

With many traditional P&C categories becoming harder due to government regulations and health concerns, telecommunications has the potential to be a saviour. One store manager explains...

Bruce Tannah has seen the mobile phone business change in the three-plus years he has managed the Mobil Mareeba store.

The Queensland site is one of Trinity Petroleum's best performers in the communications category but according to Bruce, that's not good luck. It's all good management.

"A lot of sites keep their phone stocks locked in a cupboard but we display them behind our console, so they're always visible.

"I think another thing that works for us is always keeping a full range. You need a good mix of all the price points and as many different varieties as you can get."

Bruce also believes one secret to their success is having the full selection of dummy phones on offer, so customers 'get a feel' for what they are buying.

"If we get a new phone and we don't have a dummy, it will just sit there. People want to pick them up and have a play. They want to know what they are getting for their money."

Bruce isn't prepared to share information on sales in dollar value

terms, but the category is now a very important contributor to his store's bottom line

"With handsets and e-pay recharge combined, it probably represents around 15 per cent of our sales.

Re-charge is a growing market for us, even though it is supposed to be declining within P&C.

"I think the customers see the phones and associate that with re-charge. They figure if they buy their phone from us, they can also do their recharge."

Bruce says point-of-sale is vital and retailers should ensure they use it.

"You always get a great range of material from Telstra. You have to put it up around the store. Keep the offers current and pricing up to date – like any category, you do have to put some effort into this but it will work for you.

"Know that by working with Telstra and Pacific Optics, you are competitive with other retailers. They work with us to help us be competitive."

Bruce has noticed several changes in phone sales with the most obvious being more smart phones, but it's not the only difference.

"We used to sell a lot of the cheap phones but now we have moved up a level. The \$99-\$149 range is our biggest growth area now.

"In the past, if people were buying a phone at a P&C store, they would just buy the cheap one that they could throw away if it got broken, or not worry about losing it, but now they're stepping up and spending a bit more.

"I also think we have become a bit of a destination for people who want to buy a phone. I think there are still some impulse buys but most customers come here looking for one.

"The two major supermarkets sell phones, as do other retailers, so we have plenty of competition.

"Our range is what keeps people coming to us. With the pre-paid phones, we pretty much keep one of each type in stock, from the real cheapies at \$29.95 up to the \$299 phones."

Bruce says P&C retailers should give communications a chance to make a difference in their stores.

"We weren't ordering often enough when I started but I now put in an order every fortnight. You need to have them in stock and visible, and once you start selling more phones, you will be selling more re-charge too, along with accessories. It all goes hand in hand.

"Use your point-of-sale, so people know what you have and use Telstra's terrific stands to display the phones.

"Don't be afraid to stock the higher priced phones. I was a bit wary, but it has worked for us. Give e-pay a shot too because it doesn't cost a lot to have it.

"Sit it on the counter, ready for the customer to use. Our business isn't getting any easier so you have to find ways of adding on. This is one category that works."

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