



WORKSHOP: EFFECTIVE FOLLOW UP

SESSION 2: WHEN THE PROSPECT WANTS TO KEEP SHOPPING

SESSION 2 - WHEN THE PROSPECT WANTS TO KEEP SHOPPING

Kenny Pratt here. Thanks for joining me in this second of five sessions in the Effective Follow Up workshop. In this session we are going to talk about those times when the prospective customer is unwilling to make a commitment to rent with you and wants to continue to shop around.

I know you are busy, so I want to help you make the most of the time you spend with me today. So, if you are listening to the audio version, what I want you to do is to take a minute and grab a piece of paper. It will be much more efficient to take notes as you go. By taking notes and writing your ideas, you'll have to listen to the audio fewer times for it all to make sense.

If you are reading the written version of this session, then I would encourage you to take notes in the hefty margin.

OK, NOW THAT YOU ARE SETTLED IN, LET'S ROCK THIS THING

As I mentioned in the introduction video, there are many reasons why someone would want to continue shopping. Some people just feel compelled to call multiple locations before committing no matter what. They will shop even if you show them how you will satisfy their needs and wants at a fair price.

So, when they insist on shopping what do you do? Most self storage managers just sit back and hope that the caller calls back or stops in. When the customer says something like "Ok, I'll call you when we decide what we are doing next," the best most managers come up with in response is "Ok, talk to you soon."

What you need to do is figure out a way to tactfully re-insert yourself into the buying process so that you can continue to build the bridge between what the buyer wants and what you have to offer. (If you are a visual person, check out the Big Picture Overview in the Fast Action Workbook).

In this case, since you are still wooing the prospect, **follow up contact will work best when the prospect has openly agreed to have you re-contact them.** If they have given you permission to follow up you will meet less resistance.

So let's talk for minute about how you are going to get the permission to follow up that you need.

TWO APPROACHES TO GETTING PERMISSION TO FOLLOW UP

Here are my two recommended approaches to getting permission to follow up:

THE BETTER DEAL APPROACH

The first approach is to let your prospect know you may be able to get them a better deal, but to do so you need to appeal to a higher authority.

I call this the better deal approach. What this does is it gives your prospect a reason to agree to a future contact because you are offering to work on getting them a better deal. And, because you must talk with someone else before giving them a better deal, you are able to delay the contact until later.

Ideally, you will give the prospective customer enough time to do some shopping, but not enough time to actually make a commitment and sign a rental agreement.

Offering a better deal would sound something like this: "Ms. Smith, I understand that you would like to shop around. I would love to have your business. I think my boss/coworker might allow me to do a little better on the monthly rent or the move-in special. Would it be Ok if I touch base with you later today and let you know what I found out?"

Of course, when you get back with the prospective customer you should have a better deal ready for them, even if it is very modest. Your better deal can take many forms. Here are some ideas:

1. A better monthly rate
2. A better move-in special
3. A bigger unit for the same price
4. A free rental of your moving truck
5. An extended rental of your moving truck
6. Some free or discounted merchandise

With your better deal in mind you are ready to follow up with the prospective customer. Before I walk you through how a call like that would sound, let me tell about the second approach to getting permission to follow up.

THE MEET OR BEAT APPROACH

The second approach is to offer to beat competitors prices, but don't make the mistake of waiting for them to call you.

While offering to meet or beat competitor prices is fairly common, most store managers don't leverage it to the full potential because they just sit back and wait for the prospect to call again after they have shopped around.

That is a mistake.

To really appreciate the customer's situation, pretend for a moment that you are moving. When you are moving you spend days preparing your home by boxing up your whole life. You have been cleaning parts of your home that have been neglected for years, like the tracks in your window panes. Most of this work is done at night and on the weekend, because you can't afford to take the time off work. Although you know some stuff is going to go into storage temporarily, arranging for storage is just one more task on a list that already seems too long.

So now you are calling around and the second place you call seems to have pretty good prices, but you've got two others on your list you want to call. You are about to hang up and move on when the manager tells you to keep in mind that they will meet or beat the competition's prices. The afternoon wears on and now you have called four different locations and you like the fourth place well enough. Their price and special is as good as the others and the location seems "good enough" and you are tired. Now ask yourself, are you really going to go through the extra effort of calling back that second place that offered to match or beat prices?

As a self storage manager, when you ask the prospective customer to call you back, you are often asking for too much effort on the part of the customer.

Consider what you are expecting... You are expecting them to remember your offer to meet or beat. You are expecting them to not confuse you with a competitor. You are assuming that you are the only store that will make the meet or beat offer. You are assuming that they will have the energy or motivation to call you back after shopping around.

Waiting for the prospect to call you will work sometimes, but let's make it work better.

GETTING PERMISSION TO FOLLOW UP

The way you make the meet or beat offer work better it better is by getting permission to call them back to see how you compare.

It would sound something like this:

You: "It sounds like you want to do a little more shopping. I can understand that. I'm confident you would have a good experience here and I'd love to have your business. We have a policy of meeting or beating our competitor's prices. Do you plan on doing most of your calling around this afternoon?"

Prospect: "Yeah, I plan on calling a few of the other self storages I found online."

You: "How about I give you a call back a little later today and see what you've found out as far as prices and specials go and then I'll blow them out of the water. Would that be ok?"

Some prospects will say no. They will prefer to call you and communicate on their own terms. However, there will be many who are grateful for your offer to get back in touch. Bam! You position yourself to be the coveted last conversation. You have another shot at their business.

The beauty of these approaches is that it puts you back in the driver's seat. You are not left sitting there with your fingers crossed hoping that they will call you.

TAILORING TO YOUR MARKET CONDITIONS

We've talked about getting permission to follow up by implying that you can get a better deal. We've also talked about how to get permission to follow up by effectively using a meet or beat approach. Now let's look at tailoring these approaches to your facility and your market situation.

When you have promised to look into sweetening the deal, the first step is to decide what your better deal is going to be. And your better deal doesn't always have to be a lower price.

Ideally, you will match your offer to the interests of your prospective customer. For example, if during your initial phone conversation you discovered that they are moving and will need a rental truck you can base your better offer around that understanding. You may decide to offer to let the prospect use the truck for the full day (if a half day rental is the norm). You may offer to throw in \$50 or \$100 in free boxes and moving supplies. You might bundle those offers with a slightly lower rent or improved move-in incentive.

The changes you make to your pricing and move-in incentive, directly impact your monthly rental revenue. How aggressive you get with your discounts really depends on your current occupancy, the strength of your market, and how your property stacks up against your competition.

If you have lots of vacancy in the size your prospective customer is considering, then I would recommend a strong move-in incentive and/or more significant price concessions. If you have a lot of vacancy (10 unrented units or more in that size) you may decide it's better to get reduced revenue, than no revenue at all.

If your market is weak or your marketing is weak causing your phone to not ring very often, then you have a lot of incentive to rent to as many callers as possible and you might want to consider a strong move-in incentive and/or more aggressive price concessions.

However, if your occupancy is strong or you are good at selling your facility as better than the competition you may be able to get away with a more modest improvement to your move-in incentive or a more modest reduction in the monthly rental rate you quoted.

In the other instance when you have promised to beat your competitor's prices, you simply have to decide how low you are really willing to go before you would rather not have the business. This will be a judgment call on your part based on the occupancy level of your property and the self storage size in question.

After you have decided how low you are willing to go or what your better deal is going to be, you are ready to follow up with your prospective customer.

FOLLOW UP CALL RECOMMENDATIONS

Here are two recommendations for the actual follow up call.

1. Always ask first about how their shopping is going and what they have found so far.
2. After you have made your better offer, always invite the prospect to make some commitment that will move the buying process forward.

Let's break out these two recommendations.

The first thing you want to do is to ask about what your prospect is finding in the market so that you know how your "better deal" will likely be perceived, and you can adjust on the fly if necessary.

It would sound something like...

Kenny: Hi Mary, this is Kenny from SuperDeluxe Storage. I'm just calling you back like I said I would and I have good news. The good news is I was able to get permission to sweeten the deal we discussed earlier today. I'm curious, have you called many other storages in the area?

Mary: Yes, I called a few others.

Kenny: What have you found out so far?

Mary: Well, downtown storage has the best deal so far, they are offering...

By discovering what your prospective customer has learned from the market you will know whether your revised offer is not generous enough or alternatively if it is too generous, and it allows you to make last minute adjustments before you make your new offer.

The second recommendation is that you always invite the prospect to make a commitment that will move the buying process forward.

Some simple invitations include

- An invitation to reserve the unit so that you can take it out of your inventory and hold it for them.
- An invitation for the prospective customer to come to your office and take the next step and fill out the rental paperwork.
- Or you can make a softer invitation for them to come see your property in person and confirm that they are comfortable with the location and the storage space you have picked out for them.

No matter what invitation you choose, after you offer your new and improved deal, you need to invite them to move forward in some way. By making an invitation to move forward you will earn the commitment from some of your prospective customers, and from the others, you will be getting important feedback about how the prospective customer views your offer.

But what if a competitor is priced too low? What if the competitor is giving away the farm? Well, sometimes that happens. If you are not authorized or don't want to go that low on your price, or to give away such a generous move-in special, then just say so. When you reconnect with the prospect, you will say something like "Wow. That is a really low price that Rusty Leaky Storage is offering. I've always been able to beat our competitor's prices, but unfortunately I'm not authorized to go that low. The best I can do is... (and here you name your best price)."

Then you continue to "sell" your new offer by comparing it to your regular price and the market like this...

"That's (x) dollars less than our regular price and a great deal for this area, especially when you consider the quality difference between our location and Rusty Leaky Storage. Would you feel comfortable taking me up on the deal or would you rather stop in and see the quality difference for yourself?"

HERE'S THE QUICK REVIEW

So, we have covered the bulk of the session 2 material, so let's break it down step by step.

- When a prospective customer is shopping around, you want to re-insert yourself into the buying process after they have done their shopping, but before they have made a commitment.
- Follow up will work best if you have permission.

- Get permission to follow up by offering the potential of a better deal or by offering to beat competitor's prices.
- In the follow up call ask them what they have found out in the market.
- Mentally adjust your offer if necessary.
- Give your prospective customer your new offer.
- After you have made your better offer, re-extend an invitation to rent from you. Ask the prospective customer to make a commitment to you that will move the buying process forward.

That wraps up session 2. Check out the Fast Action Workbook in the resources section of this session. The Fast Action Workbook is an easy way to review the ground we have covered. It is also an easy way to begin thinking things through and figuring out how you are going to apply them at your location.

Up next, we'll cover the optimal scenario when you prospective customer has reserved a storage space or has made an appointment to rent or visit the property.

So, thanks for joining me. I'm Kenny Pratt signing off until next time.