

## **INTRODUCTION TO BUYING FURNITURE FROM AN EX-SALESMAN PLUS AN ADDITIONAL SECTION ON APPLIANCE SALES**

### **INTRODUCTION**

I have worked in sales at two different furniture stores, Ashley HomeStore and Value City Furniture, along with one mattress store. People do not purchase furniture very often and I thought that I would share some of my experiences from the sales side so that someone can know what to expect when they go into a furniture store.

AHS is a nationwide company. They have a few company owned stores, but most stores are owned locally where the store is located. I always considered my store a franchise of AHS, but they don't consider themselves as selling franchises. But that's the easiest way to think of them.

VCF is a company with locations east of the Mississippi that are wholly owned company stores.

The mattress company, Mattress Warehouse, is located along the East Coast and owns all their stores.

I will talk about the furniture stores first and then deal with mattresses at the end.

AHS and VCF focus on the middle to low income markets. They have a wide range of products and cover a wide range of prices. There is nothing wrong with that, but to me their offerings are interchangeable for product and price. If you put the furniture from both companies in a room without markings, you probably wouldn't be able to distinguish between them. And you'll find that the salespeople are also the same with regard to how they are trained. The sales training that I received from both companies was identical. So the selling experience going to each store for a customer would only differ with the personality of the salesperson.

Their products are fine and there are a lot of happy people that own their furniture, but always remember, you get what you pay for. There are manufacturing techniques used to create a lower priced product versus their higher priced product. There are numerous styles, types and prices in their product lines. However, with all the stores and products they have there is a lot of discontinuation of product lines, especially in the more stylish upholstery and wood products. It's better to buy everything at one time instead of buying piece by piece over time. Very few product groups last more than two years from my experience.

Forget about American made. Any wood products will be made overseas, case closed. If it is in a box and has to be assembled then it will have been made overseas. The upholstery products (sofas, loveseats, etc.) will be assembled in the USA, but the components (cushions, foam padding, etc.) are done outside and shipped to the USA where the upholstery is assembled. It's too expensive to fill a ship with sofas and this

allows the companies to use the Made in USA Label in their ads.

Consider the companies as different churches in the same religion.

### TERMINOLOGY

Here are some of the terms used by salespeople on the floor that you may have heard and not known what was meant. But these are important terms that salespeople work with and use frequently among themselves.

“Up List” - to ensure that all the salespeople get an equal shot at customers there is an actual list by the door where the salespeople congregate. They add their name to the list and as they greet a customer who comes in the door their name is scratched off the list for the next salesperson on the list to greet. After the customer leaves then the salesperson adds their name back to the bottom of the list to wait for their next turn.

“Up” - another name for a customer. As is “Is that person your UP?”

“Luck of the Ups” - this phrase is absolutely hated by management. A salesperson who says this gets a good lecture. This refers to the attitude that you are as only successful as the people you greet. All the training received is supposed to take the luck out of the selling system.

“Open Floor” - this is when there are more customers coming into the store than there are salespeople. So no one is greeting Ups at the door, the customer will become the Up of the first salesperson to get to them. Some salespeople are better at handling numerous Ups on an Open Floor than others. This is most likely to happen on weekends when most people shop. Some stores will also use the term “Open Floor” to describe a store where salespeople can work all the hours that they want over their assigned hours.

“Splits” - this is referred to as splitting the commission for a sale between two salespeople. This can happen when a customer asks for a salesman at the door who isn't in the store at that time. The new salesperson takes over the order and Splits it with the original salesperson. Splits can be a very divisive issue. At AHS, the management made an effort to enforce Splitting to help foster teamwork. At VCF, the management was against Splitting sales because they felt if you didn't sell someone the first time, it's time for someone else to try and get the sale from that customer. It created a lot of tension and hard feelings of course, but management didn't mind that as long as a sale was made.

“BeBacks” - these are customers who don't buy that day and say that they'll “Be Back” to work with the salesperson on a sale in the future. These are highly prized by salespeople and a lot of hoping and wishing that these BeBacks are not using that as an excuse just to leave. If you give a salesperson a phone number, you will be called back to become a true BeBack.

Turn Over (T.O.) - this is where one salesperson will turn over a customer to another salesperson, while the customer is in the store, for their help in closing the order with the customer. Not common in a store where there are many salespeople, but easier done in a small store with a couple of salespeople in the store. They then Split the sale.

“Buyers are Liars” - this phrase is heavily used by management to discourage salespeople from relying on BeBacks and to push for the sale on the day that you greet a customer.

“Just Looking” - this is the most popular response given by customers coming in the door and trying to get away from the greeting salesperson. All that training given to salespeople is to overcome that “Just Looking” reply. And that is also tied to the “Buyers are Liars” term because they may say “Just Looking” at their entrance and then when they buy, they’re just confirming that “Buyers are Liars”. Which is then true to some degree.

“Trolling” - this is when a salesperson walks through the store trying to pick up customers without signing onto the Up List. This is more common on busy days, but it can happen on slow days and will cause a lot of tension on the sales floor if the Troller takes an Up that was greeted by another salesperson. So if you see or hear two salespeople with or without a manager involved arguing about stealing an Up, then you know that they’re fighting over a customer.

“Stalking” - this is where a salesperson follows someone around the store. Stores are set up with walls to set furniture against for display, but this also allows salespeople to keep track of a customer without being seen all the time. There are paths through the furniture layout that have to be followed and a salesperson knows where they go and where a customer will show up. Managers push that a salesperson should always be within eyesight of their customer to anticipate and be ready to answer any questions and bond with the customer. That is why you will see salespeople fussing and cleaning tables and beds. They’re actually Stalking and it gives them a reason to be nearby to their customer if it looks like they’re busy taking care of the store.

“Tourists” - this is a dreaded Up for a salesperson. It is someone from out of town who has time to look around. They’ll look here and buy at their local store. It is considered a wasted Up and a salesperson will try to hasten their departure from the store. On a weekend a Tourist is more tolerated because the store is busy and the salesperson will Troll for a better customer. I personally would not spend my vacation time in a furniture store, but you’d be surprised how many people do this when away from home. Also, if there are nearby restaurants where people have to wait for tables this will also draw in people killing time until they are beeped for their table.

“Scouting” - this is where someone, usually the wife, comes into a store during the daylight hours to check out furniture and prices before she drags the husband back on the weekend to buy furniture. This becomes the important BeBack to the salesperson.

They know that they are going to get a sale, but not without the other's okay.

"Runners" - these are customers who enter the store and quick walk away from the door trying to ignore the cluster of salespeople. Since the salespeople know the paths through the store, the Runner is usually caught and the greeting given.

### SELLING

As I stated there is a lot of training to get sales from people and most of this training centers around greeting the customer at the door.

As a customer you may not want or like to be greeted. You just may want to be left alone to look around, then find a salesperson to ask some questions and to put in your order.

Sorry, isn't gonna work that way.

You will be greeted and that is that.

The training is focused on the greeting to begin a bonding experience with the customer. All salespersons are given responses to the inevitable "Just Looking", and the Stalking begins.

Customers who define what they are looking for usually get better service because they allow the salesperson to help and get them through the store quickly. If you hate shopping for furniture, then just tell the salesperson at the door what you're in for and your time in the store will be cut down drastically. Salespeople are on commission, so they are trying to get a sale in the quickest time so that they can greet more Ups and increase their sales. "Just Looking" for an answer may let you think that you are free from the salesperson but you're now just a Stalkee.

If a customer had worked with another salesperson in the past, it's best to ask for that person when greeted by the current Up salesperson. This frees the customer from dealing with another salesperson and frees the salesperson to get another Up instead of a customer who'll say later that they were working with another salesperson. After working in a store for a while, there were regulars who come in and are recognizable for certain salesperson. Other regulars are called "customer sluts" because they will work with salesperson.

On Open Floor times, once a customer is in the store where while they liked not being greeted at the door they'll surely be approached by Trolling salespeople on the floor and asked if they're being helped. The two ways to avoid these approaches are to get the name of the first salesperson to approach and say that you are working with her or to get a business card from a salesperson and hold the card in your hand as you walk around the store. You can also do this when greeted at the door. The card marks you as an Up to another salesperson and only the more unscrupulous salespeople would

then approach you.

What increases the Stalking and salesperson's aggression to you as you are in the store is the management of the store. Most stores are under camera surveillance by management. There were second story windows at AHS where management could watch the floor and see what customers were being or not being helped. VCF had cameras in the ceilings where everyone was watched from the back room and also corporate headquarters could watch over what was happening at the stores. Management would hit the floor and salespeople would become more aggressive in approaching their Ups because management would either talk to the customer to see how they're being treated or tell other salespeople to approach the customer because the current salesperson is not working the customer.

The actual selling part is rather basic, just answering questions and finding the right match for the customer among the store selections. If you have room size limitations, it's best to have the information with you in the store. A furniture store because of its size and layout makes the furniture look smaller than it would look in your place. You control the measurement information and would know what fits, not the salesperson. If you made a mistake and the size is wrong and if you admit it as your mistake you get a lot better service than if you try to blame the store and its people. Most agreements you sign when you buy the furniture have small print stating that you won't get your money back except as store credit and/or there is a restocking charge for refused furniture. They can be easily waved if management wants, but blaming the store for your measurement error makes it less likely you'll get your full money back.

After all the questions and research comes the sale closing. Most likely the customer will say that they're happy, place the order and get paperwork/payment done. (Every company will offer a period of interest free financing, this is fine but be aware that if you don't pay off the loan in the specific time period all the back interest will be applied to your account). This is where the salesperson is also told to ask for a sale. Some salespeople will ask many times during the process for the final sale, but some don't ask because they're afraid of offending the customer. This reluctance is what management trained to overcome. However, for the reluctant customer who wants to think about it or are slow to sign salespeople are taught a few basic closing techniques.

There is the "assumed closed". After all the work has been done, the salesperson leads the customer to the closing area (usually a computer station for order entry) and assumes that the job is done. They'll write out the sales order in which the customer goes along and signs the order.

If someone wants time to think it over, the salesperson is supposed to review all the work that they've done together and get the customer's agreement that everything is okay and lead this agreeing to an assumed closed so the customer follows through with all those okays to process an order.

If a Scout wants to leave and come back with the other party involved, a salesperson is

trained that the Scout really is the decider of the issue. They will try to get the customer to contact the other party while in the store to get the okay to process the order. Customers' cell phones are a great thing to salespeople for getting a remote okay.

There is the car sales technique known as "the first to talk loses". The order is written out and handed to the customer and the salesperson does not say anything. He waits, and it's been found that the first one to speak is the one that gives in. Try it. It is difficult to wait out a silence. It's also used a lot in police interrogations. Most people cannot abide a silence when with others.

These are some of the closing techniques taught to salespeople, but it all stems from the greeting and that greeting is hammered to a salesperson as the most important part of dealing with a customer. So, you're not going to get away with Just Looking as your final answer in a furniture store unless you stay for less than two minutes and then leave.

### PROTECTION PLANS

These are the items that gave me a problem selling and took me out of the business. Each company sold Product Protection Plans from different companies and I still consider them one step above a scam. But these are a top item pushed by management because of the huge profit margin.

These plans are cleaning and furniture replacement plans that are bought by customers to cover their furniture for a time period after purchase. Many salespeople use the term "extended warranty" for these protection plans but they are not extending the warranty (VCF did offer an extended warranty on some of their products, but I'd hate to have to get through all the small print and try to make a claim) but it sounds better and it's easier for some salespeople to sell that way.

Protection plans are purchased and the customer is responsible for registering their furniture five days after getting their furniture. They are supposed to cover cleaning help and accidents to the furniture. But there are lots of restrictions and the few who do get coverage and help tend to be the fussy and follow-through type of person. Others find that if they call about getting help and they haven't done the 5-day registration will get turned down and they will have wasted their money. Also, Protection Plan companies require that they want the accident to the furniture reported with five days, a lot of people put this off and answer honestly when they call in for service and miss the 5-day limit, this being ineligible for service. Even getting a claim started requires filling out a long form from the company with numerous loopholes that allow them to refuse coverage. Consumer reports did a look at this industry a couple of years ago and found that the Better Business Bureau had lots of complaints about this type of business. People who have purchased these plans in the past usually do not sign up for them for new purchases.

These plans offer higher commissions to salespeople than being made on selling

furniture. They are a high profit to the store. I think that the Protection companies make a lot of money because after a couple of years people forget about the protection and never make a claim and since they rarely pay for replacement furniture, it's very profitable. Many years after purchase, getting a successful claim creates its own problems because the item most likely would have been discontinued and the customer only gets store credit. Then the customer has to deal with mixing or matching furniture or buying a new set so that everything matches.

The only people I can reasonable see purchasing this type of Protection Plan (or insurance for their furniture as the company trains salespeople to say about them) may be a couple with young children. But even then, they usually buy Microfiber upholstered products so it's not really an issue then. Microfiber is woven polyester, a plastic, so cleaning plastic is easy. We used to clean off pen and pencil marks on store furniture all the time. It always created dissonance when you would sell the great clean-up and durability properties of Microfiber and then turn around to sell them an insurance plan that would have them pay to do something they could do on their own.

### SALESPEOPLE REVIEWS

Salespeople are reviewed daily on their sales (the power of computers makes it easy to run reports every day in a dozen different ways of looking at the same data). Some of the following is what is considered important by management which drives the salespeople who greet their Ups.

Sales - of course, 5% commission on furniture. AHS paid based on what was written before it was delivered. If it was canceled then the salesperson would have to pay it back. VCF paid after items were delivered. If it was canceled before delivery, then the salesperson would not have to pay it back. After delivery cancellations required payback.

Protection Plans - it was the most important item to management. Selling furniture was good. A slow furniture day was okay, but if you sold any furniture then the question became why wasn't Protection sold. A salesperson could get up to 20% commission for selling these plans and the company gets a good percentage from the Protection Plan companies. That should tell you how important these plans are considered.

Mattresses - every furniture stores that sells beds will sell mattresses. There is a huge markup on mattresses, a very profitable business line for a store. Usually there is what is called a SPIF on mattresses. It is a bonus paid to a salesperson for a mattress sold. The more expensive the mattress, the higher the SPIF.

Sales Closing Ratio - this is how many customers are greeted versus how many sales made by a salesperson. This was more important to AHS than VCF. In AHS, a report had to be done on each person greeted at the door. They wanted to know why the customer was in, why they didn't buy and all the information that was gathered (name, address, phone number, kids, etc.). This is a common training technique to force the

salesperson to know their customer. VCF had a counter at the door to track the number of people who came into the store and they projected how many should have sold during the day. They wanted a 35% closing ratio.

Average Order Size - this is how much money is spent on average by each customer. Obviously, the higher the average the more money the salesperson makes. But this can lead to salespeople trying to push extra furniture onto an order to make his number higher.

And every day at the daily meeting these items were brought up again and again.

### CUSTOMER PROFILING

Although salespeople are told to treat everyone equally, there are some groups of customers who get special mention.

If you are a young couple with small kids you are going to have your salesperson attached to your hip as you go through the store. A young couple starting out with small kids usually means new house being furnished.

Senior citizen couples are usually looking for a specific item, so the push is to get them to open up at the greeting and get them sold and on their way.

Older men who come in alone are using the store to get some company, so there is polite listening while moving the man through the store to get him to what he wants or back to the door. No commission can be made while listening to someone talk who isn't going to buy.

Recently divorced males are highly prized. They usually lost everything in the divorce settlement, are not fussy and make decisions on what they need quickly. It can be a large sale in a short amount of time.

Asians; Chinese, Indian, Arabs. What salespeople say about these nationalities is that the first word of English that they learn is "discount". They come from a barter culture and Americans are not, so there is an inherent culture conflict from the outset of the greeting. They will spend a massive amount of time in the store, look at every price tag and ask what discount they can get for it. They will use up a lot of travel time and money trying to get deals for similar price and quality furniture from different stores. Always want managers to get involved and will keep trying to work down the price. It's a lot of work and stress to deal with putting an order together and salespeople have a lot of resentment toward these cultures. There is some sense of feeling good when making a sale to a customer and helping them with their choices, otherwise, why do it. But when finishing with the barterers there is always some resentment toward them. In fact, during an Open Floor time, these people will usually be avoided while dealing with others and they are the only groups that really have to corral a salesperson to help them out. What can I say, it's just the way things work out.

## OTHER ISSUES

Accessories - these are things like lamps, paintings, candle holders, plates, etc. Furniture stores put a lot into decorating stores, AHS and VCF from a distance look like the same store. But accessories are a mixed blessing for salespeople. It's nice to sell those things, but they consume a lot of time. A couple can pick out a living room set quickly, then spend much more time trying to match lamps and paintings to the set with the salesperson running around the store bringing things to the living room set to look at how everything looks together. This is especially frustrating on weekends, when a salesperson can see other salespeople writing up orders while he's carrying lamps that will add about \$100 to his order and he's taking an hour to do it. Accessory people can chew up a lot of time as they stroll through the store. They are more appreciated and get better service during a slower weekday than they are on a busy weekend.

Flyers - customers receive them in the mail for weekly or bi-weekly specials. They are used to draw in people and many of the items are not reduced prices in the flyer. There will be a few items where the price is reduced from the regular price, but most prices are the everyday prices so that people can see how inexpensively the store can sell their furniture. People think of them as "sale flyers" but they are actually "store flyers". VCF would offer some absolutely lousy items that were really cheaply made and priced to draw in customers, but customers can be stubborn - they want the item at that price and are not interested in spending money for a better product even when they see the actual item. Nothing to do but make them happy, sell them the item and take the hit on the Average Order Size category.

Delivery - Salespeople are only indirectly involved with delivery of the furniture, only giving the customer an idea when delivery can be made. Any salesperson who says that he can guarantee a delivery date and time of day is exaggerating his power in the store structure. Delivery depends on when the product will arrive from the main company's distribution center and how many other deliveries are scheduled for that day. There are only so many trucks and delivery people working for the store. Delivery and sales are kept apart in the store structure to keep the salespeople from trying to make their own deals with the delivery department to help the salesperson get the sale by bypassing the normal process. Very little is told to a salesperson about how a delivery went but they can tell when the delivery is made through the computer system. The only time a salesperson hears about the delivery directly is if the customer comes back and tells the salesperson how it went. Delivery charges are rarely ever discounted because stores are using the delivery charge to try and make a profit on the deliveries. So the delivery manager is not open to a free or discounted delivery charge because he'll lose money on his operation and get beat up about that.

Discounts - a salesperson will work to keep the prices as listed to maximize their commissions for a sale, but negotiations are a reality. I've mentioned that barter cultures do much better with their pricing than native-born Americans. Management whines about price dropping and pushes to keep the prices up saying things like "it's not illegal to make a profit". But they usually will give in to some degree. If you watch a

salesperson talk to their manager in the back of the store looking at a computer screen then the manager is looking over the profit margin for the items that you are interested in and will figure out a lower price that will still keep a decent profit margin (if you indicate that you'll purchase a Protection Plan, those prices are never discounted, you'll more likely get a little better discount on the furniture). But most stores have weekend discount promotions, so always ask what's coming up. Salespeople look to these promotions as ideal BeBack opportunities. They'd rather have a bunch of "Ups in the hand" than wait around the door depending on "Luck of the Ups".

## MATTRESSES

Just some quick comments about mattress stores. I worked in one years back and maybe they changed their selling philosophy, but I'll share with you what they did because I find it interesting and maybe it can help because I'm sure that other companies use these tactics.

Any company selling mattresses will offer to match prices if you find the model in a different store. This is a no-lose prospect for the stores for two reasons. First, most people will not visit more than two stores looking for mattresses and will usually buy at the first store. The second reason is that mattress stores arrange with the mattress manufacturers to give their company exclusive names for the mattress models that are in their stores. So if you give the name of a mattress model from one store to the next they won't have the model.

There is a large markup in mattress prices so wheeling and dealing is expected from the salesperson by management. Most stores are one or two person stores so they have to be able to deal to get a sale.

For the company I worked, if you looked at the desk in the store there was a bound book with the store (location) name and a range of dates. This was the pricing book. Every model and everything for sale in the store was in the book. There were different prices for everything. If sold at the store price the salesperson would get the highest commission. If he had to drop price to the mid-level, the commission would drop. If price was dropped to the low level, the commission would again drop. There was one more drop called the "burn price". This was the final price, at the lowest commission, the salesperson was expected to offer to the customer. The goal was that the customer was required to walk out the door with a "burn price" on their mattress choice or a receipt for a mattress order.

There were ways to drop the price for the salesperson to do so that the customer did not realize that prices were artificially high. The first was the coupon drop - the salesperson would say that he had some coupons from a flyer available and would be willing to give them to the customer. Another drop was the model change excess - if the customer did not care about the model of the boxspring, the price could be dropped to help clear out old excess stock. The customer would receive the regular boxspring for the mattress but it allowed the price to be dropped. Another price drop would be if

the salesman saw the customer owned a truck and then saying if the customer picked the order up at the warehouse and saved the company from delivery the price could be dropped. Then there was the phone turnover (Phone T.O.) - the salesperson said he would call his district manager and get the price down if the customer would sign for the order then. The salesperson would then call another store (who realized what he was doing when they picked up the phone) or his home answering machine and pretend to talk to his district manager to get the price down. These are some things a customer might experience when buying mattresses.

### CONCLUSION

These are my own experiences and thoughts about the furniture selling business. Everybody needs furniture and the companies make good furniture and selling can be a rewarding career, but companies can take the enjoyment and fulfillment out of the job. I didn't mind helping people out but I didn't like the way that I was expected to manipulate the customers. So, take what you need from my musings and be forewarned before going out to buy. It has been a few years since I've worked these stores, so some of what I said may be obsolete regarding some of the stores' policies, but the basic selling techniques will not have changed.

### APPLIANCE SECTION

I never seem to learn. But after year hiatus from selling I took a job with HH GREGG. For those unfamiliar with HH, HH is a Midwest headquartered Appliance and Electronics Store which has stores along the southern east coast and Midwest. Think BEST BUY but smaller (BEST BUY in the same market will make a point of saying their people are not commission, but HH will make a point of saying that their salespeople are commissioned because that means that they are trained the best). They advertise heavily in their markets and do heavy discounting to win market share. Nothing wrong with that for the customer, but can be a problem for their salespeople.

A lot of what I talked about in the Furniture section also applies to the Appliance sales that I did. The training was similar for sale techniques. Greet, meet and talk with the customers to close the deal.

A few notes on the differences.

Substitute the word "Point" for "Up". A salesman is at the "Point" waiting for their customer.

The Appliance and Electronic salespeople have different training and in the beginning there is no cross-training. The Appliance side of the store is called the need side and the Electronics is called the want side of the store. Most people arrive with the flyers to buy TV's and that is where they head. Sometimes if the store is busy, the salespeople may cross across the imaginary line to the other side of the store, but without the training it's difficult to talk about TV's and their specifications.

The sales floor is open to any of the salespeople. This is along the line of “Trolling” for customers. Some appliance customers may first go to the TV section before they go to the appliance section, thus the salespeople have to watch behind themselves as well as watch the front entrance for customers.

There are numerous companies that make appliances, but in the same price range they are all pretty much interchangeable. They have a lot of the same components, but their styles and colors may vary. Although not much, since the companies want to replace their competitors in the house. So there is not much variation among them.

This is where the commission structure affects how the salesperson approaches what items to show. If the customer has no preference for brands, then the salesperson will work with the item that brings him the most pay. A salesperson is paid 1% on volume that he sells (\$100.00 for each \$10,000.00 in total sales). Now comes the tricky part. The salesperson is paid 12% of the profit of the item sold. So each item is tagged with the profit at the price listed. If you look at a price tag, there is a set of numbers in the bottom right of the tag. The middle set of numbers is the profit for the items. So the salesperson gets 12% of that item if sold (\$12.00 for each \$100.00 profit). All this sounds good when first explained in the interview process, but not quite as good when in actual practice.

HH relies heavily on price discounting to get their business. If you go to a store you will easily find managers on the floor as opposed to the furniture stores. That is because the managers are price fixers and sales’ closers. If a salesperson has trouble closing then the manager is responsible for coming and help with the close. Usually it involves discounting the price.

But every time the price is dropped, it comes out of the profit of the item. So the salesperson loses money each time the price is dropped. The salesperson is paying the customer to take the item. This creates an internal conflict for the salesperson of having to make as much money and sales as he can. But if price is dropped then the salesperson makes less money. So his goal is to keep the profit margin up while still selling the customer. That is why salespeople on both sides of the store will try and move customers from the ad flyer items to other items. Items in the flyers have very low profit margins, but they’re there to bring in customers.

So how does HH expect the salespeople to make money?

Every appliance and electronic item in the store will be offered a “Premium Sales Program”. This is similar to the Protection Plans sold by furniture stores. For appliances, the normal PSP is for five years and will run concurrent with the normal warranty from the manufacturer. The PSP will extend the warranty, cover performance issues, replace power surge damaged circuit boards (every appliance is actually a computer that does things - a computer to keep your food cold, a computer to wash your dishes, etc. A lot of customers don’t like that, but that’s the direction that technology is taking the business.). I don’t have any history with this company that runs

the PSP, but like anything else, buyer beware.

But back to the question. The salesperson is pushed to sell PSP's for all the appliances and electronics to all their customers. This is brought up early in the conversation and brought up often in the sales process. The salesperson starts at 6% of PSP sales and as more is sold the percentage increases. Managers push PSP at every meeting and during the whole day and will push it if the manager comes over to talk with a customer to help close a sale. You are going to hear about it because without it a salesperson cannot make a living at HH.

So an HH salesperson will guide toward the most profitable item that a customer wants and will keep bringing up the PSP.

Managers will push for the close because they are trained to prevent the salespeople from believing in "BeBacks". Push for the close and they are rated in their store for their closing rate. HH stores are usually close to their competitors and they are the bogeymen for salespeople who don't sell the customers at this day and time. "The customer will to there and buy!" Not quite true - if you create a relationship and are able to give good information to customers, most will return after thinking about what they want to buy. But not according to managers.

HH salespeople are not trained very well initially for the process of setting up delivery. Things change all the time in the delivery system and cycle and management never tells about those changes until someone is actually having problems with the system. So it seems to take a long time to process a complete order. The delivery system does well most of the time, but when it messes up management will refund money back to the customer to keep them happy and the sale in place. Kind of like bribery to the customer to keep the product. But the discount comes out of the profit and usually without realizing it the salesperson loses more commission from the sale. Usually delivery problems aren't reported back to the salesperson.

If you're shopping for appliances never accept the sticker price and if you have delivery problems bring them up and they'll bribe you to keep you as a customer.