

# HI-TECH TRAINING

Internet Info

## WINNING AGAINST WEBSITES

### Five Tips to Beating Online Performance Parts Stores

BY PHIL SASSO

PHOTOS BY BETH SASSO



Phil Sasso

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Last week, I ordered 100 CD-Rs online for \$10 with free shipping. The best deal I found in my neighborhood was 50 for \$20. Ordering online saved me a lot of time and money. It looks smart.

Like me, more than 115 million Americans will buy something online this year—spending an estimated \$168 billion, according to eMarketer and Forrester Research. But, as much as “click and order” makes our lives easier, it makes running a profitable “bricks and mortar” business harder.

“This guy told me he could get a turbo kit cheaper online,” says Larry Maas, owner of Area One Motorsports in Franklin Park, Ill. “I didn’t believe him. Then he showed me the website. They were selling one of my lines for less than my cost.”

How can a performance shop like yours survive against cutthroat Internet pricing? You have expensive overhead: staff, rent, inventory and equipment. An e-commerce site could be one guy working from his spare bedroom. How can you compete?

A little hard work and a lot of SWEAT.

If you’re like most performance shop owners, you’re no stranger to hard work. You’ve built your business by rolling up your shirtsleeves and doing what needs to be done. This is no different. Just think of the Internet as a new competitor. Staying on top demands a little extra SWEAT: Service, Workmanship, Education, Advertising and Talk.

#### Service As Salesmanship

The number one thing that sets your shop apart from a faceless website is your personal service. People enjoy buying from people they like. Use that to your advantage. The stronger the relationships you build with your customers, the more likely you are to win their loyalty.

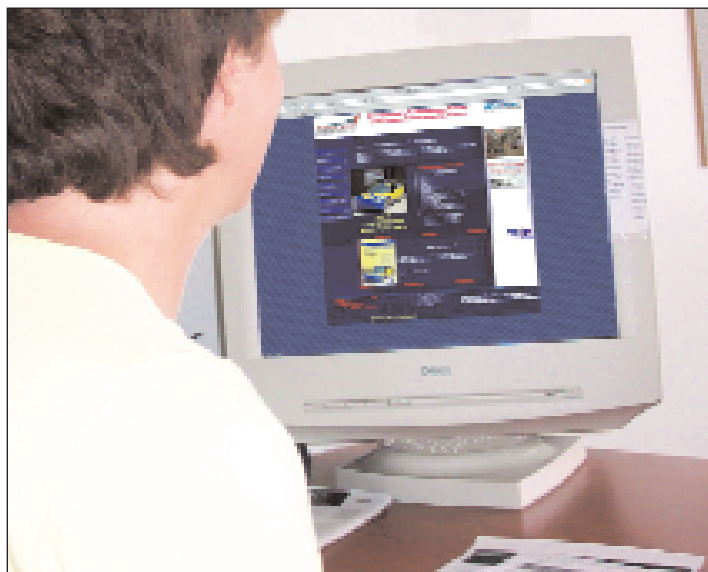
Be sure anyone who serves customers at your shop is friendly and attentive but not pesky. For instance, say “Hi” to each customer when they walk in. Every time I visit a Blockbuster Video they do this—even if they’re waiting on someone. It makes me feel welcome, let’s me know who to ask if I have questions and is not intimidating. I like it better than “Can I help you?”

I visited a local performance shop recently. I could hear employees in the service bay. I waited several minutes. No one came to the counter. I had to call out to get someone’s attention. A customer might have just left.

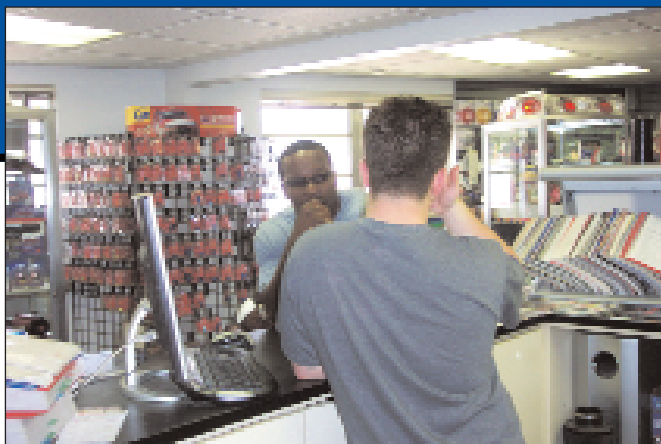
If you’re busy, let them know you’ll be right with them. If they want time to look around or think, don’t hover. Give them time and space. Let them know you’ll be there when they’re ready. People like being served. It makes them feel important. People hate being pestered. Many customers prefer shopping online to avoid pushy salespeople. Be sure you’re not one of them.

#### Warranty Your Workmanship

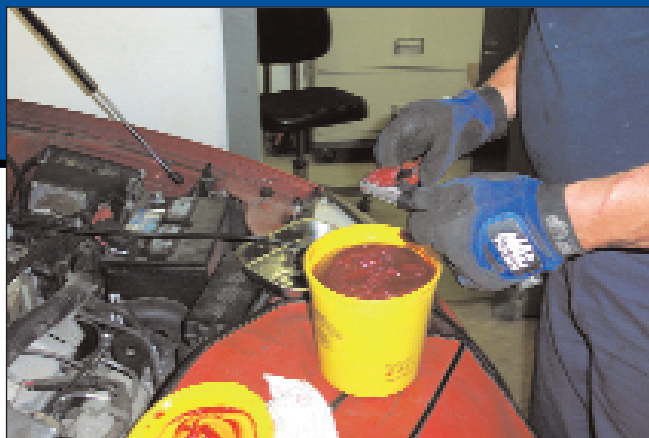
E-commerce sites can’t do installation. Again, this gives you an obvious edge. To keep your edge, you need to focus on excellent workmanship. Do a good job, and back it up with a strong



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Customers will believe in the quality of your work only as much as you are willing to stand behind it. Warranty your workmanship; it's a powerful selling tool.

warranty. Customers will believe in the quality of your work only as much as you are willing to stand behind it. Few customers will actually ever take advantage of your warranty, but knowing it is there is a powerful selling tool.

Don't install customer parts. If you don't already have a policy, consider refusing to install anything a customer doesn't buy from you. Tell them you cannot warranty something you didn't sell, and you will not install anything you cannot warranty. Explain that if something happens while installing the part, you can't replace it. And if the part fails, you can't be responsible. It's a risk you refuse to take. Encourage them to return their part. Offer to sell and install an equivalent or better part. Then, stick by your guns.

Some customers are do-it-yourselfers. Don't worry about them. The good ones enjoy the challenge and satisfaction of doing their own work. The bad ones will probably return for your help to fix their mistakes.

As a bad do-it-yourselfer myself, let me confess, there's nothing more embarrassing than asking a pro to help me fix a job I screwed up. It costs me more money and self-esteem than hiring them in the first place. I rarely make the same mistake twice.

Once, I decided to fix a leaking bathtub myself. After I sat more than three hours on the bathroom floor, my wife, Beth, brought me the phone and a plumber friend's number. I swallowed my pride and called him. He was very kind, and now, I call him first.

### Educate Your Customers

The more information, advice and personal experience you share with a customer, the more likely you are to gain their respect and trust.

*“People enjoy buying from people they like. Use that to your advantage. The stronger the relationships you build with your customers, the more likely you are to win their loyalty.”*

An online store might sell a nitro kit, but they won't recommend one kit over another for a particular situation. They just tell what fits.

Remember, you are the expert. When a customer comes to you, they want something they can't get on the Internet: trustworthy advice. Sometimes that means spending a few extra minutes with a customer explaining your recommendation or demonstrating a new product. That time will usually pay off dividends in long-term sales and loyalty.

If a customer shows you a lower Internet price, don't balk, and don't let

them walk. Educate them.

They probably came to you because they aren't 100 percent sold on buying online. Ask them a few questions: How much is shipping and handling? How much is return shipping if there's a problem? What's the restocking fee? What's the warranty? How long will shipping take? Who will install it? Do they have all the tools needed? Do they have all the parts needed? Is it a complete kit? Be sincere, not cynical. Let the customer's self-doubt close the sale for you.

Whatever you do, avoid the temptation to price match against the Internet. Once the word gets out that you will lower your prices, you'll find yourself flooded with price-cutting requests.

### Advertise Online and Off

It seems counter-intuitive to advertise online. The Internet is already threatening your margins. Why be online?

Here's why: More than 65 percent of consumers who research products online buy them offline, according to Forrester Research. Further, 48 percent of those who buy offline do so because they want to see the item before they buy it. That means they'll go to someone's shop to see that new Autometer gauge.



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The more information, advice and personal experience you share with a customer, the more likely you are to gain their respect and trust. An online store might sell parts, but they won't recommend one over another for a particular situation.

Shouldn't it be yours?

Don't sell online. Price wars can kill you. Don't even mention prices online. First, you don't want to draw attention to your price. And secondly, you prefer prospects call—or better yet, come into your shop—so you can build a relationship with them.

Use your site to promote your shop's expertise. Tell them why you provide the best service, workmanship and advice. Show them your work. Also, link to the websites of lines you carry. It will give customers the most up-to-date information without tying up your resources.

Today's customer wants to come to your shop informed. They want to have at least some product knowledge and smart questions. Think of this as a plus. The more time they spend thinking about their purchase before they walk in your door, the more likely you are to close a sale, and the less time you'll need to spend educating them.

One more benefit of all those online researchers: they tend to be bigger spenders. About 47 percent of online researchers will buy more—about \$154 more—says Forrester.

### Talk To Your Supply Chain

Keep the lines of communication open with your distributors. Discuss pricing, promotions, discounts, training and advertising co-op programs. Make

sure you are getting the best value, support and service you can get.

If you find a product online for less than your cost, something is wrong. Voice your concern. Tell your distributor. Explain how this is affecting their sales as much as yours. Try to work with them to get more competitive pricing.

If the distributor can't or won't help you, contact the manufacturer directly. Explain your situation. Distributor conflict like this, or what I call "channel cannibalism", can really hurt a manufacturer. Pitting one channel against another with an unfair price advantage is dangerous. If too many retailers like you get frustrated and drop their line, the manufacturer's profits will drop.

The manufacturer may not realize the problem and may quickly fix it once you bring it to their attention. Or, they may know about it and not care. In either case, at least you know you exhausted your options and can make your decisions based on that.

### Never Ever Give Up

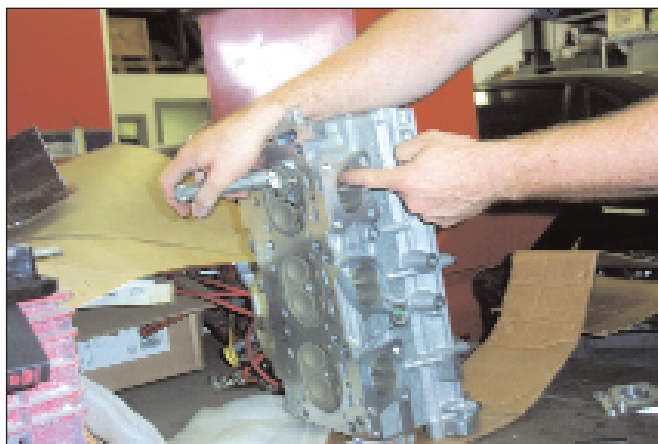
As times get more competitive, you may need to SWEAT it more. But actually, SWEAT is really no sweat. It's what any successful performance business should be doing anyway. It's the same way you'd compete against any new shop, whether it's across town or across the Internet.





When a customer comes to you, they want something they can't get on the Internet: trustworthy advice. Spending a few extra minutes with a customer will usually pay off dividends in long-term sales and loyalty.

Remember the CD's I ordered? They just arrived. Now I know why they were so cheap. They're packaged in shrink-wrap so there's no storage container. They're not labeled, so I don't know the brand or speed, and the bottom one looks scratched. I guess it goes to show you: You get what you pay for!



Why advertise online? More than 65 percent of consumers who research products online buy them offline. Further, 48 percent of those who buy offline do so because they want to see the item before they buy it, which means they're going to a shop. Shouldn't it be yours?

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