

How to Outshine the Competition with your Electrical Department

the **Lighting Up** **Comp**

Fashion forward and functional.

The electrical department has a little bit of everything. But to be successful in this category, retailers have to know how to sell everything from high-end lighting to \$2 switch plates.

AS CUSTOMER DEMANDS AND TRENDS change, one aspect of the electrical department remains the same: customer service. It's a "must" in every category, but customer service is even more important when it comes to electrical. When electricity is involved, every customer wants to get the project done right and safely, the first time.

Taking Things into Your Own Hands

It's no secret that both sales associates and customers are at least a little bit intimidated by the electrical department. DIY electrical projects can either go really well...or very badly. There tends to be no middle ground.

Other than the occasional fashion electrical purchase, like a new lamp or outdoor light, the

electrical department thrives on repair work. But many DIYers aren't too keen on ripping wires out of their walls or appliances, and sales associates are even more concerned about giving advice.

"People in the electrical department are basically scared, especially if you are a do-it-yourselfer," says Nate Albert, manager of Kin-Ko Ace in Lockport, Ill. "You need to ease their mind, talk them through it and remind them to turn off the power."

The only way to put both your sales associates' and customers' minds at ease is through training. NRHA members should check out online training to help their employees learn the basics. Taking online courses is only the first step. To really be educated on electrical, employees need to take a hands-on approach.



Retailers need to know how to not only sell the fashion electrical items, like new lighting, but also know how to sell rough electrical products like wiring.



Above: **Nate Albert** of **Kin-Ko Ace** in **Lockport, Ill.**, sells CFLs for 99 cents which has helped spur sales and increase the potential for add-on sales.

“You need to know what you are talking about to help calm the customer down,” Albert says. “Hands-on training is really the way to go with electrical. You can watch plenty of online stuff, but hands-on is really important.”

Jared Littmann, owner of K&B True Value in Annapolis, Md., agrees. He uses in-store training sessions to show his employees how to complete popular DIY projects. “We show them how to rewire a switch so when customers are shopping for outlets, switches and dimmers, the associates know how the process goes,” Littmann says. This training allows





sales associates to have the confidence to show customers how things need to be done. “Your employees need to not only know how to do these projects, but they need to understand the importance of selling all of the parts needed to complete the project,” he adds. (For more on K&B True Value’s How-to-Sessions, turn to Page 30.)

The Art of the Add-On

The added bonus of proper training is mastering the art of the add-on sale. It’s easy for a retailer to tell their employees to get the add-ons, but if the employee doesn’t know what needs to be added, it isn’t going to work.

“Training really helps with add-on sales,” Littmann says. Without training, sales associates are going into the situation blind, not really knowing what to do.

Luckily, the opportunities for add-ons are practically limitless in electrical. “Add-on sales are huge in the electrical department. You can always think of something to add on,” Albert says.

Here is a list of just some of the add-on products that every sales associate can push, depending on



Above: **Jared Littmann**, owner of **K&B True Value**, says that hands-on employee training is the key to providing exceptional customer service in the electrical department.

Left: **Nate Albert** of **Kin-Ko Ace** in Lockport, Ill., set up a lightbulb recycling center in his store to help spur interest in CFLs.

the DIY project. Remember, not all add-on items are in the electrical department.

- If a customer buys an outlet, suggest an outlet cover.
- If they are rewiring a switch, suggest electrical tape.
- A customer will need a circuit tester for just about any project.
- If a customer is replacing a lamp cord, suggest wire cutters.
- If they are replacing a plug, suggest wire strippers.

Catering to the Cost-Conscious

The electrical department, along with plumbing, has seen an influx in “green” products over the past few years. But although many customers are interested in being eco-friendly, the current economy has shifted their concerns to becoming more cost conscious.

Luckily, many of these new “green” products also tout energy efficiency. For Albert, compact florescent bulbs (CFLs) have been the real anchor of his electrical department for months now. “We are really pushing CFLs, like a lot of other stores are. But we were able to get them at a very low cost, so we sell them for 99 cents,” he says.

One of the biggest customer complaints about CFLs has always been their higher cost compared to incandescent light bulbs. “When they first came out, the bulbs were too much money,” Albert says. “People didn’t want to invest in them. But at this price, they are an easy add-on sale.”



Bill Harmon cross-merchandises his home theater equipment with furniture available in his store to create a home atmosphere, which helps with add-on sales.



Sales associates **Kyle Stephenson** (left), **Adrian Burris** and owner **Bill Harmon** of **Town and Country Homecenter** in Crawfordsville, Ind., enjoy a little downtime in the home theater department.

The solar panels can be installed on a customer's roof and will heat the customer's water heater, saving thousands of dollars in the long run.

A good promotion can go a long way with CFLs. Albert explains that along with the 99-cents sale, he also worked with a supplier to hold a recycling promotion in which customers who brought in one of their incandescent bulbs could get a CFL for free. As CFLs became more popular, Albert expanded the department to include a wider variety. His merchandising strategy included using end-caps to promote CFLs, along with relocating his assortment of incandescent bulbs farther down the aisle. "We try to keep the department looking fresh. Change things up, move things around," Albert says, and that strategy works for the whole store.

To take energy efficiency to the next level, Littmann reached out to a local company to start selling solar panels in his store. The solar panels can be installed on a customer's roof and will heat the customer's water heater, saving them thousands of dollars in the long run. "We have one solar panel mounted inside the store, near the cash register. It really gets people's attention," Littmann says. If a customer is interested, Littmann gets all of their information and passes it to the partner company who takes care of the customer from that point on. To pro-

An Entertaining Idea

Indiana Retailer Thrives on Home Theater Equipment

Flat screens and hardware.

It's not the most likely combination, but it works for Town and Country Homecenter in Crawfordsville, Ind. The store first started carrying televisions in the early 1980s, says owner Bill Harmon. Since then, the assortment has grown into an entire home theater department.

Harmon says the store flourishes because of its wide assortment of products. "We basically have seven stores in one," he says. "We can build your house from the foundation to the roof and almost furnish the whole thing."

The Evolution of Home Theater

For almost 30 years, the home theater department has been a work in progress. "We've toyed with our home theater department for almost as long as we've had one," Harmon says. "You've always got to try something new." The department now houses about 30 televisions from eight different brands.

But television sales are fickle, with weather, the time of year and upcoming events all being factored in. However, Town and Country, a Do it Best store, sells about 10 to 12 televisions every month. "That can be anywhere between \$8,000 and \$25,000 worth of sales," Harmon explains. He admits the margins aren't very good on television sets because he has to go up against retail giants like Wal-Mart and Best Buy, but they are still well worth the investment.

"Is it a draw? Yes, it definitely is. If we took the home theater department away,

it would drastically affect the rest of the store," he explains. "Since the early '80s, it has been a great thing to complement everything else we do."

Harmon has cross-merchandised the home theater department with furniture that is offered in the store, so customers can sit down on a comfy couch, kick their feet up on a coffee table and decide which television they like the most.

But Harmon admits he does have the occasional employee trying to kick back too and watch whatever movie is playing on the 30 screens.

Fighting Technology

As with many other big-ticket items (appliances, washers, dryers, etc.), the rapid change in technology is an ongoing opponent for retailers.

By the time Harmon orders a new set and gets it in the store, there is already a price cut on it or a newer version available. "The worst part of it is that the market changes so fast with new technology," Harmon says. "It's a nasty game to be in, but we wouldn't give it up because it's such a draw."

Although some might think that sales of flat screens and home entertainment equipment have died down due to the recession, they have remained steady for Town and Country.

"We are doing better in our home theater department than we are doing in other parts of the store," Harmon says.

mote CFLs in his store, Littmann uses an energy calculator in the department so customers can calculate exactly how much energy they would be saving by making the switch.

Along with CFLs, Littmann says that other solar-powered lighting products have grown in popularity. For example, solar walkway lights continue to be popular in the spring and summer months. These lights can be displayed in the electrical department and the outdoor living area. They can be a great add-on sale as customers look to spruce up their lawn.

For more information on CFLs, check out the additional information on this page.

Capturing Contractor Sales

When working with a contractor in the electrical department, retailers need to completely change their approach to selling.

First, contractors usually aren't hesitant like DIY customers. Second, they don't have a lot of time or typically need to be talked through a project. They want to get in, get what they want and get out.

Kin-Ko Ace works with some contractors in the department, and Albert says that there are a few things every retailer needs to keep in mind to capture the sale.

"You can kind of tell what customer you're working with. When you see a contractor, you have to let them know that you have more merchandise available in the back," Albert says. "The main thing to tell the contractors is that we have more, or we can get more if they need it."

Pairing contractor quantities with a knowledgeable staff is the perfect approach to contractor sales. ➔

Web Exclusive:

Visit www.nrha.org to learn about best practices in keeping customers safe in your store. Also, don't miss the exclusive video interview with Nate Albert.



The ABCs of CFLs

Energy-efficient lighting has seen a major increase in demand over the past few years. Whether customers are looking for more eco-friendly alternatives or just want to save a couple bucks, compact fluorescent bulbs (CFLs) have become all the rage.

But if customers want to get the most bang for their buck with CFLs, they need to keep a few things in mind. Here are some tips from Energy Star that every retailer should pass on to their electrical customer.

Getting the Most out of a CFL

Do the twist.

Screw in your CFL by holding the ballast (the white plastic part), not the glass tubing.

Don't flip too fast.

You'll maximize the lifetime savings and effectiveness of your CFLs by keeping them on for 15 minutes or more at a time.

Choose 3 for 3.

Only use bulbs labeled as three-way on three-way sockets.

Don't dim a non-dimmable.

Only use bulbs labeled as dimmable on dimmer switches.

Check your controls.

Most photocells, motion sensors and electric timers are not designed to work with CFLs. Always check with the manufacturer of the control for compatibility.

Give them air.

CFLs are sensitive to extreme temperatures, so place your CFLs in open fixtures indoors. Using them in enclosed fixtures indoors can create a hot environment that reduces the lifetime of your bulbs. Note that covered reflectors are best used in recessed cans.

Protect them outside.

Protect bulbs from the elements by placing them inside enclosed fixtures outdoors. For colder climates, look at the packaging for optimal operating temperatures.

For more information about CFL bulbs, visit Energy Star's Web site at www.energystar.gov.