

Thank you Santa

It's the busiest season of the year. Money runs like water as parents, spouses, friends, and children all rush to buy a special gift for a special someone. No one knows quite what would be wanted, but that doesn't stop the parcels from being purchased. The bad news is that 2 weeks later, many of the gifts will return to the store, unasked for and unwanted.

It's often seen as retailer's biggest joy and sorrow. Counting what was and what could have been. Retailers often protect themselves from this barrage of disgruntled humanity by structuring the immediate post-Christmas days as "No returns or exchanges". What a mistake!

Let's go back to the major role that a seller plays – to help the customer get clarity on exactly what they want to buy. This is hard enough when a customer is buying for herself; it's ten times more difficult when a customer is buying a gift for someone else.

Let's take an example. My friend, Kate, has a 26-year old audio-videophile son who lives for movies. As a well-educated but poverty-stricken young man, the \$16 necessary to enter the local cinema is better spent on rent and food. Enter Doting Mother who wants to buy him a Home Theatre System In a Box for the holiday. Now, my friend Kate is a brilliant individual, but she doesn't know a multi-format from simultaneous playback. DVD-RW-DAC-DC-JPEG-MP3-WMA-AV are alphabet soup. Subwoofer is what the dog next door does. She knows the top brands (advertising works!) and has some idea of what she can't afford to spend, thus in-a-box is appealing. Those criteria allow a spectrum of possibilities. The retailer tries to do a good job. He asks wonderful questions like "What's most important to your son with a home theatre system?". Only thing is mum doesn't know. After a quick eeny, meeny, miney mo, she walks away with 15 lbs. of home-theatre paraphernalia. Jump ahead to Christmas morning. The huge wrapped package is begging to be opened. Surrounded by ripped tissue, the young son is awe-struck. "Mum....thanks....this is fabulous, fantastic, incredible....You shouldn't have! I'm glad you did!".

If that were a short story it would end there, with hugs and kisses bestowed on giver and giftee alike. But this is real life!

The appreciative, excited son thinks it's almost perfect. Almost... if it only had 6 channels and SACD technology. He checks the

newspaper, the Internet, talks with his friends, and finally approaches Madame Beneficent with the following words that bring fear into the heart of retailers, "I love it, but would you mind if I took it back and got something almost identical but slightly different?" Mom, who only had her son's pleasure in mind, gladly agrees, hands over the gift receipt, thanking the deities that she came closer to perfection than normal.

Back to the retail scene. Seeing a huge familiar branded box with legs walking into the store, the retailer goes, "oh no, another one". The typical salesperson misses the wonderful opportunity that has entered. "What opportunity?", you say. Consider that this is a new customer. His mother gifted him to you. He's young with lots of buying years in front of him, and in the next few moments will determine whether he sees your establishment as a new find or whether you're simply a way station to another electronic playground.

Here are some responses that will likely send him to the beckoning arms of your competition:

- I'm sorry, our policy is you can't return gifts until next week. And when you do, make sure you have the original receipt.
- Please stand over there and wait until I'm finished with these (paying) customers.
- You haven't opened the box yet, have you?
- What's the matter with it? It's one of our top sellers.

Think about it. Why are gift returners treated like second-class citizens? They are a

huge market of new people whom you didn't even have to spend advertising money on to entice. You only see the downside – commission flying away, time lost in original paperwork and new paperwork, all resulting in nothing.

WHAT COULD THE UPSIDE BE?

- A customer who knows exactly what he doesn't want...
- A customer who might want more than his mother originally bought.
- A customer who is expecting a hassle and doesn't get one.
- A customer whose middle name is "electronic toys".
- A customer who has 50 more buying years in front of him.
- A customer who has lots of friends that he can influence.

An exchanging customer provides the seller with a two-fold gift. It's a chance to mold a new customer and an opportunity to reconnect with the original purchaser.

Rather than grumpily processing a return, genuinely thank him for coming to your store. Welcome the return. Find out what's missing for him with the gift chosen. Ask questions to learn what's most important to him. Share information on technology. Offer alternatives. Explore together what might be possible. Praise his mother for her generosity. Give him suggestions on setup.

Take it a step further. Proactively phone the original purchaser, and say, "Hello Ms. Beneficent. I had an opportunity to meet your son, Malcolm, today when he was in to return the home theatre system. I wanted you to know that I learned quite a bit about what is important to him and was able to give him options and information so that his new system works optimally. I know that what is most important to you is that your son gets exactly what he wants. It's so hard to choose the perfect electronic gift for someone. You opened a wonderful door for him. Thank you for choosing our company." In other words, she gets off the phone with you, not feeling she erred, but that she was guiding the way.

Ms. Beneficent also has a husband, daughters and friends. She'll be buying again for someone, and you want the memory of her experience with your store to be one that is worth repeating. Thank you Santa!

