



Terrific Trading Monthly E-newsletter

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Hi %Greeting%,

Welcome to the June 2010 edition of "Terrific Tips" delivered to your desktop free each month.

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## Motivation, Incentives – What works?

Four weeks and four enquiries – industrial products, financial services, retail and fast food. All different businesses, all asking similar questions:

How do you keep people motivated? Do incentives work? What incentives work best? Do you have to keep changing them?

Here's the email I got just this week from the retailer:

*"Can you please help out with ideas or recommend resources for me. I would love to implement more small in-store competitions for the staff but am running out of ideas. Unlike a chain of shops where they have inter store competitions, we are a stand alone trader. We have had a few comps and the girls really enjoy them and being in the 15 to 20 age group they are easily rewarded, and respond well to treats. I have a surf shop with 2 full time staff and about 6 juniors working with me. Looking forward to any suggestions."*

So, over the next couple of newsletters I'll share some of the research and experiences on how to keep people motivated at work; financial incentives including some of the pitfalls; and how to reward people for putting in the extra effort. This won't just be ideas and examples from my colleague Jan Collins and myself. Via video clips, audio interviews and links to articles and research you will get access to some valuable insights and experiences from a range of experts as you will see as you read on...

Please do add your comments and experiences. I'm sure other readers would love to hear them. You can do this either at the Comments section at the end of one of my complete articles or by emailing me at [info@terrifictrading.com](mailto:info@terrifictrading.com).

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## Fostering Disloyalty Schemes

Take a look at the sign I photographed at a Costa Coffee shop in the UK recently. Why on earth would they put up a sign saying: 'Sorry We Don't Accept Costa Loyalty Cards Here. This is due to us being a franchise.' See for yourself:



If they are going to do that they might as well tear down their logos, change their colour scheme, vary their menu and alter their name to Sergios Coffee, because they've just set out to destroy everything that their brand image is trying to achieve. The customer trusts the brand, that's why they make (in this case) Costa Coffee their preferred choice. So don't destroy that trust by saying, 'We're different'!

To read more click on [Fostering Disloyalty](#) or check out the full article at [www.customertipsforcoffeeshops.com](http://www.customertipsforcoffeeshops.com) .

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## The surprising science of motivation

A couple of years ago I heard Daniel Pink speak at the 'Managing the Customer Experience' conference in London. Over the four days he was one of my favourite speakers along with Richard Branson. Why? I'm not quite sure. I think it's because he makes me think.

Here he is doing it again as he examines the puzzle of motivation, starting with a fact that social scientists know but most managers don't: Traditional rewards aren't always as effective as we expect. Check out this fascinating, well illustrated and presented video by clicking on [http://www.ted.com/talks/dan\\_pink\\_on\\_motivation.html](http://www.ted.com/talks/dan_pink_on_motivation.html)

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## Using the Average Sale as a Motivator

Way back in the early 1990's with her astonishingly successful Expanding the Sale program, renowned Melbourne based retail consultant Hilary Kahn [www.feelgoodguide.biz](http://www.feelgoodguide.biz) first demonstrated to me the value of displaying an average sale measurement chart for the team showing:

- a) Average sale figure for this day/week last year.
- b) Budget figure for this day/week this year.
- c) Actual for this day/week this year.

Invariably what happens is that there is an immediate improvement in the average sale because

your team has something meaningful and achievable to aim for.

If you are asking them to increase sales by \$5,000 a week when the average sale is less than \$50.00 they are likely to think, "I can't do that. It will only happen if we get lots more customers this week." But...

To read more click on [Average Sale as a Motivator](#) or go to the Terrific Blogs section at [www.terrifictrading.com](http://www.terrifictrading.com)

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## The most important customer we ever had

In his great little e-book, '[25 Ideas to Motivate and Incentivise Your Staff](#)', Max Hitchins tells the story of a high school girl who had been working with her employer for about a year.

"She had, however, lost the charm that she had when she started and had become for the most part, robotic. She was courteous to her friends and people she knew, so I knew she still had the capabilities. I spent one afternoon trying to come up with a way that I could get her to want to be more friendly to the customers. I decided to try the following idea.

"That night, she was working the drive-thru window. I asked her the kind of car that was next in line. She looked out and responded that it was a green Chevy. I asked if it was a man or woman driving, she responded 'A woman.'

"Then I leaned over and as though I was going to let her in on a secret, I said 'That woman is the most important customer that we've ever had so be real nice to her.' Her eyes lit up and she started to ask me more. I stopped her and told her she needed to be at the window to greet the lady when she arrived. Well, she bounded to the window and greeted the lady with a big 'Hello' and proceeded to give this lady the best service she could.

"I don't know what was said, but after the lady drove off; the cashier turned to me and asked '**Who was that lady?**'

"I repeated that she was the most important customer we had ever had. She said that she knew that, but asked the lady's name. I told her I didn't know. She then asked, 'Then where do you know her from?' I told her I didn't know her. She pressed further. 'So how did you know she was the most imp...'

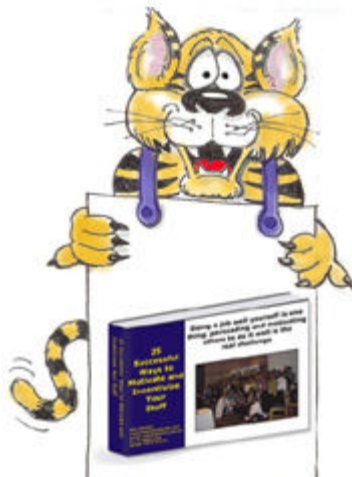
"She stopped dead as it hit. I had tricked her into being friendly. She got embarrassed and turned away."

"A few minutes later, she said to me 'You know that lady...she gave me a tip. I have been here for a year and no one has ever given me a tip.'

"I tell this to our new employees. I ask them to treat every customer as though they are the most important customer they have ever served but don't hold your hand out for a tip."

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## Terry's Feature Product



Doing a job well yourself is one thing; persuading and motivating others to do it well is the real challenge. Using his years of experience, Max Hitchins has written this e-book to give you ideas to develop your own format so you can effectively persuade and motivate your team to help you run your business. While '[25 Ideas to Motivate and Incentivise Your Staff](#)' was written for the hospitality sector it has ideas and examples on how to motivate and incentivise your team that can be adapted to many industries.

Max Hitchins is acknowledged throughout the world as an expert on motivation, marketing and management in the hospitality sector. His learning curve in hospitality began at the age of 17 in Australia when he was pitched into running a heavily indebted family hotel because of the untimely death of his father.

With clever thinking and well ahead of his years, Max strata titled the property and quadrupled its value. He now owns and operates

hotels and taverns in Australia and also acts as a consultant and adviser to hospitality businesses throughout the world. His Internet site welcomes in excess of 100,000 visitors per year. Check it out at [www.hospitalitydoctor.com](http://www.hospitalitydoctor.com) where you can also invest in this [\\$25 e-book](#) and sign up for his free weekly e-mails.

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## The power of business community

When individual businesses and organisations representing business and government get together for the betterment of all concerned – especially their employees and their customers – it is amazing what a difference it can make.

It reminds me of a story I read recently in Keith Ready's [www.agiftofinspiration.com.au](http://www.agiftofinspiration.com.au) e-newsletter. It is about a farmer who grew award-winning corn and how he handled the situation when his neighbours grew inferior corn.

One year a newspaper reporter interviewed the farmer and learned something interesting about how he grew it. The reporter discovered....

Click on [Business Community](#) to read more.

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## Terrific Quotes

*"If I'd asked my customers what they wanted, they would have said a faster horse."*  
Henry Ford

*"Leadership is getting people to do the things you want them to do because they want to do them."* Winston Marsh

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Have a wonderful month

Regards

Jurek Leon

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