



## Radio Show Podcast



## SHOW NOTES

Luxury Retailing, Upmarket Brands, Davide Bonanni,  
Interview With: il Signore Davide Bonanni (Knighthood in Italy)

Episode 102  
Released to iTunes: 7 October 2016

*Here to Serve*

Australia Office (Adelaide) +61 8 8121 5711  
Europe Office (London) +44 20 3769 7425  
[www.thebusinessfirm.com.au](http://www.thebusinessfirm.com.au)

The Business Firm is an international business consultancy company based in Adelaide, South Australia. We provide business services to commercial enterprises, government agencies and non-profit organisations. Our mission is to help our clients achieve high-level outcomes. Phone +61 8 8121 5711.

#### **BUSINESS PLANNING**

We write sophisticated business plans for organisations that provide a blueprint to achieve its objectives. Documentation is comprehensive and easy to follow, like an operations manual – step by step. All our business planning is based on fact and real market conditions so they are relevant and achievable.

#### **MARKETING STRATEGY AND BRAND**

We prepare strategic marketing plans for our clients that provide for growth of sales, increase in margins and growth of the brand. Our focus is not only to create wealth, but to create a brand that is highly valuable, so it is worth the most money possible in the event a business is sold – or the owner is no longer involved.

#### **eLEARNING, TRAINING & EDUCATION PRODUCTS**

We develop customised, highly interactive, game-based online learning courses for organisations. These high quality eLearning solutions allow an organisation to achieve full compliance with all industry and state regulations at significant cost advantage and in real-time. Solves: compliance, inductions, registrations, assessments, workplace training and other knowledge-based requirements. In person/class training too.

#### **EVENT MANAGEMENT**

We plan, execute and assess events for organisations, such as product launches, professional seminars, trade shows, fundraising dinners, auctions, conferences, sporting events and entertainment shows. We will manage all logistics for events, including ticketing (both physical and electronic) as well as back-end systems to handle sales, statistics and the creation of a Customer Relationship Management database.

#### **DIGITAL ONLINE AND WEBSITE**

We create: websites, eCommerce solutions, Facebook, YouTube, Twitter & LinkedIn social strategies, Yellow Pages digital advice, search engine optimisation, iTunes worldwide sales, Apple apps (iPhone, iPad, iBooks), Google, Bing, Yahoo listings and affiliate revenue for you.

#### **AUDIO, VIDEO AND PODCAST PRODUCTION**

Our in house studio produces high quality audio and video content for radio, podcasting, television, YouTube, online streaming broadcasts, education, training, sales, lead generation, events, product launches and fundraising.

#### **PUBLISHING HOUSE (inc. electronic publishing)**

We create: magazines, yearbooks, almanacs, manuals, tenders, books, novels, textbooks, electronic publishing, investor prospectus. We also offer proofreading and document layout. We can take your existing print works and publish them electronically so they can be distributed worldwide. This is the largest distribution channel in the world. We help you sell your works globally or distribute for free.

#### **NEWSLETTERS, MAGAZINES & PROSPECTUS**

We create newsletters for organisations, magazines for industry groups, catalogues, syllabuses, investor prospectuses. We prepare tenders, bids, proposals and sales documents. We will manage the entire process from text to desktop design to printing the final product.

#### **RESEARCH**

We conduct market research to determine the viability of a market or product. We do customer satisfaction research to find out what an organisation's customer think of its products and services. We also conduct brand research to determine the attitudes held by the market towards an organisation.

#### **ADVERTISING AND PROMOTION**

We understand the most cost efficient and the most effective way to spend money on advertising. We create advertising for television, radio, musical jingles, newspapers, display ads, outdoor billboards, cinema, online (Google, internet banners etc.) and for the sponsoring of events, teams etc.

#### **SALES STRATEGY AND SALESFORCE MANAGEMENT**

Sales are the life-blood of all organisations; therefore, your sales staff (whom represent both your biggest asset and your biggest expense) out-performs your competitors. The Business Firm helps you achieve world's best practise in sales three ways: by creating a customised sales plan; by teaching super-effective sales technique; and training the entire organisation in customer service so your clients only ever experience total satisfaction and buy again when it is time.

#### **CONSULTING AND TURN-KEY PLANNING**

We will create for you a world-class, modern business system that will scale seamlessly, allowing you to grow a large business that is easy to run, is super efficient and significantly more profitable. We support organisations from beginning to end: from research to strategic planning, its implementation, the training of staff on systems upon rollout, systems operations and its ongoing refinement and improvement.

#### **FUNDRAISING SYSTEMS**

We create for non-profits organisations: regular giving programmes, attract sponsorships, membership growth, events & functions, In-Memoriam donations, major gifts, capital drives, database management, competitions & social media fundraising.

#### **PUBLIC RELATIONS AND LOBBYING**

We plan and execute product launches, open days, facility tours, trade shows, press releases, publicity, media relations, press conferences, lobbying, information events, competitions & giveaways. We also do direct mail campaigns.

#### **ONLINE EVENT BROADCASTING, WEBCASTS & WEBINARS**

We create engaging, high conversion online broadcasts for organisations worldwide. We develop professional quality content that conveys your message with power. Whether you want to sell to businesses or individuals; educate and inform; influence public opinion; generate leads globally; stream your live event online to the world; record and post for open replay; or run an online summit; we have the production capability and online video capacity to be a global star.

#### **PRESENTATIONS AND MULTIMEDIA DISPLAYS**

We create stunning sales presentations that have high impact and get results. Public display kiosks (touchscreen information directories). Educational interactive learning aids. Shop window displays to sell items. POS displays. Shopping mall displays (for advertising and information).



## *About the Podcast*

We produce a weekly radio show that is distributed globally through iTunes and on Stitcher Radio as a podcast. **The show is designed specifically for decision makers:** entrepreneurs, business owners, high-level managers and Board Directors who typically control significant plant and human capital.

Each episode puts another piece of gold in your pocket, representing different topics related to running a high-performing business. You will get empirically proven, strategic advice that will result in more profit for you. **Areas covered include:** strategic marketing, business development, sales performance, advertising, public relations, social media promotions, eCommerce, large-scale fundraising, research and how to build a global business properly.

You will collect high-level content from host Mr Steven Mario Cavallo, The Business Firm's founder; and you will also get the opportunity to have a business problem you are dealing with, solved. **You can submit** an audio recording of a real-life business issue by emailing an mp3 file to: [answers@thebusinessfirm.com.au](mailto:answers@thebusinessfirm.com.au)

You'll also enjoy a sky-high view from the Tower of Success where you'll sit alongside Steven in The Business Firm Presidential Lounge and pick the brains of the very best business thought leaders in the world, during an interview. You are invited in every episode to listen to **interviews with incredible, world-leading information shared by some of the business world's most expert thought leaders.** Guests include top practitioners, entrepreneurs, Professors from the greatest Universities of the world, successful business owners, coaches and mentors, industry leaders, authors and other high-achieving, credible individuals.

If you fit the above description, have content of value to business owners and are a confident speaker, please apply to become an interviewed guest by emailing us at: [guest@thebusinessfirm.com.au](mailto:guest@thebusinessfirm.com.au)

This is the show that will help you in your duty, of being an effective business leader.

The Business Firm Radio Show is produced in Adelaide, South Australia weekly and released internationally to our worldwide audience: the decision makers and entrepreneurs who are building our global economy.

**Subscribe to The Business Firm Podcast** on iTunes and never miss an episode again, as it will automatically appear for you to listen to on your device, at your own convenience.

In addition to enjoying the free information on the podcast, you are welcome to a **free seat in the next Webinar** (online seminar) where Steven will be presenting [vital aspects of marketing science](#) and business development. Topics covered include: how advertising REALLY works and how to only spend money on what ACTUALLY gives returns. Learn how to sell 20% more without any extra customers; and we reveal the truth about consumer behaviour and HOW buyers actually choose between your brand and your competitors'. Plus, you'll learn the three biggest pieces of misinformation that wastes money and leads to nothing – things that nearly everyone has already been sucked into doing! This information is totally unknown by your competitors (and the false 'gurus'); so knowing it is a lucrative advantage you can easily get over your competitors.

Do yourself a favour and attend the next webinar. It will end your vulnerability to misinformation and can finally stem the flow of so many unnecessary expenses you are probably already incurring. There's no cost, no obligation and you'll make money from the information.

Check when the next one is on at: [www.thebusinessfirm.com.au/webinars.html](http://www.thebusinessfirm.com.au/webinars.html)

## *Discussion*

In this episode, Steven Mario Cavallo discusses luxury retailing, upmarket brands and selling high end goods and services.

### What are luxury goods or services? (defined using terms in economics)

In economics, **inferior goods** are items that exhibit a negative elasticity of demand; that is, an increase in income will lead to a decrease in demand for that good and may lead to a shift to more luxury good. Examples of inferior goods include: cabbage, cheap car brands like Hyundai, generic label FMCGs, some financial goods such as pawn-broker loans and many of the items found in discount stores or category killers.

**Normal goods** are any goods for which demand increases when income increases, and falls when income decreases but price remains constant, i.e. with a positive income elasticity of demand. Examples are holidays and most tech products.

**Superior goods** make up a larger proportion of consumption as income rises, and therefore are a type of normal good (according to buyer behaviour theory). Superior goods must have two economic characteristics: it must be scarce and it must have a high price. The scarcity of the good can be natural (such as diamonds) or artificial (by way of limited distribution); however, consumers must recognise the good as distinguishably better. Owning such a good signifies "abundance" in personal wealth and confers prestige unto the owner.

A **luxury good** is a good for which demand increases more than proportionally as income rises, and is a contrast to a "necessity good", for which demand increases proportionally less than income. Luxury goods are said to have high-income elasticity of demand: as people become wealthier, they will buy more and more of the luxury good. This also means, however, that should there be a decline in income its demand will drop. If the elasticity of demand is greater than 1.0, it is a luxury good. Price elasticity of this nature represents a wonderful commercial advantage in good economic times...(story...e.g. of ladies fashion boutique on King William Road during 1991 Australian recession).

The income elasticity of a superior good is above 1.0 by definition. A superior good also may be a luxury good that is not purchased at all below a certain level of income. Examples would include smoked salmon and caviar and most other expensive delicacies.

The prestige-value of some superior goods is so high that a price decline would lower demand; in which case they are referred to as **Veblen goods**. Examples of Veblen goods are ultra-luxury items such as Rolls Royce cars, iconic wines such as Penfold Grange Hermitage, handmade jewellery from Italy, exclusive perfumes from France and Rolex watches from Switzerland. The ultra high price of these items (which is known to all) is used by purchasers as a status symbol. These goods are at odds with the Law of Demand in that if their price were to be lowered then they would experience a decrease in demand.

In any given market, regardless of the good or service, there exist buyers willing and able to spend significantly more than the average market price per purchase occasion. Therefore, almost all markets have a luxury segment. Well known industries include: automobiles (BMW, Mercedes, Ferrari, Maserati, Jaguar); yachts (SunReef), wines (Penfold Grange Hermitage, Chateau Margaux) bottled water (Perrier), coffee (Illy), foods (Tre Marie panettone), watches (Rolex, Breitling), clothes (Giorgio Armani, Gianni Versace, Zegna), jewellery (Bvlgari, Cartier), electronics (Apple) and high fidelity audio (Bang and Olufsen, Bose, Denon, VAF). While the number of units sold in the luxury segment is relatively small, the profitability per unit is very high. Providing the rest of the range provides economies of scale to cover fixed distribution costs, it makes sense for many businesses to develop a luxury offering to capture spend from the affluent buyer. In many cases however, if a mass manufacturer is perceived as unappealing, then it is better to launch the luxury product under a new brand: for example, when Toyota wanted to sell cars at the higher end of the automotive market, they badged their cars as Lexus, rather than Toyotas.

What about your own business? Are you a luxury brand? Or are you in a position to launch a luxury brand? Let us visit some of what it takes to be successful in luxury retail.

Let us look at the three main macroeconomic drivers that fuel the growth of luxury brands:

- Globalisation
  - International tourism
  - Web-based, instant, borderless communications spreading brand awareness around the world
  - The expansion of distribution systems around the world of luxury brands
  - Integration of world views, product ideas and culture (socio-political standardisation)
  - Growing middle class (and new millionaires) in the former third world
  - Leads to conspicuous consumption (to show off wealth)
- Consolidation
  - The merger and acquisition of many smaller companies into much larger ones. For instance, LVMH acquired Heng Long's leather business in Singapore in October 2011
  - The players in the luxury market are merging and cooperating in order to gain greater control over raw materials supply, in order to produce exclusive goods and lower their total manufacturing costs.
  - The ownership of brands across many categories
  - Independent businesses closing and being replaced by franchises of famous brands
- Diversification
  - Existing mainstream brands create a luxury entrant in a new market (e.g. Toyota creating the Lexus brand)
  - Alliances with a complementary company (Mobil and BMW)
  - Trademark and brand licensing (you don't own the brand, just 'loan' it) e.g. Apple allows third-party manufacturers to create products that work with their hardware. The licensees win because they build a business, and the licensor of the luxury brand (Apple) forms an entire accessories industry around their core product, at no cost to them; and collect licensing fees in the process

Some statistics on luxury brand retailing.

Largest markets:

- Italy
- France
- Germany
- Switzerland
- U.S.
- U.K.
- Japan
- Spain
- Brazil
- China
- Russia
- Australia

According to EuroMonitor International, the largest luxury brands in 2016 are: Giorgio Armani, Prada, Gucci, Tod's, Dolce & Gabbana, LVMH, Moët, Hennessy, Louis Vuitton. The global market for luxury brands is expected to grow at an average world rate of 3.5% to reach almost USD 400 billion by 2020. Most of this growth will occur in developing countries (Asia, Africa) due to improved standards of living.

The Chinese market for luxury goods is expected to be some 900 billion Euros in the next few years. This is enormous incentive for the large luxury brands from Europe and America to create distribution there. However, it is important that advertising in countries outside the brands' home country is done carefully and with regard for the differences in culture.

(story of Disney Land in Paris: mistakes...wine, food, carriages, )

How to avoid these mistakes.

How to successfully manage a luxury brand?

Let us look at the business of luxury retailing through the lens of the marketing mix as we touch on a few of the most important aspects that pertain to management.

## Product

Refers to the physical good or all the features of the service offering. What you can do:

- Product mix
  - WIDTH: the breadth of different products that a firm sells to their customers
  - focus solely and sell only one type of product to specialise in (Rolex only makes watches)
  - offer numerous types of products for diverse markets (Versace makes clothes, hotels, jewellery)
  - DEPTH: the number of varieties at each width (for example, a luxury watchmaker would have a depth of two if it sold two types of watches (round face and square face) and each were available in two colours.
- Product Line Stretching
  - Often used to add a 'high end' product to an existing range (e.g. aged balsamic vinegar from Modena, priced well above normal)
- Quality
  - Features (luxury items must surpass customer expectations: e.g. the Novotel overlooking Darling Harbour in Sydney lacks nothing (room, food, view, transport, etc.) but at the same time, must avoid gimmicky extras: e.g. cup holders in a Ferrari)
  - Engineering & design (blueprint for how good it will be) e.g. (BMW's drive better than Fords for a reason!)
  - Built production & conformity to design specs (how well it is manufactured)
  - Materials (only the finest wool is used in a Zegna suit)
  - Stringent quality control in manufacture/service delivery (zero tolerance of errors)
  - Strive for impeccable customer satisfaction
- Try to extend the product lifecycle for timeless pieces (Steinway grand pianos)
- Maintain model heritage over time (e.g. Rolex still make Perpetual Oyster; Alfa Romeo still make Giulietta)
- Aim for 'shock and awe' that your offering can not be meaningfully compared to any other

## Augmented Product

- Warranties
- Packaging
- Software
- Delivery
- Training
- Certificates or documentation (e.g. Salvador Dali lithography from Peggy Guggenheim Museum in Venice came with a framed certificate of authenticity)
- Induction or ceremony (e.g. service offerings come with tours etc.)
- Service entitlements (e.g. prestige car insurance policies come with a 'replace with new' feature)
- Loyalty privileges (club membership etc.)
- Service (talk about this a little later)
- Ambiance (talk about this a little later)

## Price

Always set high to reflect the value of the brand and the reality of the cost structure of producing and retailing luxury goods. Remember the effect of lowering price on Veblen goods' elasticity? By its very nature, luxury retailing could only ever use a market skimming price strategy anyway. To not do so, is to no longer be a luxury brand.

Discounts should never be used as they reduce the 'reference price' in the consumer market

Any bundling must be with complementary items of equal luxury status

While maintaining your retail price, use third-party finance options to reduce barriers to purchase in an effort to grow sales at full profitability (e.g. BMW partners with a finance company on repayment loans and lease arrangements so they can offer in house, more prospective buyers the opportunity to financially manage a purchase of a BMW). For some luxury services, this can also be achieved using a subscription model for sales.

## Place

Distribution should remain limited and very tightly controlled. Luxury brands must resist the temptation to dramatically increase the number of physical stores they supply, as the increase in short term sales can seriously jeopardise the profitability of the brand long term.

Be careful with the type of distribution channel – pick the most highly regarded channel in your category. For example, luxury cosmetics should only ever be sold through high-end chemists, beauty salons and premium department stores like David Jones.

Choose socioeconomic locations carefully e.g. boutique real estate at West Lakes/Tennyson/Grange/Henley, not Elizabeth.

Document your luxury brand's high standards and train your distributors, then police their upholding those standards. Where necessary, eliminate distributors that do not uphold the brand's standards.

Wherever appropriate, require your distributors to stock only your product. (May not always be possible: e.g. a pen retailer could not feasibly stock only Mont Blanc pens; but a Mercedes Benz dealer would never be allowed to also stock BMWs; and Gucci franchisees only stock Gucci products).

Where deliver is required, ensure you use the very best delivery service and that the driver interacts with your customer in a manner that befits the brand.

### Promotion

Obviously, must convey luxury, exclusivity, prestige, a feeling of 'being special' across all parts of the promotional mix; both in terms of strategy and execution.

Sales staff must always speak to customers in a way that represents the total value of the product (i.e. both the core and augmented aspects of the offering) so as to justify the higher cost.

Only use appropriate media vehicles: e.g. choose glossy national magazines as opposed to a neighbourhood newspaper. Always use the highest possible stock on printed materials (e.g. thick paper)

Ensure the highest possible production values: e.g. videos must be professionally made in high definition/cinematic effect; website must be stunning; and graphic design must be world class. Anything less cheapens the brand.

If you do any sales promotions in order to achieve short term sales boosts, these must NEVER result in a discount in the retail price. Use cobranding partnerships or service add ons instead to increase the perceived value. For example, a luxury shoe shop could include a voucher to for 'executive foot massage' with every pair sold, but only for a limited time.

Websites must be function pristine, be responsive, of impeccable taste and integrated with the corporate brand

Note: For a more thorough discussion on services, please listen to episode 103 of The Business Firm podcast in iTunes.

### Physical Evidence

It goes without saying that the quality of all physical evidence that is associated with luxury brands must be extremely high and must convey all the prestige and the unique character of the brand. If you are selling a luxury service such as such as an opera performance or executive coaching, then you must work extra hard at developing exquisite physical evidence to provide the cues your customers need in order to make an assessment of the quality of your brand, in particular if you sell a high credence service they can't easily assess the quality of, such as chemical engineering, medical advice, marketing consulting, computer networks maintenance etc. But for all luxury businesses, even those selling physical goods; physical evidence provides material proof that reduces purchase apprehension and the confidence that the luxury item indeed offers the value it promises.

Keep in mind that interactions with other customers will have a large impact on buyers of your luxury brand. (protect clients from non-clients)

Physical environment in which brand is bought or consumed

- Ambience (luxury health spa versus a grotty gym)
- Spatial layout (plus impact on service consumption) e.g. Apple stores
- Corporate branding (signs, symbols, artefacts) Ermenegildo Zegna store have identical
- Building itself & design & elevation & view
- Interiors
- Packaging (last chance pitch & differentiator) i.e. could do entire episode on packaging!

- Paperwork (invoices, tickets, programmes)
- Furnishings
- Signage (high quality, professionally installed, perfect finish, integrated with brand)
- Uniforms, dress code
- Business cards

Listen carefully!

The two biggest determinants of your organisations ability to deliver high levels of customer service quality (which is critical to luxury brands) are two marketing mix variables of People and Processes. In fact, the most widely used measure of customer service that is used in management practise is in the SERVQUAL model, which tracks: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer and tangibles. Of all of these, only the last relates directly to the physical product. All the others are functions of the People and the Process variables.

### People

Begin with a proper understanding of whom the customer expects to deal with when interacting with a representative of your brand.

The brand promise comes to life in the people that represent it. Buyers buy from people that they like and they can relate to, so the attitude, skills and appearance of all staff needs to be first class – even those that you don't control (e.g. couriers etc.).

So, a quick visit of aspects relating to people...

The best product, engineering, promotion (ads, pr), physical environment etc. can be ruined in a moment when the attitude or the competence or even the personality of the person selling it is not up to speed. This applies to all commerce, but especially so in luxury retail.

- Must first be modelled by leadership
- Develop clear expectations
- Create appropriate SOPs, training programmes, help manuals, supervisory systems (for belonging & recognition), rewards etc.
- Recruitment
  - Policies that preclude amateur intake of staff (forced professional recruiters)
  - Job descriptions that filter applicants
- Training and development
  - Frontline management
  - Learning organisation (allow for sales staff feedback loops > product development)
- Rewards and incentives
- Monitoring performance is very important (particularly in luxury services e.g. the output of a poorly performing car worker can be kept from customers by way of quality control inspections, but a bad facial delivered by rude beautician for which the client paid big dollars for, cannot.
- Your employees must be the most passionate disciples of your brand with full belief and enthusiasm

### Process

Processes include direct activities and indirect activities. Direct activities add value at the customer interface as the consumer experiences the service. Many processes are supported by indirect activities, often known as back office activities, which support the service before, during and after it has been consumed. Your operations management is fused into the experience your customers will have of your luxury brand, in particular in service settings where the client becomes a co-producer in that service delivery (e.g. a singing teacher can't deliver good customer satisfaction unless the buyer (the student) also puts in effort in 'producing' the service outcome of learning).

Processes (along with People) are a key differentiator of luxury brands.

Service blueprinting is a practise where you chart all the steps of every process in the organisation and assess where changes can be made (i.e. eliminate steps, add steps) that will lead to an improvement in customer satisfaction. For example, if you have a luxury hotel, your clients' expectations would be to have an amazing stay. Over and above the luxurious surrounds (i.e. physical evidence), they expect frictionless service delivery where all their needs get taken care of automatically for them and where all they could want automatically awaits them.

(give examples of needs and wants)

By periodically redesigning your retail workflow and operations processes, you can get closer and better at surpassing your client's expectations.

In retailing of luxury products, having the correct processes are fundamental in delivering incredible customer satisfaction (beyond just the quality of the good). Beginning with purchasing , maintaining inventory levels, warehousing, internal shipping, scheduled cleaning of stores, accurate stock taking, electronic payment options, waiting periods, filling out forms, accounting software that displays correct price for region, effective reorder point triggering to prevent outages, how you handle queuing.

Processes are incredibly important in times of customer returns (available time & geography), running competitions (how take entry codes), providing upgrade offers (e.g. Mac OS Sierra), and eliminating the need for customer to remember things or feel forgotten (e.g. IT service tickets with details, car repair updates, tracking of shipped goods with estimated delivery times for the receiver and sender).

We have covered some of the areas that decision makers in luxury retail organisations must manage. There is much more information that...

We will now hear from a world leader in high-end retail and some of his experiences of the business side of international luxury brand retailing. Please come with me now to the Presidential Lounge.

[See Additional Resources](#)

Ehrenberg Bass Institute: <https://www.marketingscience.info>

Your Game Changing Skill: [www.gamechanging.com](http://www.gamechanging.com)

## *Interview*

In this episode, we have the privilege to hear from il Signore Davide Bonanni Cavaliere (English: Sir David Bonanni). He is a highly sought after consultant to luxury brands. He has lived his life in the world of upmarket retail in industries such as fashion, hotels, food production and fine dining. He is currently with the iconic fashion house Giorgio Armani and I was able to spend some time with this gentleman while in Australia from Rome, before he headed off to Singapore.

In this interview he shares some of his experiences in the management of luxury brands and his powerful knowledge of how to create exquisite customer service in luxury retailing. This interview blends beautifully with the information given by myself in my discussion prior. I hope you enjoy.

David can be contacted by email: [david@luxuryretailconsulting.com](mailto:david@luxuryretailconsulting.com)

## *Audience Question*

Today's question comes from Jason. He owns a milk round and is concerned about the demise of home delivery milk. He asks for any help in growing his business.

- Milk vending is in decline, but home delivery is in growth
- Get maximum ROI on the fixed cost by selling more refrigerated products such as fresh juice and expensive cheeses, pate, caviar, smoked salmon (and some non-refrigerated such as newspaper as an 'in' to sell higher value items such as glossy magazines and even expensive spices like vanilla, saffron or balsamic vinegar.
- Choose small, but expensive products to maximise sales in the limited space of a milk van.
- Can be done as your own stock you've bought or others' on consignment
- Set up partnerships with suppliers so you use their stock (their asset) and you simply deliver, but ensure the customer orders directly with you, so the suppliers can't circumvent you (and you build a database)
- Consider electronic ordering that works behind the scenes for you (i.e. others/suppliers do picking and packaging) so you are free to deliver
- Consider delivery through the day, particularly to where old people live as you can build relationship and create cross sell opportunities
- Remind parents of the 'magic' they had when a bottle of milk was waiting outside the door for them
- Use giveaways to promote milk sales e.g. chocolate powder, custard powder etc.

Listen to Episode 102 to hear all of Steven's advice to this question. It can be found in iTunes under Business.

---

This is the favourite part of the show for host Steven Cavallo because he gets to [directly help real people](#) with an actual problem they are having in the areas of business development, marketing, sales or fundraising. Steven features one of the recorded questions sent in by listeners, and plays back that recording on air, along with his commentary. To submit a question, please record your question as an mp3 (maximum file size 10Mb) that is no longer than 60 seconds and email it to: [answer@thebusinessfirm.com.au](mailto:answer@thebusinessfirm.com.au)

While we can address your issue and provide some valuable insight for questions featured; of course, we can only go into brief detail in the minutes available in the podcast, so we encourage listeners who want more formal advice (regardless of whether their question is featured) to outline their specific problem/opportunity and email it directly to [consulting@thebusinessfirm.com.au](mailto:consulting@thebusinessfirm.com.au) and you will get a reply within 24 hours.



Copyright © The Business Firm 2016  
All Rights Reserved

Mr Steven Mario Cavallo  
[podcast@thebusinessfirm.com.au](mailto:podcast@thebusinessfirm.com.au)

PO Box 7407  
West Lakes SA 5021  
Australia

Phone +61 8 8121 5711

[www.thebusinessfirm.com.au](http://www.thebusinessfirm.com.au)