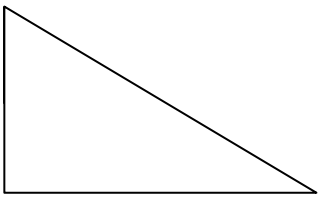
(1) Symmetrical

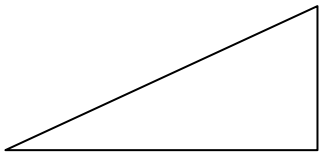
This is the standard triangular shape with the highest point at the top, centre:



(2) Asymmetrical

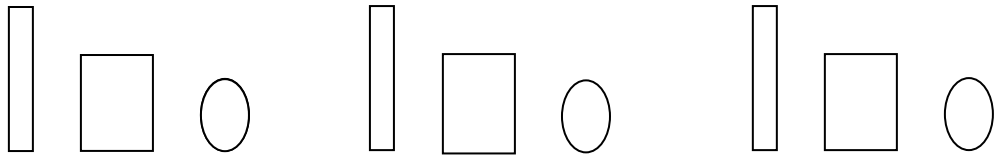
This is a 'left to right' or 'right to left triangle:





(3) Repetitious

Where there is identical placement of products, repeated three times:



General advice

The use of the ‘pyramid effect’ concept’ does not mean the display needs to rise to a distinct ‘point’ – the concept refers to a sense of ‘flow’ within the display itself.

To do this, you could create height at the back of the display using different forms – posters, signage, fabric, banners, display props, actual samples of the product being promoted, or associated items.

Then, create a lower, more accessible front to the display between chest height and knee height, depending on the size of the display area.

Large displays will have both a chest height component, and a knee high element.

These levels will contain items of stock – for the customers to touch, handle and inspect – plus pamphlets and promotional material to support the items being promoted.

When positioning information brochures, price lists and other information leaflets it is important they are within easy reach for the customers. Ensure they are not hidden from view, buried too deeply within the display or physically located out of reach. If *you* cannot reach them, the customers will not be able to either.

Keep it tight

Displays should be created with a view to ‘keeping it tight’.

This means the display should keep all the items on the display close, even overlapping.

Where a stand has items positioned too far apart, the display will look disjointed due to the distances between items. If this is likely to be the case, you should reconsider your initial thoughts and perhaps go for a smaller display. Bigger is not necessarily better.

Any display looking disjointed will definitely lose its visual impact and can also give the impression it is tired and has run out of stock because it looks somewhat ‘empty’.

By contrast, displays which are too tight (that is, there is too much stock or too many props) will look jammed up and cluttered.

Such a display looks unprofessional, fails to present the product in the best light, and creates little or no interest with the public. This situation can often occur where the display is too small and too much is trying to be displayed.

The problem predominantly is the products get lost in the ‘background clutter’ of the total display and customers are unable to readily distinguish what exactly is being promoted.

Customers are essentially not prepared to 'think through' a display, and identify what is being promoted. They want the main message to be quick and easy to identify and assimilate. In effect, your message has to be simple.

Not simplistic, but easy to ‘get’.

When designing, planning and especially loading the display, the idea is to try to strike a happy medium. A balance where there is harmony between the available space and the items on display.

Keep it simple

The KISS principle (Keep It Simple Stupid) definitely applies to displays.

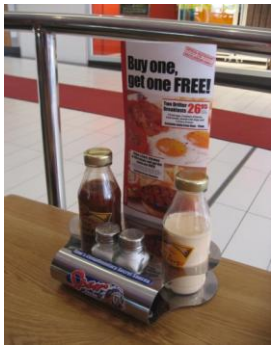
This means if you are creating a small display – keep it simple. Never weigh down a small display with too much creativity. A single item spot-lighted in the middle of an otherwise bare table can be very effective.

Stick to the basics and accentuate the product rather than the setting.

A small display can elegantly and adequately focus on the product without the need for artefacts to draw attention to it, or to focus attention.

In these situations the placement of the product on the stand, and the number of facings is critical: the above guidelines in relation to the triangular shape, and overlapping of products should also be considered.

By the same token, a larger display area presents much more opportunity for you to be creative, to establish some sort of theme or to be more extravagant with the props, décor and layout.



But always remember, the aim of a display is usually to sell product, and it is important the product is not drowned out by an over-displayed stand.

There is no point the customers saying ‘Wasn't that a great stand – what were they selling?’

Also, if your display has a back to it, it may be advisable to dress the back of the stand, too, so people who approach your stand from the ‘wrong’ direction can also be targeted.

This dressing may simply be a poster or some signage, but it will help to maximise the visual appeal.

Appearance

Where the display is such that customers will use or buy items comprising the actual display, care must be taken to restock the shelves, counters and other containers regularly to maintain a pleasing and attractive appearance.

This restocking must be done on an ongoing basis throughout the day, and is not something to be left to the end of the day.

All items used in a display must be clean and in good condition. The display really represents the venue, so it must be in-keeping with that image.

Posters should be invisibly pinned or double-sided tape must be used. Never use tape over the front of a poster or sign, as it looks untidy and very unprofessional.

Cut off the loose ends of fishing line used to tie or hang things.

Hats and caps should always be stuffed to enhance their presentation as opposed to being used or hung without 'volume'.

T-shirts, if hung or folded into a display, must always be ironed first and have thin card inserted to help them sit better and avoid the saggy look. T-shirts can be pinned at the shoulders and fishing lined to the ceiling, keeping the bottom of the T-shirt pinned to the stand.

Sometimes, pinning the sleeves back can create a more appropriate look to the display.

Fabric must also be neatly trimmed and have no holes.

Always iron the fabric before use.

Display materials

In addition to already identified props, the following can be effectively used to create an interesting in-house display.

Flags

These can include pennants, banners or the traditional flag-shape. They are available in a range of sizes from very small to large.

They can be hung from the roof area, or pinned to the rear off a display to provide the backdrop against which the display operates.

They can be used to create or support an international flavour, or a promotion – food or drinks – specific to a nominated country.

National flags can be used to promote the local product ('Buy Malaysian', Buy Cambodian'') and to take advantage of any nationalistic sentiments.

Two benefits of flags are they are usually readily recognisable, and they are reusable in other displays.

Boxes

Ordinary cardboard boxes can be a very useful and inexpensive display tool.

Boxes can simply be stacked on top of each other to create a small display.

The top layer of boxes on the display should be cut open on an angle, keeping the back of the box high, and the front low (thereby applying the triangular/pyramid concept) to visually present the actual product itself.

Fabric

Fabric is important in displays for three reasons:

- It is relatively cheap, and if kept cleaned and undamaged it can be reused
- It comes in a limitless range of colours. This means it is able to be used in-keeping with any design, theme or concept
- Fabric helps to cover a multitude of problems. Fabric will readily hide joins in tables, stands or counters. It will disguise shabby stands and displays looking tired and worn. It also masks holes, rips and splinters in surfaces.

On top of all this, it enables items to be invisibly pinned to it.

Fabric can look very effective when used as a backdrop to a display whether it is neatly draped over a rod attached to the ceiling with fishing line, invisibly pinned to a screen or pin board, or draped around the front of a display.

Green fabric can help to create a field or the playing surface of a sports arena or track.

Blue fabric can be the sky, a lake or the sea.

Colours of the national flag extend any national themes.

Furthermore, fabric can be arranged into folds to assist in creating the background for many displays. This helps create a multidimensional surface into which items can be arranged.

Signs

Signs can be made in-house, bought in or obtained free-of-charge from suppliers and other sources.

Stands are available in a wide variety of free standing units to hold signs of all shapes and sizes.

Signage may comprise the predominant medium for the display or they can be used as an information medium ancillary to the display.

Signs traditionally contain mainly the written word, together with symbols and logos. Many signs are ‘price signs’ (see below).

A common trap for those inexperienced with displays is to use too many signs or in-appropriate signs (in terms of their size and wording) for the display. You must bear in mind signs are unlikely to be read with the same enthusiasm by customers, as you used to create them.

Also, do not make signs too wordy, too crowded or too busy – the KISS principle must apply to all signs.

While signs can be reused they get very tired and dirty looking quite quickly (even if laminated), and it can be a good idea to use new signs frequently. It is another trap for novices to create an exciting, fresh display and ruin the whole effect by using old, tattered and grubby signs.

For the sake of a little money the whole display and its potential impact can be compromised by poor or dirty signs.

Large cardboard signage is usually strong enough to support one or two lightweight props, too. Hats, thongs, T-shirts, balloons, sunglasses (or similar) can be attached using pinholes and fishing line.

When using signs take care to ensure they do not obstruct customer view of prices or the display itself.

Pamphlets

These are common display items, and may be produced in-house or provided by support industries or suppliers.

They can be presented in different ways – pinned at different pages to present a variety of photos, text or information, displayed in a fanned out way, rolled up and tied with ribbon to add interest and look 'valuable' or set out in a wave formation.

Actual product – product samples

Most, but certainly not all displays, will contain some actual product samples.

It is a truism of merchandising nothing takes the place of the real thing, but care must be taken to use them in proportion to the size of the display so the overall appearance is not cluttered or empty.

Where actual samples are used there often needs to be staff in attendance to handle sales, explain the product, do demonstrations, restock shelves and provide security against tampering or theft.

Where samples are going to be used, you should contact the supplier and ask them to contribute. They may be willing to provide staff or actual product items.

They may also contribute ideas, videos, posters to supplement the display in general.

Many suppliers will provide product for use as a door prize, raffle, lucky spot prize, or some other event-related competition.

Local produce

Depending on the objective for the display using local produce to creatively dress a display can be an inexpensive means of cross-promoting another local industry or of running a joint promotional venture.

This style of approach tends to work best in tourist districts where those attending the display can be expected to have an interest in local produce.

Interest levels in relation to food and liquor products of this type are extremely high.

Once again, local suppliers should be contacted with a view to their providing (free or at some heavily subsidised rate) produce for the display.

Cultural artefacts

Cultural artefacts can come from any country, thus making them an ideal prop for displays featuring a certain country, or displays focussing on products from a certain country.

They are little more than normal props but have some cultural significance and ready recognition with their country of origin.

Industry artefacts

In the hospitality and tourism industry there are many opportunities to create interest and inexpensive displays using equipment related to parts of the industry.

Many items suitable for use on displays can be found in:

- Kitchens
- Bars
- Dining areas
- Laundries
- Accommodation rooms.

Once again, support industries may be approached to contribute to these initiatives.

Pricing tickets

Where possible, it is recommended any pricing (cards, posters, talkers, signage) be presented at eye level.

Where prices are positioned too low they become too difficult for customers to read and where they are located too high the customers may not see them.

Most customers, on entering a space will look at eye level, or just above, and then look down directly beneath the sign or the display.

It is your job to lead the customer's eyes to the saleable items or the display. This means you should take into account this habit of customers looking up when they enter.

In reality, this means even where you are compelled to use display bins below eye level, there should be some signage above it to attract attention and then direct where the eyes should move to.

When producing price tickets:

- Make sure they are correct
- Mention applicable discounts
- Never try to confuse the customer – the price on the ticket should not be subject to hidden extra charges
- Consider including the amount of saving a customer enjoys if the offer is a ‘Special’ or a package deal
- Pricing tickets must never make direct contact with food.

Promotional material

At displays it is common to include advertising material promoting nominated products or services.

These may include informational and other print-based materials such as:

- Product and service information brochures and pamphlets
- Price lists
- Schedules
- Tasting notes
- Recipes
- Venue information handouts
- Maps.

These promotional materials are useful as information for potential customers to take away and read or refer to at a later time.

3.3 Verbally promote products and/or services to customers

Introduction

For frontline, customer-contact staff verbally talking to customers will be the most common approach taken to the promotion of products or services.

This Section identifies issues and techniques involved in the effective verbal promotion of products and services to customers.

Element 4 will present detailed advice regarding information to assist with *selling* products and service in a face-to-face context.

Honesty and accuracy

Always be honest and accurate about all descriptions you make regarding products and services:

- Never lie
- Never tell half-truths
- Never say a products or service is better than it is
- Advice and information supplied must be genuine and not contrived to simply make a sale
- Full disclosure is the preferred approach – tell the customer about the good *and* the bad
- Be ethical in your dealings with everyone
- Do not promise what you know cannot be delivered.

Adherence to enterprise policies and procedures

All venues will have policies and procedures governing selling they expect you to adhere to.

These may include:

- No pressure to buy is to be placed on customers
- There must never be a 'sell at all costs' approach
- Prohibition on certain sales techniques or strategies
- Definition of persons to whom the venue will not promote or make sales. This may include minors or persons who have made applications requesting that they be barred or otherwise not served, or extended credit
- Maintenance of privacy and confidentiality regarding customer purchases and venue sales
- Compliance with all legal requirements and applicable Codes of Practice – such as dealings with customers, age-related restrictions on sales or fair trade legislation.

Using appropriate communication skills – Questioning

Using questions in promotion and sales situations is important because questions enable you to gather information, and to direct the course of the conversation.

It is vital to realise selling is fundamentally an exchange of information. The customer telling you what they want, and you telling them what is available and what you can provide.

This Section should be read in conjunction with Element 4 (especially 4.1 and 4.2).

The role of questions and answers

Questions and selling should be constant companions to the successful sales person.

Don't be afraid of asking questions – the more the better!

Asking questions is not an indication of a lack of knowledge on your part. It is an indication you know your trade and are being active in finding a solution to meet customer needs.

The key to this approach is it is 'customer focused'. This means the customer drives the entire process, guided by you.

Remember, it is an old, old maxim but it is so true:

'The customer is always right'.

You hear this so often it has a tendency to lose its impact but it is something to always bear in mind.

The questions you ask should be generated to supply an ever-increasing pool of knowledge in relation to:

- Personal preferences
- Specific needs

- Levels of individual capacity, experience and ability with the product or service
- Budget available for the purchase
- Time available
- Status needs
- Immediacy of the need
- Previous experience of the customer with similar products or services.

Questioning

The asking of questions is a powerful tool in communication.

Questioning is not simply a method of eliciting information, although it naturally does this.

'Reflective questioning' is the same idea as reflective listening (discussed below) as it involves repeating back to the customer what they have just said. In addition, as its name states, reflective questioning puts the words in the shape of a question.

It frequently begins with the word "So ...", for example:

- "So you want a fairly inexpensive tour, you don't mind if it is a group tour but it must be today?"
- "So you want a snack more than a meal, it must have with local flavour and ingredients and you want it to take away?".

This method shows the customer:

- You have listened to what they have said
- Gives them feedback as to whether or not you have focussed on their main points or requirements
- Encourages them to go on and provide more information
- Encourages them to clarify what they have already stated.

Open and closed questions

In addition, you can also use 'closed' and 'open' questions.

Closed questions are asked in such a way as to elicit only a "Yes", "No" or short answer.

They are suitable only in relatively few customer-service instances, such as:

- When you are busy
- When seeking to clarify information already provided
- When fine tuning your response to what the customer has identified they need, in general terms.

Often, a much better choice is the use of 'open' questions.

These are questions probing the talker for more information and encouraging them to supply further detail.

They are questions beginning with:

- "What ..."
- "Why ..."
- "How ..."
- "Where ..."
- "When ...".

These 'open' questions show attention, interest, concern and a desire to assist, as well as giving another opportunity to gain further information.

Using appropriate communication skills – Listening

Listening is sometimes referred to as the neglected skill.

Because you listen so often there is often the assumption you are good at it and do not need to spend any time worrying about how to do it, or how to improve doing it.

Another problem with listening is ***you listen to part of what you are being told and then fill in the rest***. Y***ou 'finish' the message being sent to you and add the ending you think should be there***.

And invariably get the message wrong.

Fortunately, if you practice, you can improve your listening skills and ability.

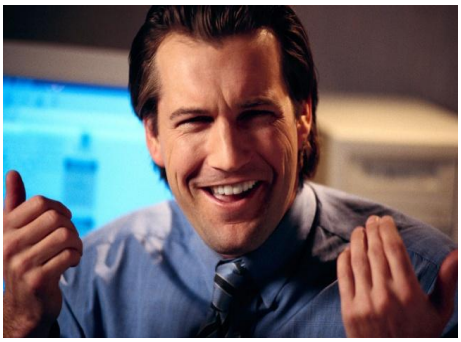
Listening options

There are two listening options.

One involves listening only – active listening.

The other involves giving verbal feedback – reflective listening.

The will be explained in Section 4.2



Methods to aid effective listening

Effective listening requires practice.

Practice should be focused and based on the following points:

- Prepare yourself to listen – get rid of things that may interrupt or act as blocks to communication. Get into the right service-oriented frame of mind
- Become interested – focus on what is being said and get caught up in it. Make sure you find some way to find interesting what is being said. Ask questions, look interested, ask yourself how you can use what you are being told to provide service and to make a sale
- Keep an open mind – never prejudge the situation, interrupt or tune-out. Make sure you do not try to make what is being said fit into your preconceived notions, ideas and prejudices
- Identify the main idea – listen to what is being said with the intention of extracting the core message

- Listen critically – weigh up what is being said without simply accepting what is being transmitted. Critical listening provides clues about when and where you need to use your product knowledge to correct customer misconception about a product or service
- Do not get distracted – focus your attention on the speaker and what they are saying. Losing interest in the customer is rude and destroys all effort at establishing a relationship
- Take notes – do not be afraid to write down vital points. This demonstrates interest and proves you are taking things seriously
- Help where necessary – where the customer pauses, prompt them into continuing

- Reflect on what has been said – restate a point the customer has made, for example "You said you did not want a room overlooking the ocean ..."
- Keep quiet – realise interrupting is a major cause of communication breakdown.

Using descriptive phrases

Descriptive phrases can help promote products and services and make a sale.

Keys in the effective use of descriptive phrases are:

- Prepare them in advance – spend some time developing a suite of appropriate phrases before you need to use them
- Make sure they are all accurate – never take liberties with descriptive phrases
- Match the phrases used to the identified orientation of the customer:
  - If they talk about '*seeing* things' then you use words that fit with this perspective and ask them to '*see* for yourself', "take a *look'*, 'it *looks* fabulous' or 'read the label' or '*look* at the map/menu/itinerary'
  - If they say they have '*heard* good/bad reports' then use words that focus on hearing and sound such as '*listen* to the DVD', 'it *sounds* like …', or 'it's as quiet as a mouse"
  - Where they 'have a *feeling*", then concentrate on using words that convey feeling and emotion like 'it's a real *experience*', 'it *feels* right', 'you can *feel* the quality the moment you walk in' or 'lots of people *feel* the Day package is the best value'.

Selling the benefits

All products and services have both 'features' (the physical elements of something) and 'benefits'.

A key strategy in selling is to 'Sell the Benefits' not the actual physical properties of a product or service.

For example, Room 222 may have the properties of being 'a double room equipped with all modern conveniences, shower plus separate bath, DVD player, in-house movies, two queen size beds, and cooking/kitchen facilities'.

This same room may also have a spectacular view of the beach and, being at the end of the corridor and away from the lift, is very, very quiet.

To sell a product or service successfully this 'sell the benefits' approach requires you to deliver the item to the customer in a manner that makes them feel they will benefit from the purchase.

So, when selling Room 222 you would focus on its magnificent beach views, mentioning the brilliant sunrise/sunset it presents and the sleep-ins the peace and quiet of being away from the lifts at the end of a corridor will allow.

For everything you sell, try to think of at least one benefit that you could pass on to a potential customer. The key to implementing this approach is to convert the physical property into a benefit.

Benefits might include:

- It will save time – pre-purchasing tickets for an amusement park allows customers to walk straight in meaning they do not have to queue in the hot sun
- It provides status or exclusivity
- It saves effort
- It will make you feel better
- It provides a different experience
- It is faster or slower, as appropriate.

Using comparisons

Promoting products and services can be more effective when comparisons are made.

Comparisons can be made:

- Between same products and services – for example comparing
  - One size of a product against a different size of the same product
  - Longer durations of a service against a shorter duration service
- Between packages – identifying and differentiating:
  - Inclusions
  - Cost
  - Value for money
- Between venues – highlighting:
  - USP's of the venue
  - Facilities that are better at your venue than at the opposition
  - Awards you have won
  - Recent refurbishments and new additions.

Keys when comparing options are:

- Comparisons made must accommodate known customer needs, wants and preferences
- Sell the benefits as well as the inclusions

- Show the customer why and how one option is the best choice for them on the basis of matters such as:
  - Value
  - Available time
  - A unique experience
  - Safety
  - Comfort.

Making suggestions and recommendations

Customers expect sales staff to be able to make suggestions and recommendations about products and services for sale.

Many questions from customers focus on 'What would you recommend?'

To make effective suggestions to customers:

- Identify what they want, need or prefer
- Determine any constraints to their purchase – money, time, previous experiences
- Recommend a product or service meeting these needs
- Base recommendations on personal experience and feedback from previous users. Never be afraid of saying 'This is our most popular tour, meal, room – everyone loves it'
- Ensure details of recommendations provided are fact-based and truthful
- Be alert to the possibility to up-sell – or make add-on sales to optimise the buying opportunity for the benefit of the customer. This may be achieved by providing them with a better or new experience, giving them better value-for-money or advising them of something they did not know about
- Focus on the needs of the customer rather than meeting designated sales targets
- Involve the customer to the greatest extent possible – for example, where appropriate:
  - Show them a DVD, photographs or brochures
  - Let them have a taste test of a food or drink
  - Show them a room, facility or feature.

Meeting identified customer need

All sales and promotion activities must be customer-focused.

You may determine *individual* customer need through asking questions and using responses to determine what is appropriate.

You may determine group need by reading the contract/pre-tour arrangements for the group, or by talking with the tour group leader.

The critical point for any venue is to deliver products, services or experiences matching the expectations of the customers as indicated by advertising about the venue and what it has to offer, and on the basis of previous venue activities and experiences.

3.4 Demonstrate products and/or services to customers

Introduction

Most venues have a selection of products and services able to be demonstrated as part of the methods available to optimise sales and customer satisfaction/enjoyment.

This Section identifies a range of techniques that may be applied when demonstrating products or services.

Demonstrating products and services

Demonstrating is a very effective sales strategy because:

- It is active – rather than passive
- It builds your credibility – as customers can see you know what you are talking about when you conduct the demonstration
- It is very customer focused – and engages the potential purchaser.

Products may need to be demonstrated within a venue when a customer is seeking to use a facility or equipment provided by the venue, when considering buying an item or when trying something for the first time.

Services may need to be demonstrated to convince a reluctant customer to make a purchase, to allow the customer a brief experience of what the service feels like or to close a sale.

Safety

Whenever you demonstrate a product or service to a customer you must always ensure their safety.

Always make sure:

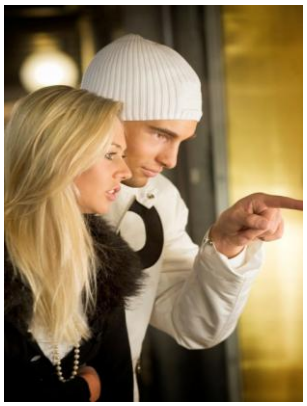
- Any products, equipment or ingredients used are safe to use and do not require maintenance or repair. Never use an unsafe item to demonstrate anything
- People (customers and other people) are standing in a safe location and not liable to be injured
- You are properly trained in how to use and demonstrate the products or services you are presenting
- You cease any demonstration immediately you become aware of a safety issue.

Showing the customer

This is the most basic version of demonstrating and involves you showing a customer how something works or what it can do. The customer only watches and is not otherwise involved.

Important aspects when showing a product or service to a customer are:

- Welcome the customer
- Thank them for the opportunity to demonstrate
- Make sure they are standing or seated where they can see what is to be demonstrated
- Tell them what you are going to do/show them
- Invite them to ask questions throughout the demonstration
- Start the demonstration
- Explain each step as you proceed
- Demonstrate at 'normal' pace'
- Conclude the demonstration
- Enquire if they have any questions or would like a repeat
- Ask for the sale, where appropriate
- Thank customer for watching or buying.



Involving the customer

This is a demonstration where the customer participates and tries out, or samples or experiences a product or service.

In effect it is a situation where the customer is 'having a go' or practicing.

Products

Depending on the product, the customer may need to be shown what to do first (see 'Showing the customer' above), or they may already have the necessary knowledge, skills and experience without having to be shown.

Important aspects when involving the customer in a demonstration are:

- Welcome the customer
- Thank them for the opportunity to demonstrate
- Verify they are competent to try the product, OR provide necessary demonstration of how the product works
- Tell them they can ask questions at any time
- Position the customer correctly and safely to start their demonstration
- Invite them to start

- Monitor their activity – be prepared to intervene if there are problems, safety issues or there is likely to be damage caused
- Be prepared to take the item from them when they finish
- Compliment them or congratulate them on their effort
- Seek feedback on how it felt
- Ask for the sale, where appropriate
- Thank customer – for participating or buying.

Services

Involving the customer in demonstrating a service means you will perform a service for them to enable them to gain a first-hand experience of what it is like.

There are always time limits applicable to giving customers a sample of a service so ensure you adhere to these. The demonstration is never meant to allow the customer a 'free' service, it is intended to entice them to buy a full service.

When giving the customer a sample service bear the following in mind:

- The demonstration must reflect the actual paid service being promoted
- Check to determine if there are any health and safety issues likely to impact on the demonstration, including age or health issues
- Explain what will happen before the demonstration starts and then explain as it is happening during the demonstration
- Adhere to designated time limits for the demonstration
- Seek feedback on how it felt
- Ask for the sale, where appropriate
- Thank customer for participating or buying.

Points to remember when demonstrating

At all times when demonstrating a product or service you must:

- Remain alert to what is taking place – and ensure security and safety throughout the demonstration
- Adhere to any relevant enterprise policies and procedures – which may relate to:
  - Number of people involved at any one time
  - Location of the demonstration
  - Restrictions relating to what can be demonstrated
  - Requirements relating to the use of nominated items when demonstrating
  - Age of people participating
- Comply with any relevant host-country legislation – such as:
  - Age limits relating to tasting of alcohol
  - Safety.

Work Projects

It is a requirement of this Unit you complete Work Projects as advised by your Trainer. You must submit documentation, suitable evidence or other relevant proof of completion of the project to your Trainer by the agreed date.

3.1 Investigate the different ways used by your workplace to promote its products and services to the different customers and markets it seeks to attract.

Prepare and submit a report:

- Identifying and differentiating between the options used
- Containing examples of some of the promotional initiatives (advertisements, brochures, flyers, packages and other promotional methods or techniques) used.

3.2. Provide photographs or a video providing evidence you can/have:

- Created a static in-house display or stand to promote one or more products and/or services offered by your venue
- Verbally promoted products or services to customers
- Physically demonstrated a product or service to a customer – this may include:
  - Giving them a sample taste of food or drink
  - Showing them a room or facility
  - Demonstrating how a product works or how a service is delivered.

The photographs or video may be of an actual workplace event (customer contact situation) or a simulated workplace event.

Summary

Promote products and services

When promoting products and services:

- Identify the range of promotional initiatives used by the venue and when and why they are used
- Test, try or sample all of the promotional initiatives used by the venue
- Learn the limitations applicable to each promotion or offer
- Identify 'Specials' offered by your venue and the inclusions for all 'Packages'
- Know the details of the various media campaigns conducted by your venue including the offers contained within them
- Plan all displays to ensure adherence to internal requirements and external legal and other obligations
- Develop displays suitable for target market audiences designed to achieve nominated targets and reflect venue image and standards
- Create professional displays aligning with established display and merchandising techniques and protocols
- Verbally promote products and services according to enterprise policies and procedures ensuring all information is honest and accurate, and all advice and actions are ethical
- Apply effective questioning and listening skills when promoting products and services
- Use demonstration as a promotional tool to optimise engagement with potential customers and increase sales.

Element 4:
Apply selling skills

4.1 Approach the customer in a sales environment

Introduction

All face-to-face sales require an 'approach'.

Sometimes the customer makes the approach by walking up to sales staff and sometimes sales staff need to approach the customer.

This Section lists the factors involved in staff making a professional and effective sales approach to a customer.

A brief background to selling

It is a fact of life that good sales staff are not born.

Good sales staff require training to understand the various stages of the process that takes place when a purchase is being considered by a customer.

One of the important aspects in the sales process is the need for the sales person to approach the customer at the right time.

It must also be undertaken in the correct fashion offering service without being pushy, rude, off-hand, dismissive or appearing bored or disinterested.

Follow all enterprise policies and procedures when engaged in selling.

You are the venue

Always remember when promoting or selling products and services, you are the venue.

If you are well-presented, polite, and helpful, then customers go away with a positive impression about the venue (even if they *do not* buy).

If you are slovenly, rude and present a 'couldn't care less' attitude, then they will form a negative impression about the venue (even if they *do* buy).

Warning!

It is absolutely vital staff in the hospitality and travel and tourism industries realise one very important point in terms of customer service and in terms of building a relationship with customers.

'You are on public display – all the time'.

This means customers will *see* you long before they approach you or talk to you.

They will see you through the windows of the venue or over a counter as they walk around, look and consider their purchase.

And ***any time*** customers see you; they form an impression about you, whether you are approachable, friendly or are likely to deliver true service.

All this just from looking at you!

Some important things not to do

Important things in terms of customer service include:

- Never offensive language
- Never slouch
- Never lean against service areas, walls
- Never talk to other staff when customers are near, approaching or waiting
- Never stay on the phone when customers are near, approaching or waiting
- Never play around at work
- Never chew gum
- Never complete paperwork when customers are near, approaching or waiting
- Never finish putting stock away when customers are near, approaching or waiting.

Elements of the approach

Approaching a customer can involve:

- Making eye contact with customers to acknowledge their presence and provide a non-verbal signal you are available whenever they need your help
- Speaking to the customer – again to acknowledge their presence or to exchange some form of pleasantry. This helps to 'break the ice'
- Making a verbal offer of assistance – indicating you are available to help, but prepared to allow and facilitate the customer 'doing their own thing'. This offer of assistance may take the form of answering a question asked by the customer.

It is important to realise 'approaching the customer' may be something needing to be done more than once in a sales situation.

Many buying situations are characterised by an initial offer of assistance, which is refused politely by the customer. This is followed by another similar offer which may then be greeted with a general question. Finally, a further approach which genuinely begins the sale proper as you begin to ask questions, listen to the answers and formulate a tailored sales approach to suit the particular customer and their needs.

Points to note

Points to remember when approaching a customer include:

- Be genuine in the greeting or approach you make – take the time and trouble to ensure the approach is not robotic or insincere

- Match the non-verbal signals with the words – customers will readily detect a mismatch between the expression on your face and the words you use
- Ensure the approach is timely – this can be difficult to judge. While you do not want to be accused of putting pressure on the customer, you also do not want them to think you are ignoring their presence. In a retail sales environment making an approach within the first minute is preferable and acceptable
- Smile – this indicates a happy disposition, a desire to be of service, are approachable and willing to help
- Be prepared to allow the customer to help themselves. Many customers prefer to wander around without help, at least, initially. There are probably an equal number of customers who want to be 'left alone' (short-term), as there are customers who want immediate assistance
- Do not hover – many customers are annoyed by staff who retreat only a short distance after a refusal of service, doing small tasks to thinly their presence while they keep an eye on the customer, or linger in the expectation their services will be required shortly
- Reply to the customer's response – naturally you would respond if the customer wanted advice, service or attention. You need to also verbally reply where the customer does not want any immediate help. This response may also include an indication you will come back and enquire again in a few minutes. This helps to prepare them for your future approaches and assists in taking the pressure out of those approaches, setting them more appropriately with a service context.

Check with your supervisor about the timing and nature of the approaches your venue prefers or uses.

Check to identify any standard phrases used or preferred, and ask what policy there is in regard to follow-up approaches and offers of assistance.

The Sales Approach

Having made initial contact with the customer and made an offer of assistance and established some form of relationship with the customer, you have now set the stage to begin your Sales Approach.

This can be undertaken with a sense of confidence because you have already demonstrated an interest in the customer and their need or want, and have proved to them by your attention to their presence they are important.

Hopefully you will have built some sort of connection with the customer to facilitate the Sales Approach. This can simply be a shared feeling "Isn't it hot today?", or a simple greeting "Good morning".

Role of the Sales Approach

The Sales Approach seeks to identify what the customer wants or needs to buy.

This may be obvious by virtue of where they are standing, the department they are in or the products they are considering.

Implementing the Sales Approach

Asking questions is a first step, but avoid repeating the question you asked when you initially greeted them on entering the venue. This exchange should move the process along from the "How may I be of assistance?" phase into a more narrowly focused area beginning to identify more precisely the item the customer is seeking.

For instance, if they are looking at bottles of wine you may move in with a comment such as "That Rosemount Chardonnay is a popular seller at the moment and won a Gold medal at the local wine show last year. It is also on special at the moment".

This indicates, a willingness to be of service and demonstrates you have product knowledge. More importantly, it generates the interpersonal communication essential for effective selling to take place.

It is now up to the customer and hopefully they will respond with a comment throwing more light on what they want, raising an objection, or presenting an indication of their financial parameters: "Yes, I have tried it before but I am seeking a German wine and was looking for something a bit sweeter and a little less expensive."

This is positive progress as you have the customer talking. They are now providing you with more information enabling you to meet their needs and make a sale. You have created the link between you as the seller and them as the buyer. You have demonstrated an interested and positive orientation to the customer.

The magic of communication is happening.

Creating and conveying a positive impression

The Sales Approach must incorporate actions to form a positive impression about the venue and its offering in the mind of the customer.

You must apply the right professional ethics as follows:

- Honesty to the customer, in terms of:
  - Information given to them must be accurate
  - Advice supplied must be genuine and not contrived to simply make a sale
  - Prices charged must be as advertised
  - Change given when they pay for something must be the correct amount
  - Promises made – never promise what you cannot deliver. The key is always to under-promise and over-deliver
  - Recommendations provided – must be based on fact, experience and the needs of the customer rather than sales targets

- Confidentiality about the customer's dealings:
  - Not disclosing purchases made by the customer to anyone else
  - Not disclosing amounts spent to anyone else
  - Not passing on information about the customer to anyone else
- Service provision:
  - Being attentive, concerned, interested and caring
  - Listening to customer requests, wants and needs
  - Matching a suitable product or service, at the price range required, to the stated customer need
  - Making the customer the first priority
  - Demonstrating providing service is a pleasure, not an imposition
  - Being genuinely polite and civil – demonstrating a positive approach without being false

- Tact and diplomacy:
  - Knowing when to withdraw to allow the customer to consider their purchase
  - Knowing when to stop trying to sell because it is embarrassing the customer
  - Knowing when to withdraw to enable people, a family or a couple to discuss a buying decision
  - Maintaining an air of friendliness without becoming over-familiar or common
- Product knowledge:
  - Knowledge about the individual products or services for sale
    - Being able to explain why X brand is more expensive than Y brand
    - Being able to explain the benefits of buying a Weekly Pass rather than a Day Pass
    - Being able to explain the difference between a 'De Luxe' and an 'Executive' room
    - Explaining things in simple language rather than technical jargon

  - Knowledge about the venue itself – its policies, procedures and protocols:
    - Do you take personal checks as payment?
    - What is the refund policy?
    - What advanced deposits are required for bookings for accommodation or dining?

Need to bend the rules

As sales staff you must be the customer's friend.

But this does not mean you have to be the venue's enemy.

Obviously establishment rules (policies and procedures) are essential for the proper and profitable running of the venue *but* you must be an *advocate* for the customer.

You need to eliminate the ‘them and us’ mentality some staff seem to have about customers.

The customer must be treated as if you are ‘on their side’.

This means you must strive to:

- Get the best deal for them without penalising the venue
- Speak, argue or negotiate on their behalf with other venue workers and management
- Give them a ‘little bit extra’.

In short, bending the rules comes down to simply exercising common sense so the customer wins **and** the venue wins.

Central to this idea are the concepts of ‘discretion’ and ‘scope of authority’. This is the authority delegated to you by management to enable you to make judgement calls and decisions involving the customer.

Note, though:

- Bending the rules does not mean breaking them
- Bending the rules does not mean you are doing the customer a favour – they are *entitled* to this level of service. No staff member ever does a customer a favour, it is the customer who does you and the venue a favour by spending their money at the venue.

Responding to observed customer buying behaviour

It is important to realise ‘the Approach’ may require you to respond to observed buying behaviour.

This means if customers are ‘ready to buy’ the Approach may:

- Convert directly into a ‘closing the sale’ – by processing the transaction when a customer comes to a sales counter holding a product and stating they want to buy it
- Require a brief answer to a direct question – ‘Can I pay by credit card?’
- Require you to ask a ‘closing’ question – ‘Will that be cash or charged to your room?’

Further information regarding effective responses to certain customer types is contained in Section 4.3.

4.2 Gather information about customer needs, wants and preferences

Introduction

Selling is fundamentally an exchange of information.

It involves the customer telling you what they want, and you telling them what is available and what you can provide.

This Section (which must be read in conjunction with Section 3.3) provides strategies available to capture information from the customer about what they want.

Applying questioning techniques

Questioning techniques should be used to help determine the buying motive of the customer.

The initial use of 'closed' questions is not recommended when trying to gather information about what the customer wants because these questions do not get the customer talking.

The best option is to ask 'open' questions which require the customer to provide more information.

For example:

- "What type of entertainment are you looking for?"
- "Why do you feel you need to take the night tour and not the day tour?"
- "How would you feel if I could book you a table on Wednesday instead of Tuesday?"
- "Where would you prefer your room to be located?"
- "When do you need to know?"

Closed questions

Closed questions can be used when the open questions have identified certain customer requirements.

For example:

"What would you like to drink?" (Open question)

"What have you got available?"

"We have soft drink, beer, spirits and wine" (Statement providing information)

"Wine, please"

"Would you prefer red or white" (Closed question)

"White, please"

"Would you like sweet or dry?" (Closed question).

Using listening skills to determine customer requirements

Once open questions have been asked you must listen to the responses from the customer to help guide:

- Further questions needing to be asked
- Recommendation and suggestions made.

Active listening

When engaged in active listening, you do not speak, but listen.

You allow your body language to demonstrate interest and attention, and to encourage the speaker.

Active listening is:

- Showing sensitivity to the talker, showing all due respect – including not invading their personal space, not adopting a domineering posture, ensuring you indicate an appropriate level of interest and attention
- Displaying empathy with the person speaking – allowing your expressions to indicate concern and understanding of what is being said
- Demonstrating your attention in all your non-verbal signals – making and keeping eye contact, nodding, changing facial expressions in-line with comments being made
- Not interrupting – the whole intention of having asked a question is to obtain information from the customer, so when they are giving you information, allow them to pour it out
- Encouraging the other person to continue by giving affirmative non-verbal feedback – nods, murmurs, short words of encouragement, making sure you never display signs of boredom (sagging shoulders, drumming fingers, sighing, rolling the eyes)
- Concentrating on what is being said and not thinking of something else – focus your energy on what the customer is saying, make an effort to implant key points in your memory, consciously work at determining what they really want and how you can fill that need
- Not being judgemental – the customer is the customer, and you are you. There is no requirement you accept customer opinions or views on things, so do not change your focus from one of salesperson to one of judge and jury. If the customer likes or wants something you do not – great! Who cares?

Reflective listening

In this option you still listen to the speaker but you encourage them to keep talking (that is, to provide you with extra information about what they want) by using words rather than doing so non-verbally.

Reflective listening is especially useful where emotions are seen to be clouding the issue.

This form of listening also enables you to acknowledge the way the person is feeling.

The theory is you cannot really effectively address the underlying buying need of a customer until you acknowledge and deal with the emotional side.

Reflective listening requires you to:

- Paraphrase what the speaker says – that is, sum up what has been said and repeat it back to them to prove you have been listening, paying attention, and you have not just 'heard' but you have actually understood
- Read between the lines of what is actually being said – communication comprises not only the spoken word, but also body language
- Utilise questioning to sum up or clarify the situation – so both you and the customer are on the same track
- Continue being non-judgemental – refrain from making comments, interrupting or forming preconceived notions about the customer. Everyone is an individual and judging people leads you too quickly into stereotyping people and assuming you know what they want

- Continue being sensitive – demonstrating you understand not just what they are saying, but you also appreciate the emotions underpinning their words.

Interpreting and clarifying nonverbal communication cues

It is amazing how often you can miss the obvious, but it is true.

When you first see your customer, you may well be able to become a detective and work out what this person's preferences are likely to be, the mood they are in, their expectations and other associated aspects of their overall make-up.

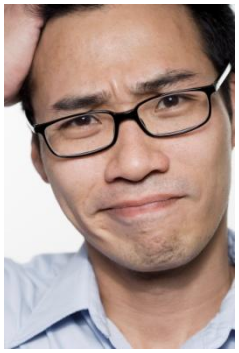
Everyone, and nearly every action or inaction, contains non-verbal signals you can identify and interpret.

You will never get these non-verbal cues right in **every** circumstance but you should continue to look for them. You will get them right in the majority of cases if you apply good observational skills and then apply common sense to interpret and respond to what you have seen.

Negative non-verbal signals

Watch your customers and be on the lookout for the following signs that can indicate fairly obvious *needs* and demonstrate potential *problems* customers may be experiencing with service or the venue:

- Sighing
- Slumped shoulders
- Looking around anxiously
- Drumming fingers on the table or desk
- Eyes rolled backwards
- Looking tired, angry, frustrated or "lost".



Reading your customers

Being able to recognise and interpret non-verbal communication is known as ‘reading your customer’.

If you read your customers well, you should realise there are certain actions you should take, or certain services you should offer. By ‘reading’ your customers and interpreting their body language and anticipating their needs, you are much more likely to achieve a win-win situation.

In addition, you should start to analyse your customers on a regular basis. You will not always get this right either but an intelligent analysis of what you see and hear can be very useful.

You can start to read your customer by:

- Looking at the clothes they wear
- Noting the car they drive
- Observing the brands they are considering
- Noting how they walk, talk and act
- Looking at their facial expressions
- Identifying their general demeanour, or air.

Positive non-verbal signals

There is a tendency to consider that all body language is negative, but this is not the case.

Many, indeed most, of your customers will display positive non-verbal cues indicating you are meeting, or have already met, their needs.

As you ask sales-related questions and actively listen to the answers with a view to determining exactly what the customer wants, you will notice positive non-verbal cues such as:

- Smiles
- Nodding of the head
- A more ‘open’ stance indicating acceptance and agreement
- A more relaxed posture
- They pick up the item under consideration
- They start to handle the item, fiddle with it and ‘use’ it
- They hold the product in a proprietorial way indicating they have already taken possession of it even before it has been bought and paid for.

Identifying customers by name

It is often said the sweetest sound a person can hear is the sound of their own name.

While it may not always be possible to use a customer's name in each and every sales situation, there is no doubt customers like being acknowledged and using their name is an excellent way of doing this.

What are the benefits of using the customer's name?

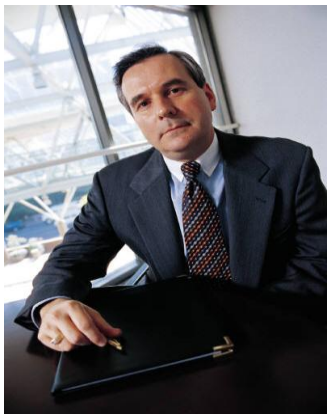
Using their name proves that:

- You know who they are
- They stand out from the crowd
- They have merited your extra attention to remember their name
- They are of importance.

How do I find out the customer's name?

Ways of finding out the customer's name include:

- Asking them – introduce yourself first and ask them for their first name. This is a simple way of communicating an interest in them as a person and is extremely effective sending many positive signals to the customer
- Reading their name on a credit, or other card they present when paying
- Referring to relevant previous documents or databases containing their name
- Asking another staff member if they know the name of the customer.



When you have found out their name, techniques for using it and remembering it include:

- Use their name as soon as possible
- Use it often
- Write it down somewhere – make 'a mental note on a piece of paper'.

Other things to consider

Other points to bear in mind when using a customer's name are:

- Get permission to use their first name – some people believe it is too familiar staff to talk to customers on a first name basis. They believe there should be a 'professional distance' between workers and paying customers
- Make sure you get the right pronunciation
- Never shorten the name
- Never use nick-names.

As a way of assisting recall, take the quiet times during a day, to quickly run through in your mind all the people you have met, linking up faces (and mannerisms, preferences) with names.

Also, next time you see the person in the venue or department, make the effort to take time and greet them by name, and perhaps pass a comment about the weather, or how busy things are.

If you do not *use* their name, you will *lose* their name.

House rules

Always adhere to enterprise policy regarding the use of customer names – for example:

- Many organisations specifically forbid staff using customer names – they insist customers are called 'Sir' or 'Madam'
- Many venues will not allow staff to use the first name of a person – but will allow the surname to be used.

Directing customers to specific merchandise

As part of your customer service and selling efforts there is often a need to direct customers to specific items or certain locations.

It may be after asking the appropriate questions and listening to the answers, you come to the conclusion the customer:

- Is in the wrong department or section
- Needs or wants to go and visually inspect product within the venue
- Requires help from another person
- Knows what they want but needs to consider/see alternatives before making their final selection.

Whatever the situation you will need to develop a suitable method of directing customers to the products, services or locations they need.

Practical tips on directing people

When there is a need to direct customers within the venue, options include:

- Walking them to the required item or location – physically accompanying them to the products or location they require. If you personally are very busy you may consciously elect to ask another staff member to help the customer by walking with them. If possible, introduce them to each other. It's a great opportunity to provide that 'little bit extra' in terms of service and to learn their name
- Asking another staff member who is familiar with the product to come and help them – this can be done face-to-face or using the internal communication system (phone, PA system)
- Providing a map of the layout of the venue – showing them where they are now, where the locations or items are that they want, and the best way to get there
- Supplying clear verbal instructions – it is best to use 'landmarks' as reference points to assist their understanding of the directions.

Because you are engaged in a customer contact situation, it is also a great opportunity to:

- Find out their name – and use it
- Supply some relevant product, or venue-related map, a schedule of upcoming events or a price list or menu or drinks list
- Inform them of any Specials or Sales currently running – including the savings available
- Ask if they have any other questions – about any product or service you offer
- Make a polite and appropriate comment – to help build the relationship and indicate your friendly and personable orientation to customer service
- Thank them – showing appreciation for their custom.

4.3 Demonstrate selling skills

Introduction

A consistent requirement for all sales staff is to apply selling skills in order to make sales.

This Section builds on previous selling advice and presents information to help you generate sales.

Matching customer needs to appropriate products and services

The best way to encourage customers to use and buy products and services is to promote them according to a few simple guidelines:

- Never encourage customers to purchase something they do not want
- Encourage customers to purchase something they want or need.

To implement the above, you must be accurately informed about the product and service and have the ability to match those products and services according to the customer's needs.

Commonsense should always be applied when matching products and services with customers and any sales promotion should be done in accordance with establishment policies and procedures.

Further tips on matching customer need to products and services available

In addition to the above advice, you should always:

- Try to identify as quickly as possible the main driver behind the need for the customer to make their purchase – "Why are they wanting to make this purchase?" is a very important question that governs and controls many of the other buying-related decisions.

The answer to this question will provide a frame of reference for further questions and deliberations

- Determine the price they are willing to pay – is there another price (from a competitor) you are expected to match, or does the customer simply want to buy the product quickly, regardless of the cost?

  Identify who will make the actual decision to purchase. You always need to direct sales efforts at the decision maker. The decision maker and the person paying may be the same person.

  A common mistake is for sales assistants to direct their flow of information, advice and product knowledge to the male in a 'buying couple' when often it is the female who will make the buying decision.

  Provide options and alternatives – it is important to be sensitive to other factors such as are they in a hurry? Are they determined to buy Product X, Model Y regardless?

  Most customers appreciate having time spent with them and having their choices explained to them

- Put the purchase or offer into context – in some cases, the purchase may not take place in isolation from other factors and you are obliged to advise the customer about these allied features.

  For instance, selling a Package deal without explaining the fact the room has no views of the sea, no free parking and no transfers is inappropriate as it may result in the customer buying something not suiting their needs.

  Be sure to mention any benefits applying 'now' – there will be times when an offer is a very good deal because of some promotion or Sale or Special but the offer expires today.

  You owe it to both the venue, and to the customer, to identify and highlight applicable limits and explain how the current deal represents such excellent value. The point being you can never expect the customer to know they are getting a fantastic deal. You have to tell them.

  Promote the value-adding aspects of the sale. It is dangerous and counterproductive to just focus the sales effort on the selling price.

  Most customers do not just buy on price alone, anyway. As a sales professional it is your job to identify and explain the totality of the purchase by highlighting all the factors that add value to the purchase.

  These may include, depending on the purchase:

  - Free drink
  - Discount on other purchases
  - Late check-out
  - Valet parking
  - The feeling of confidence and security that comes with buying locally.

Communicating knowledge of features and benefits

In many selling situations there is a need to demonstrate selected products and services to the customer with the intention of showing how things work, proving their capability, communicating features and benefits and enhancing the chance of making a sale.

Two keys in this area are:

- Product knowledge
- Practice.

Product knowledge underpins and complements any demonstration and all sales situations.

The need for practice

You must practice communicating knowledge of features and benefits to customers.

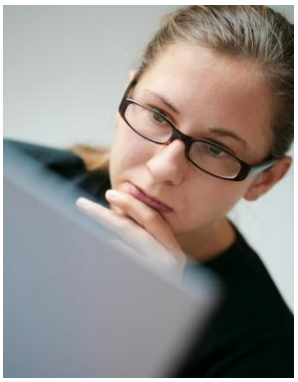
A lack of experience means you will look incompetent when giving information and that will adversely impact on the customer's perception of the product, and hugely lessen the chances of a sale.

Customers can be excused for thinking "If the sales person can't work it or can't properly explain it, how will I be able to cope?"

Involve the customer

You will be aware of how effective 'learning by doing' is, so why not extend this concept into your sales efforts?

Let the customer 'have a go' wherever possible to gain 'first hand' experience:

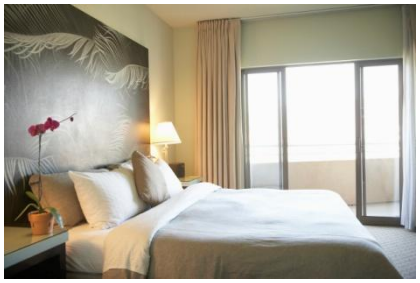


- Taste a food or drink
- Look at a room
- Talk to staff
- Watch a DVD
- Pick up and handle an item
- Receive a short service experience.

You may need to spend a bit of time practicing so you can effectively, confidently and competently demonstrate items and services prior to involving the customer.

Features and benefits

Many effective sales situations focus on informing the customer about the benefits inherent in a product or service, rather than focussing on the features of the product or service.



For example, the features of a tour may be:

- It lasts for 6 hours
- It includes lunch
- It covers 45 kilometres

- It sights 50 different species of animals
- It is conducted using an enclosed tractor train.
- The room has a king size bed.

The benefits could be sold as:

- The ability to get a great night's sleep.

See Section 3.3 for more information on 'Selling the Benefits'.

Describing product and/or service use and safety requirements

It is important when communicating information to 'assume nothing'. You must have an approach that accepts the customer will know nothing about product and services and it is up to you to tell them.

Product or service use

When providing information about how to use a product or service the following are effective techniques:

- Demonstrate the product or service – explaining relevant points as you go
- Give the customer an opportunity to practice – while you observe and provide appropriate feedback
- Encourage the customer to ask questions – and respond positively to them
- Supply printed information – to supplement verbal and practical advice and information.

Safety

Your explanation of safety information should cover areas such as:

- Personal protective clothing and equipment – often needed by customers when participating in activities
- Specific training requirements – before customers are allowed to use certain items or participate in nominated activities

- Protection of others – explaining the dangers that may apply to onlookers, children, pets, other physical objects
- Explanation of safety signage – many items have safety graphics on them that can appear confusing or unclear to some customers. Highlight these to purchasers and tell them what they mean
- First aid treatment – it may be appropriate to inform the customer about this aspect explaining where venue first aid is available
- Precautions that can be taken to minimise accidents or incidents
- Advice as to where the customer can obtain additional safety information.

Involving product or service specialist

There will be occasions when your level of knowledge, expertise, experience and understanding is insufficient to meet customer needs, so you will need to refer customers in these instances to the appropriate product or service specialist.

The appropriate specialist may be someone else in the department or may be someone at head office.

Techniques and tips for referring customers

When referring customers to the appropriate product specialist, do so including the points listed below:

- Politely
- With an apology – for having to refer them
- With involvement, interest and concern and not as an opportunity to 'get rid of' your customer
- Explaining the reason you are doing so – for example, because the person you are referring them to is:
  - Best able to meet their needs
  - The most experienced
  - The longest-serving staff member
  - The most highly trained person in the venue
  - The most qualified

- Quickly
- Introducing the two parties to each other – by name, outlining the customer's needs and why you are referring them
- Building confidence and credibility in your expert – by telling the customer of their skills, qualifications, experience and expertise.

It is important for you to realise referring someone to a specialist person is not an admission of incompetence. In fact, the reverse is true and it is an indication of your professionalism in passing the customer on to the person best able to assist them.

Where circumstances permit you should stay with the customer and the specialist to listen to what is said and to learn some more about the products and services being discussed.

Venues identify specialist personnel for a good reason, and your role is to use them when appropriate to achieve a win-win situation for the customer and the venue.

If you do not know who the product specialists are in your venue, then ask your supervisor and make the necessary introduction.

Answering routine customer questions about products and services

When selling products and services you will need to develop the ability to answer routine questions accurately and honestly.

Proper research and preparation are key elements in being able to answer routine questions effectively.

Many routine questions can, be anticipated so the sales professional will prepare for them in order to be able to provide accurate and comprehensive information.

Where you are unable to supply the necessary information to customers, input from other staff should be obtained or the customer should be referred to more experienced sales staff.

What do routine questions from customers relate to?

Routine questions commonly relate to topics such as:

- Prices
- Price reductions including deals, packages, specials, sales and discounts
- Quality
- Features and benefits
- Location of products, facilities and services
- Types of services provided by the department or venue
- Recommendations
- Product knowledge including knowledge about the venue and its services, facilities, policies and procedures
- Safety and performance issues
- Country of origin of products
- Suitability of the product to meet the identified need of the customer
- Durability of the product
- Duration of trips, tours, and services
- Availability of rooms, tickets, tables, and tours.

When responding to customer questions it is important to address the real question being posed, even when the real question has not been stated.

This means, often, answering a question with another question in order to uncover or clarify the real intent behind the initial question.

Important too is the need to remove personal bias, prejudice, assumptions and stereotyping of customers. You know not all customers are the same and they are individuals, so this really must be factored into the answers you supply to what essentially may appear to be identical questions.

Dealing with different customer types

This section helps to explain the approaches that can be used to maximise sales opportunities with certain customer types.

The 'Me, Now' Customer

Some customers are very demanding – not necessarily rude, but they want what they want, and they want it immediately.

Do not get upset with these people – they really are brilliant customers. They know what they want, are not really interested in your input, and are not usually concerned with how much it costs.

Unfortunately, this customer can also be the sort that believes being 'loud and obnoxious' is the way to get what they want because you will be motivated to do what they want in order to get rid of them.

When confronted by the loud and obnoxious type, involve your supervisor and learn from their actions. It is important not to be bullied into breaching company policy.

Where the customer just wants quick service, straightaway, make sure you:

- Avoid presenting alternatives
- Avoid making comparisons
- Avoid raising the idea of discounts or Specials deals
- Be direct and clear with any advice or information given – use short sentences, facts and figures
- Stop talking – replace talking with doing, such as finding out the answer to a question, or processing the sale.

The 'Yes but' Customer

This customer wants to make sure of every little detail before they will commit to buying.

It may appear as if they do not trust you, your venue or department or the information you are supplying them with.

They seek constant reassurance, but seem to continuously question the reassurance you provide. As with 'Me, Now', they are impressed with facts and figures, being less interested in anecdotes, recommendations or testimonials.

The worst thing you can do with a 'Yes but' is get into an argument with them.

If you can win over a 'Yes but' you'll have a customer for life.

When selling to a 'Yes but' customer:

- Stick to facts and figures
- Emphasise the security aspects of the product such as warranties, guarantees, money back guarantee, training, and qualified staff
- Acknowledge *their* level of knowledge and *their* status as an informed person

- Ask them for information about the product. Get their opinion as opposed to giving yours
- Illustrate points by referring to legitimate and recognised sources, rather than personal references
- Be persistent and persuasive.

The 'Tractor will never replace the horse' Customer

This customer does not like change, preferring things to stay the way they are.

This person is not so much against change, but would prefer for there not to be any, or if there has to be, then for it to occur slowly. A main orientation for them is nothing good ever came from rushing into anything.

This orientation comes through in their buying style. They prefer the products they used to have. Because products and services can change so quickly in a venue this presents you with a few challenges when trying to deal with this customer.

When selling to a 'Tractor will never replace the horse' customer:

- Never rush them – give them plenty of room and space and time to digest things and consider their options
- Explain things slowly and sequentially making sure they understand each step of the explanation
- Compare what is available now with items they know and are familiar with – resist the temptation to use new terminology out-of-keeping with their experience
- Never point out the benefits of new products or services at the expense of older ones
- Never tell them or insinuate 'Everyone has one of these'
- Focus on security aspects of the product or service together with reliability, industry reputation, independent assessments and evaluations
- Seek to assure and reassure them about the new product or service as distinct from simply presenting the features or the benefits.

The 'Look at me, look at me' Customer

This customer is an attention-seeker – they seek attention from you and they seek it from other people in their world. They need others to believe they are important, influential and informed.

When selling to a 'Look at me, look at me' customer:

- Allow them to talk – they love talking and will misinterpret any attempt at shutting them down as ignorance and unfriendliness
- Be respectful – acknowledge their knowledge and importance
- Be open and friendly – this indicates you are paying them the attention they seek
- Never rush them – because they will feel you have someone else more important to deal with than they are

- Share your opinion and the testimonials of others – this people-based, reality-based orientation fits in well with their focus on humans
- Demonstrate interest – let them know you are engaged by what they are saying, what they have experienced, and their individual opinions.

4.4 Overcome buying objections

Introduction

A 'buying objection' is a reason presented by a customer stating why they cannot make a purchase.

When faced with a buying objection your task is to overcome the objection and make a sale.

This Section identifies effective ways you can do this.

Objections are to be expected

As part of the sales process you can expect customers to have objections to buying what you have on offer, at the price you are asking.

You must prepare for these situations and plan how you will cope with them.

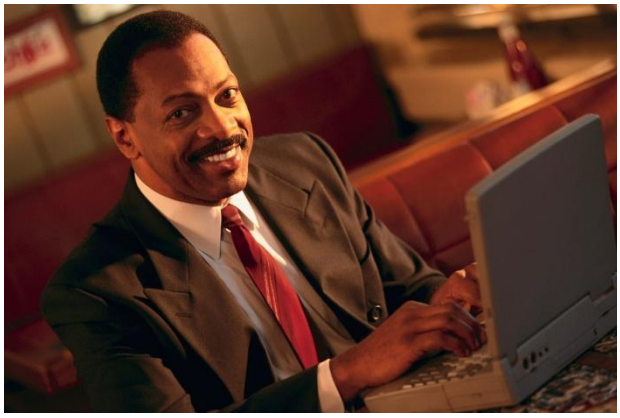
Objections from customers to your attempts to sell them, should not come as a surprise or shock.

Above all, as with complaints from a customer, never take these objections personally. Do not see them as a reflection of some inadequacy in your efforts or on your professionalism.

Accept the objection

When faced with an objection from the customer, the first step is to acknowledge and accept the legitimacy of their objection or concern.

Always bear in mind a primary objective is to **never** become engaged in an argument with the customer.



The second step is to present information addressing the objection or concern, convincing the customer to go ahead and buy.

Always make sure what you say in these situations is ethical, honest and accurate. Never compromise your integrity or the reputation of the venue, just to make a sale. It is immoral and illegal to do so.

Objections as a sales tool

It sounds strange but when a customer raises an objection it is possible to see this as a positive sign.

The point being an objection actually demonstrates their ongoing interest in the product or service. If they had lost interest, they would not be objecting, so it indicates they are still waiting to be sold something. It is sometimes said a buying objection is simply a 'request for more information'.

In addition, the objection itself will also supply you with more information to use in refining the sales approach you should take or the product or service you should offer.

On the basis of the objection you are really in a better position to recommend something different, modify your suggestions, refocus your approach or revise any prices mentioned.

Identify the objection

The customer must realise you have heard what they are saying, and have understood their objection.

This means you need to restate their objection – perhaps paraphrasing what they have said – and accepting it is a legitimate concern to hold.

It is important at this stage to ensure you have understood all aspects of their objection, so restating their objection back to them enables this to occur.

Your statement must:

- Demonstrate acceptance of their position
- Express the validity and legitimacy of their objection
- Appreciate the importance of their objection.

Customer objections must never be:

- Dismissed out-of-hand
- Laughed at
- Made to appear insignificant or trivial
- Argued with.

Things not to do when faced with a buying objection

The worst things you can do when meeting a customer objection are:

- Argue
- Stop trying to sell
- Get defensive
- Display a noticeable change in demeanour including speech and particularly non-verbal communication

- Make rash and dishonest promises just to make the sale
- Respond with absurd suggestions
- Imply that the objections are trite or irrelevant.

Categorising objections

Selling has been described as the meeting of minds.

After accepting and acknowledging the customer objections, the next stage is to categorise the objection so you and the customer both agree as to what the objection is.

Categories of objections

Commonly, objections may be categorised as falling into one of the following areas:

Price

Customers may feel the price being asked for a product or service is too expensive.

They may want a reduction in price, or they may understand price is not negotiable and so seek an alternative product or service at a lower price.

Time-related

The customer may need the product or service immediately or they may need (for example) a booking for a specific date or time.

If the customer has an immediate need, they will often be unprepared to wait for service unless they believe they genuinely have no viable alternative.

Product and service characteristics

These questions involve objections relating to matters such as:

- The size of the product (meal, drink, room, bottle) or the duration, type and style of a service (massage, food and beverage service, recreational activities, trips and tours)
- Quality factors
- Inclusions in package deals
- Safety or security factors
- Taste and aroma.

Objections of this type could indicate the product or service is genuinely unsuitable for the customer. Where you have no alternatives to offer, this could signal the end of the sale.

Offering solutions

Offering solutions is the second stage to overcoming objections. The first one was identifying and describing the actual objection itself.

Solutions must always be offered in accordance with venue policy which means you must know your scope of authority in relation to negotiating, making deals, providing incentives and representing the interests of the enterprise.

You should also work on developing a stock of solutions that can be applied across a variety of situations.

Effective techniques to help overcome customer buying objectives

Effective techniques in overcoming objections include:

Watching and listening to an experienced staff member first

It is really useful to watch a senior person in action and learn from the way they do things when offering solutions to help overcome buying objections.

Try to gain this first-hand experience from a variety of people in a variety of circumstances rather than from the same person in the just the one context.

Make a note of what they say, their body language and the questions they ask the customers.

Practicing

Practice will give you confidence and build your ability to perform effectively in a real customer contact situation where you encounter an objection.

Some venues will conduct in-house training for staff regarding dealing with customer objections and use role plays to give you the opportunity to practice the necessary skills.

You should concentrate on developing some standard responses especially to routine objections and practice, before you 'go live' with real customers.

Engaging the help of a caring, critical friend

When you have to deal with your first objections, try to have someone watch and listen so they can give you supportive but objective criticism after the event.

This feedback can be extremely valuable because often you usually cannot detect the faults you are making. You often need an objective observer to give input to help improve your efforts.

Never get depressed if your first few attempts are failures!

Be patient. Dealing with objections is a high level selling skill that cannot be learned or perfected quickly.

It will take time and often mistakes, before you become confident or competent.

Solutions – 'the art of the possible'

Possible solutions to objections can include:

- Emphasising the benefits and advantages of the product or service you are trying to sell
- Demonstrating the value-for-money the product or service represents
- Indicating the supporting, value-adding features accompanying the purchase
- Highlighting the suitability of the product or service for the identified need as described by the customer
- Making favourable, but truthful, comparisons between your offering and alternatives available elsewhere
- Involving your product specialist to further explain benefits and to demonstrate to the customer their objection is being taken seriously
- Recapping features and benefits already mentioned
- Indicating the current price is available only for X amount of time
- Asking the customer what it would take to make the sale happen
- Engaging in a display, presentation or demonstration designed to remove the doubt, concern or objection.

Further, realise the customer is under no obligation to accept, agree with or even consider any of the solutions you come up with, so do not get annoyed if, despite your best efforts, there is no progress.

Always remember you may lose *this* sale, but if you act professionally and demonstrate you are trying hard for the customer, they are likely to come back later to make a purchase.

In this way, a loss transforms into a win.

Remember it is never acceptable to apply a 'sell at any cost' approach to making a sale.

Using the feel-felt-found approach

When replying to objections put forward by customers, a time-honoured method of presenting your preferred point-of view is to use the 'Feel, felt, found' approach.

A huge benefit of this tactic is that it enables you to respond to the objection, and put forward an alternative view without contradicting the customer or getting involved in a debate or argument.

The 'Feel, felt, found' approach requires you to practise what you will say, and to think through some appropriate contexts in which it might be used.

To illustrate, when a customer presents an objection, you respond along the lines of:

> *"Yes, that's a good point … and I can fully appreciate why you **feel** that way. Others I've spoken with have **felt** just the same way initially, so you're in good company. But what they've **found** is this package with all its great elements is easily the most inexpensive yet exciting way to visit the venue for a weekend for two."*

The above example shows the customer you have accepted and recognised their objection as being legitimate and one shared by many others. This removes any hint their opinion or attitude is strange or unusual.

You have then responded with, or repeated, your offer, and put it in such a way that meets and overcomes the objection. All without any trace of conflict.

This technique can be employed in almost any customer objection situation, including objections based on price:

> *"I can see you **feel** the price is a bit expensive. Others have mentioned they **felt** it was expensive when they saw the price. But when they really looked at the menu, they and saw the great range of dishes, the exotic ingredients used and the innovative cooking styles they **found** it to be exceptional value-for-money."*

Knowing about the product and being able to successfully overcome buying objections is a great start to effectively selling … but there is more.

A professional sales person will also be proficient in applying problem solving techniques to help overcome customer buying objections.

Essential background information

In addition to previous advice in relation to overcoming objections also consider the following points:

- Stay positive – never give the impression you are just going through the motions or have lost interest in trying to make a sale
- See the objection as an opportunity and a challenge and not as an impossible task
- Keep calm, keep focused and keep going
- Re-double your efforts as opposed to reducing your efforts
- Know when to be quiet – let the customer talk express their objections. This provides you with the key tools to overcome the objection
- Listen to the responses to your solutions – it is unusual for your first solution to overcome the objection, so be alert to monitor how your suggestion is received:
  - Are you on the right track?
  - Does it look as if there is a different objection?
  - Can you detect a shift in the nature of the objection?

- Has the source of the objection changed?
- Do you seem to be getting further away from a successful result?
- Are you losing control of the situation and need to seek help from someone else?

Steps in problem-solving

Solutions are generated when problems are resolved. An objection to a sale is a problem – so it is possible to use an established problem-solving strategy to address the situation.

The main steps in problem-solving are:

- Identifying the problem
- Considering options
- Making a decision
- Conveying the decision to relevant parties
- Reviewing and agreeing on the decision.

Identifying the problem

Often a problem will be obvious to all concerned. But sometimes it is not easy to work out what the problem is.

All that may be known is that there is *not* a meeting of minds. You want to sell, but the customer does not want to buy.

It is important to take the time to thoroughly investigate what the problem or issue is before taking any further action. Problem identification can be achieved by:

- Looking at the facts
- Talking with the customer and listening to their views
- Physically examining the product or service
- Isolating some factors – such as price, size, quality or taste.

Remember there can often be more than one problem causing the objection. For example, the objection could be based on price as well as the fact the accommodation is not available when the customer wants to book it.

Sometimes the *real* objection can be hidden behind a less serious issue, or behind another stated objection. For example, a customer who objects to the price being charged for a room may really be complaining the room does not overlook the beach.

Considering options

Once the objection has been identified you need to:

- Identify your desired outcomes.

  For example, if you decide the problem faced by the customer is payment for the product or service they want to buy, you need to be able to advise the customer of all the payment options provided by the venue.

This may include debit and credit cards, personal and business checks, foreign currency or traveller's checks

- Look at what alternative options you have for solving the problem.

  Sometimes there will only be one real option, while at other times there can be a range of options to pick from.

  Options can be identified by:

  - Meeting with other staff and the customer to jointly come up with a solution
  - Researching options
  - Speaking to your supervisor
  - Evaluating the alternatives and selecting the most suitable option.

Making a decision

Factors to consider when making a decision are:

- Who will be involved in the decision-making process – initially you may need to have others involved in most of the decisions you take
- How acceptable the decision is to all relevant parties – does it meet the customer's needs as well as the profit and ethical needs of the venue?
- The impact of the decision – will it create an unacceptable precedent?
- The cost of the decision and whether you have the resources to implement it – sometimes a sale may cost the venue money but is nonetheless considered acceptable to meet competition or maintain market share
- Whether your decision is likely to get to the root cause of the problem – lowering the price may not fix a problem where there is a quality or safety issue.

Conveying the decision to relevant parties

It is important to convey the decision to the customer quickly and clearly.

You may also need to inform a service area, section or department.

It always helps to provide an explanation if a change is being made to a regular event or standard operating procedure.

Sometimes it is best to provide this information in writing as well as in person.

Reviewing and agreeing on the decision

It is important to build in a review process enabling you to finalise the sale.

This involves checking to see if everyone understands the agreed solution: this includes any relevant terms and conditions, promises and undertakings you have made, inclusions in packages, dates, times and prices as well as a clear statement of how payment will be made.

Take a minute

After the event, take a minute to run through how you coped with the objections to analyse your performance and identify the lessons that were there to be learned from.

- What went well – and why
- What went badly – and what caused this outcome
- The turning points – good or bad in the overcoming of the objection
- Phrases or approaches you must remember to use again when there is an objection raised to buying – or to never use again
- Try speaking with the customer after the sale has been concluded – or even when they decide not to buy. Ask them what you did right or wrong: if the approach was correct. By tell them you are interested in learning and improving, most people will be happy to give you some useful feedback

- Speak to another sales assistant – get their opinion and ask what they would have done, how and why.

4.5 Maximize sales opportunities within a buying situation

Introduction

A single sales event often provides multiple opportunities to make a sale.

This Section illustrates how sales staff can optimise sales whenever a buying situation presents itself.

Recognising sales opportunities

All businesses will want you to maximise sales – to convert every sales opportunity into a sales outcome and to generate the maximum revenue from every sales situation.

And there are some techniques available to help you achieve this.

Indeed, the employer will expect you to apply these techniques, and the customer may even do likewise, believing you will alert them to all they need to know and all they need to buy in order to make a purchase best suiting their needs.

Limits to maximising sales

It is important to stress it is never acceptable to ‘sell at any costs’. This means you must never:

- Be dishonest
- Make false assertions or claims
- Misrepresent the products or service – or what it can do

- Give false references about an item or service
- Indicate misleading guarantees or warranties.

Techniques to recognise sales opportunities

Practical ways to recognise sales opportunities include:

- Observe the customer – looking at a customer, can sometimes indicate they are tired, hot, stressed or anxious. These observations may provide the basis for offering:
  - Accommodation
  - The use of internal facilities
  - Food or drink
  - Locations where sun screen and sun hats are available for sale

- Talk to the customer and ask them questions

  Questions might include:
  - "What have you already seen, done or experienced?" – this allows you to identify what they have *not* seen, done or experienced so you can suggest these as possible sales opportunities
  - "What were you looking forward to seeing or doing?" – enabling you to focus on products and services the customer already has an interest in
- Read background information about the individual or group – such as tour group information sheets or guest history on the internal database. This can indicate preferences which can also provide an indication of what may be an activity of interest.

Advising customer of complementary products or services

Nearly all sales provide a chance to advise the buyer of a complementary product or service.

A 'complementary' product or service is something:

- Providing added value to the original sale
- Supplementing the initial purchase
- Delivering extra experience
- Completing the total experience for the customer.

Common examples of trying to achieve complementary sales include:

- Offering to book a table in the restaurant for dinner when guests check-in at Reception in the mid-late afternoon
- Recommending a hotel for guests to stay in when they book their travel arrangements and offering to make appropriate reservations
- Suggesting to guests who are using the swimming pool they may also enjoy the spa, sauna or a massage available within the venue.

Demonstrating the ability to make extra sales

To maximise sales, you need to be aware of the techniques known as:

- Making 'add-on' sales
- Up-selling
- Using 'suggestive selling'
- Applying the 'ABC' approach to selling.

Making add-on sales

Making add-on sales means building extra sales onto the customer's original stated request.

For example, if a customer comes into a dining room for lunch and orders only a main course you might:

- Suggest a soup or an entrée to start the meal
- Recommend the garlic bread as an accompaniment
- Bring the dessert trolley to the table when they have finished the main course and try to sell a dessert
- Make them aware of in-house entertainment, when it is on and where tickets are available.

If a customer came into a retail bottle outlet to buy a bottle of spirits, you may ask:

- "Would you like a Coca Cola to go with it?"
- "Do you also need ice?"

Keys in making add-on sales are:

- Always try to make add-on sales when appropriate
- Make the offer relevant – to the original order by the customer
- Never put pressure on the customer – inform them and then let them decide.

Up-selling

Up-selling is where you suggest a more expensive product or service over a cheaper one originally requested.

Not every sales situation provides an opportunity for up-selling.

This selling technique is mainly used where the customer orders a product or service, but is not specific about exactly what product they require or the alternatives available to them.

An example of where up-selling can be effective can be seen in the following scenario.

Receptionist:	"Yes, we do have vacancies, Sir."
Guest:	"Excellent. I will take a single, standard room for one night please."
Receptionist:	"We have a two room types available, Sir. Starting at the deluxe suite of 1250.00 per night. Then we have the standard room at 1000.00. Both rooms come with a complimentary breakfast but the deluxe suite has excellent city views and a spa."
Guest:	"Thank you for mentioning that – I will pay the little bit extra and take the deluxe room rather than the standard one."

Although it can be a useful selling technique, up-selling should not be overused, or be used incorrectly. Up-selling has been known to be regarded by some customers as being too sales orientated (that is, focussing on the needs of the venue) and not focused on satisfying customer wants and needs.

An example of this is shown by a regular patron who typically drinks local beer. If they come into the bar and ask for a beer, up-selling would be ineffective, and may be counter-productive if the bar staff were to ask if they wanted a boutique or imported beer.

This concept is featured in the B section of the ABC of Selling.

Using suggestive selling

Suggestive selling is the use of 'expressive and descriptive language' which often appeals to the *senses* as opposed to the *logic* of the brain, to encourage people to purchase.

For example, when selling a dessert it may be suggestively sold by describing it as 'delicious', 'stingingly cold', 'exploding with berry flavours', 'laced with an intoxicating mixture of liqueurs', 'smothered with a decadent chocolate sauce'.

A massage may be described as 'relaxing', 'stimulating', 'a magical experience' or 'pampering and indulgent'.

In every case, the descriptions used must be accurate.

Applying the 'ABC' approach to selling

A useful approach to selling is the ABC idea.

'A' stands for Automatic, 'B' stands for Bettered and 'C' stands for Created.

An example of applying the ABC approach to selling

A

A customer comes into the barand asks for a scotch.

If you provide them with a scotch on Special, or one of the popular, well known brands you have made an 'Automatic' sale. It is possible to argue you have not really done any actual selling at all. The sale made itself because the customer walked in and asked for it.

B

If that customer came in and asked for a scotch and you up-sold them into buying a better quality then you have created a 'Bettered' sale.

You have taken the customer's stated want and improved on it. The customer is happy as they have a better product and experience. The establishment is happy as higher sales and more profit have resulted.

C

Now assume during the conversation with this customer they mentioned they were having a dinner party and the scotch was to impress their boss or their relatives, then you may suggest some wines to complement the meal.

You might enquire about the menu to be served and recommend some red and white wines to suit the food as well as, perhaps, an after-dinner port and a bottle of liqueur.

When the customer appreciates your concern and interest and purchases some of what you have mentioned, you have made a 'Created' sale. The customer did not intend to buy the wine or the liqueur but you created the need for them.

Nearly all selling occasions provide opportunities to apply the ABC theory.

The point to remember is you are trying to help the customer, not coerce them into buying something they do not want. You are simply suggesting something they may have forgotten about, do not know about, or had not thought about.

And many times the customer will be grateful for your endeavours.

If they are not interested, they can always say "No".

But if you never ask, their answer will always be "No".

Demonstrating the ability to be an order maker

The key to making extra sales is you must become:

'An Order Maker, not just an Order Taker.'

You must never be satisfied with only responding to, providing or selling just what the customer has asked for.

You must ***always*** be alert to the possibility of *making* an order, not just *taking* one.

You are paid to sell things. Simply filling a request can be done almost by a machine.

You are really being paid to *create* those extra sales, to actively sell rather than just passively fill orders you are given.

Promises

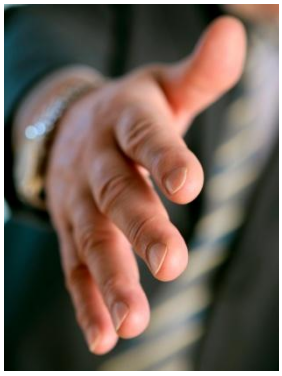
Be very careful about making any promises to customers when trying to make sales.

Breaking promises is a major source of customer frustration with any establishment. Too many customers are left with the impression staff will promise anything just to get a sale.

If, in your work situation, you have to rely on someone else to deliver on the promise you make, then you can never be certain the promise you make will be upheld.

So be extra careful in these instances.

Quite simply, though:



'If you make a promise – KEEP IT'

Keep it:

- With a Smile.
- How you said you would
- When you said you would
- At the price you said you would
- Willingly.

Complying with enterprise policies in relation to selling

When selling to customers you must always comply with your workplace policies relating to sales.

These may include specific requirements relating to:

- Truth, honesty and full disclosure – ethical behaviour
- Not putting pressure on people to buy – avoiding 'sell at any cost' approach
- Credit limits for purchasers – never allow anyone to exceed the applicable house or other credit limit
- Payment options – venues will have nominated ways a person can pay for the purchases they make and you are not allowed to accept payment in any other form
- Overbooking – some venues will allow a certain number of rooms or tables to be overbooked. You must never exceed nominated overbooking figures
- Timing limits – always adhere to any time constraints applying to package deals, Specials or limited offers
- Discounts – ensure discounts are only provided to those who are genuinely entitled to them
- Finalising the transaction – such as completing documentation, up-dating data bases and processing payment.

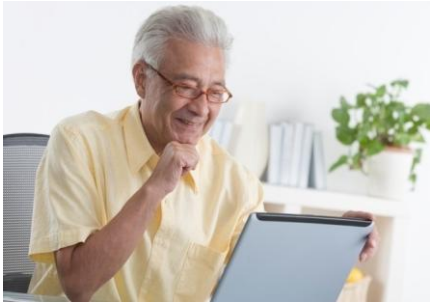
4.6 Close the sale

Introduction

'Closing' or 'closing the sale' is the process of asking the customer a question that solicits an answer giving you permission to complete the sale.

This Section identifies ways to close a sale and important factors to be considered at this extremely vital stage in the selling process.

Monitoring, identifying and responding to buying signals

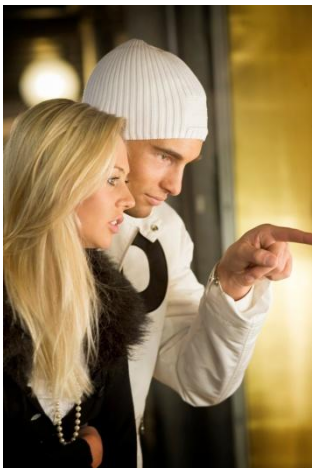


An important part of the selling process is recognising buying signals. A buying signal is a signal to you from the prospect that the decision to buy has been made. The signal usually comes towards the end of sales discussions and negotiations.

It is an indication, verbal or non-verbal, the person is ready to make a buying decision. You must answer the signal promptly and in a positive manner.

If you are unsure of the buying signal do another partial sale by reiterating the features and benefits of the product or service.

Examples of buying signals



Here are some buying signals:

- A positive reaction to a trial, demonstration, visit, presentation or sampling
- A lag in the conversation between you and the customer can indicate all the important questions have been answered and the person is ready to buy
- Questions about details indicate the customer has decided to buy
- If the customer agrees with your sales points it indicates your recommendation is a good one and may have been accepted
- If the customer asks which one you would recommend it indicates they are ready to buy but still need a little more information in deciding on an option
- If the customer asks a question about the form of payment, deposit require or when payment is due, they have usually made up their mind
- Any time the customer indicates they understand the value or advantages of your offer
- Any compliment regarding inclusions, the venue or you personally
- Non-verbal closing signs such as a change in posture, voice, or facial expression, can indicate a change in attitude and may be a closing sign.

Whenever you perceive a positive buying signal, attempt to close!

General closing rules

There are a few ground rules to keep in mind when closing a sale:

Expect to make the sale

If *you* do not think you will be able to finalise the sale then you usually will not.

You will lack conviction in the mind of the customer and cast doubt on the credibility of your own words.

Expect to be successful and you will be.

Stay focussed

When trying to close, stay focussed on the details of the sale.

Do not raise peripheral issues or matters that are irrelevant to what you are trying to sell.

Accept it is the customer's decision to buy

You must understand the customer's decision to buy is theirs and theirs alone.

If customers feel uneasy about their decision, if you have put pressure on them to come to a decision, then you can be assured they will pull out of the sale and not commit to buying.

It is their decision but your job to help them elect to buy.

The sale must be mutually beneficial

All sales should benefit the customer and the venue.

It should meet the customer's needs and expectations and should also make a profit for the business.

No-one sells every time

No salesperson has ever turned *every* encounter with a customer into a sale

You will not win every time. This is a fact of life.

Use verbal and non-verbal prompts

When dealing with a customer be sure to use a combination of verbal and non-verbal prompts to encourage the customer to make a purchase.

When they speak positively about the product or service – nod, smile and agree with them.

Finally

Remember, closing is the process of asking a question that solicits an answer giving you the consent to complete the sale.

The customer has only two basic choices:

1. To accept – the deal is closed. Complete the documentation, process the sale, make the booking.
2. To object – if the customer objects to your attempt to close the sale determine the reason for the objection and provide more information where required. Handle the objection and try to close again.

Different closing techniques

Closing techniques are strategies used to bring a customer to a buying decision.

The best closing technique to be used depends on the type of items being sold, the type of customer, the situation, and of course, whether you are comfortable with it.

There are basically six closing techniques but your venue may have a different technique they require you to implement.

1 Direct – let the prospect decide

This is the closing question to which the customer naturally answers 'yes' or 'no' and which then brings the sale to a conclusion.

For example:

- 'You would like to book the venue/tour for that date?'
- 'Can I wrap this for you?'

The direct technique is the most common method used to close a sale.

Use this when buying signals are strongest.

2 Active technique

This involves the customer *doing something* that helps them decide to buy.

You use this when you want them to undertake certain tasks that will bring them closer to the buying decision.

It could involve taking an on-site tour, sampling a product, taking them to a sales counter or handing them a booking form.

With this technique you can measure the buying 'temperature' of the prospect.

3 'If' technique

This technique allows the prospect decide a step at a time, without pressuring them.

For example, 'If you aren't sure of the dates and times, I can make a tentative booking and you can get back to me tomorrow when you have a better idea of your other arrangements'.

Using this technique gives you the opportunity to reassess your position and you are less likely to put pressure on the customer. This technique appeals to the emotions of the prospect and demonstrates respect for them.

By using this technique the prospect is still making a practical decision which often results in making the final decision to buy no longer a big step.

By using these types of words you are *guiding* them to a position where a close is possible.

4 Alternative technique

Note: the 'Alternative technique' and the 'if' element of the 'Difficulty technique' are very effective when used together.

The alternative technique offers the prospect a choice by presenting an alternative way of leading them to a decision which closes the sale.

You need to ask questions in such a way that there is an alternative answer to it, such as: 'Do you think you will want just the accommodation, accommodation and meals or would accommodation, meals and tickets be best for you?'

This type of questioning is seen to be helpful by the prospect.

The important part is to be sincere in helping customers out of their dilemma with your positive sincere attitude.

5 Difficulty technique

This is particularly effective when the venue is heavily booked, for example:

- Holidays
- During Special offers or limited periods.

In this technique you need to phrase questions in such a way prospects see you as someone trying to help them.

Using some of the following examples could get a decision from your prospects to buy:

Prospect:	'I'm not quite sure if we can book just yet, I might call back next week'.
Salesperson:	'That is fine but just to let you know we may not be able to accommodate such a large group as yours next week as we have several other groups booked for the same time.'

You can use 'difficulty' with 'if' techniques, for example:

- 'If I can get you a better price on a different package, would that help?'
- 'If I can include a free lunch with the package would that meet your needs?'

In these examples you have addressed the difficulty and provided an alternative. This helps the prospect make a choice and/or gives them an opportunity to give you more information to factor into your future negotiations with them.

6 Assumptive technique

This assumes the prospect is going to buy because they have come into your venue, have spoken about their needs and spent time with you.

If you assume they are going to buy, your attitude alone will influence the prospect to make a decision in your favour.

In this technique your questions, or statements, how you phrase them and your actions influence the prospect step-by-step and anticipate the coming sale.

Be careful not to let the prospect feel you are taking for granted they will buy, because the prospect could pull out of the sale.

When the buying decision has been made

When the customer finally makes a buying decision, make sure you:

Congratulate the customer

- Congratulate them on their choice
- Reinforce the wise decision they have made
- Re-state the features and benefits you referred to when trying to make the sale
- Indicate to them how much they will enjoy whatever it is they have just decided to buy.

Thank the customer

You must always thank the customer for every purchase they make, regardless of the nature or value of the purchase.

Be sincere in what you say and how you say it.

Encourage return business

Make sure you invite all customers, even those who did not make a purchase, to return and visit you again.

Always remember:

- Every venue wants to cultivate repeat business from people
- A customer who did not buy this time, may buy next time.

Work Projects

It is a requirement of this Unit you complete Work Projects as advised by your Trainer. You must submit documentation, suitable evidence or other relevant proof of completion of the project to your Trainer by the agreed date.

4.1 Produce and submit a video or series of photographs demonstrating, in an actual or simulated situation, evidence you can/have:

- Appropriately approached a customer in a sales situation relevant to your workplace role
- Spoken with the customer and captured information regarding their needs, wants and preferences
- Demonstrated appropriate selling skills appropriate to the venue, customer and the product or service under consideration
- Addressed and overcome buying objections raised by the customer
- Ensured the potential for additional sales opportunities are maximised within the sales situation in accordance with standard sales practice and workplace policies
- Closed the sale achieving a mutually beneficial outcome for the customer and the venue.

Summary

Apply selling skills

When applying selling skills:

- Remember you 'are' the venue when you sell on behalf of the venue
- Always apply appropriate customer service and interpersonal skills
- Use a practised and professional approach to each customer
- Be the customer's friend
- Use questions to capture information about each customer and their needs, wants, preferences and expectations
- Listen to what customers have to say when they talk to you or respond to questions
- Pay attention to customer body language
- Match offers made to identified customer need
- Sell the benefits of whatever it is you are trying to sell
- Seek a positive win-win outcome to all sales situations
- Practice selling and plan and prepare to do it
- Involve more experienced other staff when necessary to help you
- Treat each customer as an individual and deal with them as such
- See objections as requests for more information and not as the end of the sales process
- Always seek to optimise sales using appropriate techniques but never seek to exploit the customer
- Adhere to venue policies relating to selling
- Actively seek to close a sale without pressuring or intimidating the customer
- Match your closing techniques to each individual selling opportunity and each individual customer.

Presentation of written work

1. Introduction

It is important for students to present carefully prepared written work. Written presentation in industry must be professional in appearance and accurate in content. If students develop good writing skills whilst studying, they are able to easily transfer those skills to the workplace.

2. Style

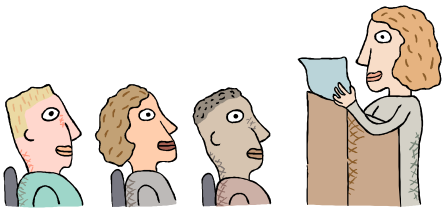
Students should write in a style that is simple and concise. Short sentences and paragraphs are easier to read and understand. It helps to write a plan and at least one draft of the written work so that the final product will be well organized. The points presented will then follow a logical sequence and be relevant. Students should frequently refer to the question asked, to keep 'on track'. Teachers recognize and are critical of work that does not answer the question, or is 'padded' with irrelevant material. In summary, remember to:

- Plan ahead
- Be clear and concise
- Answer the question
- Proofread the final draft.

3. Presenting Written Work

Types of written work

Students may be asked to write:



- Short and long reports
- Essays
- Records of interviews
- Questionnaires
- Business letters
- Resumes.

Format

All written work should be presented on A4 paper, single-sided with a left-hand margin. If work is word-processed, one-and-a-half or double spacing should be used. Handwritten work must be legible and should also be well spaced to allow for ease of reading. New paragraphs should not be indented but should be separated by a space. Pages must be numbered. If headings are also to be numbered, students should use a logical and sequential system of numbering.

Cover Sheet

All written work should be submitted with a cover sheet stapled to the front that contains:

- The student's name and student number
- The name of the class or unit
- The due date of the work
- The title of the work
- The teacher's name
- A signed declaration that the work does not involve plagiarism.

Keeping a Copy

Students must keep a copy of the written work in case it is lost. This rarely happens but it can be disastrous if a copy has not been kept.

Inclusive language

This means language that includes every section of the population. For instance, if a student were to write 'A nurse is responsible for the patients in her care at all times' it would be implying that all nurses are female and would be excluding male nurses.

Examples of appropriate language are shown on the right:

Mankind	*Humankind*
Barman/maid	*Bar attendant*
Host/hostess	*Host*
Waiter/waitress	*Waiter or waiting staff*

Recommended reading

Corbin, J. & Strauss, A., 2008 (3rd ed'n), *Basics of qualitative research: techniques and procedures for developing grounded theory,* Sage Publications, Inc., Thousand Oaks, California.

Dawson, C., 2007 (3rd ed'n), *A practical guide to research methods : a user-friendly manual for mastering research techniques and projects*, How To Books, Oxford.

Kotler, P., Bowen, J.T. & Makens, C., 2010 (5th ed'n), *Marketing for hospitality and tourism*, Pearson, Upper Saddle River, New Jersey & London.

McNeill, R.G. & Crotts, J.C., 2006, *Selling hospitality: a situational approach*, Thomson/ Delmar Learning, Clifton Park, N.Y.

Morrison, A.M., 2010 (4th ed'n), *Hospitality and travel marketing*, Delmar Publishers, NY and Cengage Learning, London.

O'Shannessy, V., 2009 (2nd ed'n), *The road to tourism: skills for the new professional*, Pearson Education Australia, Frenchs Forest, N.S.W.

Pease, A. & Pease, B., 2006, *The definitive book of body language*, Bantam Books, New York.

Perlitz, L., 2008, *SIRXSLS001A Sell products and services ,* Pearson Education Australia, (Scope), Frenchs Forest, N.S.W.

Powers, T. & Barrows, C.W., 2012 (10th ed'n), *Introduction to management in the hospitality industry*, Wiley , Hoboken, New Jersey.

Rosen, K., 2007, *Closing the sale*, Alpha Penguin, New York.

Siguaw, J.A. & Bojanic, D.C., 2004, *Hospitality sales: selling smarter*, Thomson/Delmar Learning, Clifton Park, N.Y.

SmallPrint Australia, 2009, *SITTTSL005A Sell tourism products and services*, SmallPRINT, Australia.

Walker, J.R., 2009 (5th ed'n), *Introduction to hospitality*, Pearson/Prentice Hall ,Upper Saddle River, N.J.

Ziglar, Z., 2003 (updated ed'n), *Secrets of closing the sale*, Fleming H. Revell , Grand Rapids, MI.

Trainee evaluation sheet

Promote Products and Services to Customers

The following statements are about the competency you have just completed.

Please tick the appropriate box	Agree	Don't Know	Do Not Agree	Does Not Apply
There was too much in this competency to cover without rushing.	☐	☐	☐	☐
Most of the competency seemed relevant to me.	☐	☐	☐	☐
The competency was at the right level for me.	☐	☐	☐	☐
I got enough help from my trainer.	☐	☐	☐	☐
The amount of activities was sufficient.	☐	☐	☐	☐
The competency allowed me to use my own initiative.	☐	☐	☐	☐
My training was well-organized.	☐	☐	☐	☐
My trainer had time to answer my questions.	☐	☐	☐	☐
I understood how I was going to be assessed.	☐	☐	☐	☐
I was given enough time to practice.	☐	☐	☐	☐
My trainer feedback was useful.	☐	☐	☐	☐
Enough equipment was available and it worked well.	☐	☐	☐	☐
The activities were too hard for me.	☐	☐	☐	☐

The best things about this unit were:

_____

_____

_____

_____

The worst things about this unit were:

_____

_____

_____

_____

The things you should change in this unit are:

_____

_____

_____

_____

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