



Lessons in

# GOLDEN RULE

Thinking



Lesson 3:

The Golden Rule Way to Sell Products



### Lesson 3: The Golden Rule Way to Sell Products

This lesson focuses on the importance of integrity and honesty as it pertains to selling products, specifically:

- The benefits of qualifying potential customers to determine if they already have an Independent Beauty Consultant.
- The importance of good customer service.
- Ways to sell products that are consistent with Company guidelines.



**Mary Kay Wisdom:**

*Building your business on a foundation of honesty and integrity is the best way to achieve success.*

**Honoring the Customers of Other Consultants**

Mary Kay always believed in the importance of using the Golden Rule when it comes to dealing with other Independent Beauty Consultants' customers. To avoid any misunderstandings among Consultants, she recommended that you qualify all potential customers first to make sure they don't already have a Consultant.

Qualifying means asking questions in the beginning of a selling or booking situation to find out if a potential customer already has a Consultant. If she does have one, Mary Kay felt the Golden Rule way to handle it was to refer that customer back to her Consultant.

*Suggested activity:*

**Honoring the Golden Rule**

Here is an activity that may help you define the Golden Rule way to handle some common selling and booking situations that you may or may not find yourself facing some day.

**Situation #1:**

Suzie Consultant is at the grocery store and runs into Cheryl, a sharp-looking woman whom Suzie would like to book for a skin care class. What could Suzie say to Cheryl to help determine if she has a Consultant? In this situation, pretend that Cheryl does have a Consultant.

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Here is a suggested dialogue you might consider:

*Excuse me. I couldn't help but notice how well you wear your makeup. I'm a Mary Kay Independent Beauty Consultant and I would love to pamper you with a complimentary facial. Have you ever tried Mary Kay® products before? Yes? Are you using our products now? No? Do you currently have a Beauty Consultant? Maybe I know her. I don't know her, but I'm sure she's great! When was the last time you had contact with her? Are you on her mailing list? You should give her a call, because we just came out with some great, new lip colors that you're going to love!*

What kinds of questions could Suzie ask that would help her qualify Cheryl?

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Here are some suggestions you might consider:

1. Have you ever tried Mary Kay® products before?
2. Are you using our products now?
3. Do you currently have a Beauty Consultant?
4. When was the last time you had contact with her?
5. Are you on her mailing list?

What if Cheryl had only purchased a mascara from a Consultant six months ago and that Consultant never followed up? Could Suzie feel comfortable about offering her business card to Cheryl? Why or why not?

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Here is a suggestion you might consider:

It takes more to create a “customer” than a one-time sale of a lipstick or a mascara. It takes establishing a relationship, which usually includes some kind of regular follow-up. Suzie might try to refer Cheryl to her Consultant first. However, if Cheryl insists on purchasing from Suzie, then Suzie could feel comfortable about offering her business card. Mary Kay always felt that good customer service included frequent follow-up.



**Mary Kay Wisdom:**

*If a customer is lost, it is usually due to faulty follow-up. How many times have you come across someone who said, “I used to use Mary Kay® products, but I lost my Consultant?” Don’t let your customers lose you. Call them frequently and keep in touch.*

**Situation #2:**

Suzie Consultant is asked by Debby, who notices Suzie’s Mary Kay pin, if she sells Mary Kay® products. After asking a few questions, Suzie discovers that Debby is looking for a Consultant because she is unhappy with the customer service she’s been receiving from her current Consultant. What could Suzie say that would honor our Golden Rule philosophy?

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Here is a suggested dialogue you might consider:

*I certainly understand how you feel and I am sorry that was your experience. But, you know, Debby, we conduct our Mary Kay businesses according to the Golden Rule and that means we go out of our way not to take each other’s customers. Debby, I’d love to have you as my customer, but if you were my customer I’d want to know if you were unhappy with my service. Have you expressed your feelings to your Consultant? I encourage you to call her and give her a second chance. If you’re still unsatisfied, here’s my card, I’ll be happy to be of service to you. I’d just feel more comfortable if you contacted her first, OK?*

What if Debby says she's so unhappy with her Consultant that she will no longer buy Mary Kay® products from anyone if she has to go back to her Consultant?

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Here is a suggestion you might consider:

In a case like this, you might want to apply the Golden Rule from the customer's perspective. If Suzie has explained the Golden Rule way we do business and she has done everything she can to refer Debby back to her Consultant – including offering to call the Consultant herself to help repair the relationship – and Debby is still adamant about having Suzie as her Consultant, then Suzie should respect Debby's wishes. It is, ultimately, a customer's choice to do business with whomever she wishes.

**Situation #3:**

Ellen, a guest at Suzie Consultant's skin care class, tells Suzie, "Oh, I love Mary Kay® products. I've been using them for years!" What could Suzie say to Ellen that would honor both the hostess as well as the Company's Golden Rule philosophy?

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Here is a suggested dialogue you might consider:

*Great! I love to see a satisfied customer. Who is your Consultant? Kathy? I don't know her, but I can tell just from looking at you that you're in good hands. You know, Ellen, one of the reasons Mary Kay is so unique in the business world is that Consultants don't knowingly take sales away from each other. We follow the Golden Rule. That means we respect the relationship between each Consultant and her customers, treating each other the way we would want to be treated. Tell you what, you may order anything you want tonight to help out your hostess, but when you're running low on product, remember to give Kathy a call, OK? She'll appreciate the opportunity to serve you*

If you were Suzie, would you call Ellen's Consultant to let her know about the sale? Why or why not?

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Here is a suggestion you might consider:

You might want to contact the Consultant as a common courtesy to the Consultant to let her know what products Ellen purchased from you. You might even recommend that the Consultant follow-up with Ellen in a couple of days to make sure she is satisfied with the products.

Do you think Suzie should give Ellen's Consultant the profit she made from Ellen's sale? Why or why not?

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Here is a suggestion you might consider:

Mary Kay always felt that if you were the one who spent the time and made the effort at the skin care class in good faith, it's only appropriate for you to retain the profits. It's recommended, however, that you not make a customer profile on her or add her to your Preferred Customer Program mailing list.

**Situation #4:**

Suzie Consultant is out and about with her *On the Go* tote and meets Maureen. Maureen is interested in purchasing a Satin Hands® Pampering Set. After a few questions, Suzie discovers that Maureen already has a Consultant. What could Suzie say to Maureen that would honor the Golden Rule philosophy?

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Here is a suggested dialogue you might consider:

*Maureen, I'm sure you can appreciate the fact that in our business we go the extra mile to make sure we don't take another Consultant's customer. I'm sure it would make your Consultant's day to hear that you've fallen in love with our Satin Hands® Pampering Set. Why don't you give her a ring tonight? I'm sure she'll be happy to get it for you. I would never want to step on her toes.*

What should Suzie do if Maureen was insistent on going home that day with the product?

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Here is a suggestion you might consider:

Suzie might go ahead and sell to Maureen that day as way to keep a Mary Kay customer satisfied, but refer Maureen back to her established Consultant for any future purchases. She might also try to contact Maureen's Consultant to notify her of the sale as a common courtesy. Suzie would not put Maureen on her Preferred Customer Program mailing list or keep a customer profile on her.

In a related situation, what should Suzie do if one of her neighbors, someone who already has a Consultant, contacts Suzie to buy something from her because the neighbor was leaving town the next day and couldn't get in touch with her own Consultant?

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Here is a suggestion you might consider:

Mary Kay always believed that the first priority is a satisfied customer. After explaining the Golden Rule policy, Suzie might go ahead and sell to her neighbor in order to help her out in this emergency with the understanding that her neighbor would contact her established Consultant for any future purchases. Suzie might want to notify the Consultant of the sale as a common courtesy.

Why might it be beneficial to qualify every potential customer, even those you meet at an on-the-go appointment or online through your Personal Web Site Program?

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**Customer Service**

We've focused a lot on other Consultants' customers. Now let's focus on **your** customers and what you can do to help instill customer loyalty in them . . . the kind that might prevent them from even thinking about buying from another Consultant.

Before you can instill customer loyalty, you have to first have a customer. So let's start there by trying to define what a customer is. How would you define a customer?

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Here is a suggestion you might consider:

To determine whether or not someone could be considered a customer, you might want to consider all four of the following:

1. Some **communication** has taken place directly with her, either by phone, e-mail or note.
2. Some **service** has been rendered; perhaps you've given her a facial or delivered some product.
3. Some **investment** has been made of your time and/or money; perhaps you've put her on your Preferred Customer Program mailing list.
4. Some **purchase** has been made.

Would you consider someone who bought a lipstick from you six months ago a customer? Why or why not?

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Do you think the person who purchases a lipstick from you once considers you her exclusive Consultant to the point where she would not consider purchasing Mary Kay® products from anyone else? Why or why not?

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What kind of service could you offer a customer that might help instill customer loyalty?

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Here are some suggestions you might consider:

1. Ask her how she wants to be contacted and how often and then contact her accordingly.
2. Follow through with your promises.
3. Return her phone calls.
4. Have product on hand so that you can fulfill her orders.
5. Deliver her order in a timely manner.
6. Take time to build a personal relationship with her (send birthday cards, get to know the names of her husband and children, etc.).
7. Introduce her to new product offerings.
8. Follow up with her to make sure the products she purchased are working for her.

What could you say to a customer that might help solidify her loyalty to you?

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Here is a suggested dialogue you might consider:

*I would love to be your Mary Kay Independent Beauty Consultant for life. I promise to give you the best customer service possible. This is my business and I'm building it one customer at a time. I appreciate your loyalty. Please don't ever hesitate to call me if you need anything. And if you ever consider starting your own Mary Kay business in the future, will you call me first so we can discuss it? I would be so honored and delighted to have you in my unit as my personal team member.*

Offering the best customer service possible does not guarantee that a customer will purchase only from you. What would you do if a customer told you that she was buying from someone else?

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Here is a suggestion you might consider:

No one “owns” a customer. She has every right to buy from whomever she chooses. It’s important not to take it personally. Mary Kay always said that one customer would never make or break your business. What you might do is give her your blessings and leave the door open should she ever decide to come back later.

### **Company Recommended Way to Sell Products**

In addition to following the Golden Rule as it pertains to *whom* you sell the product, Mary Kay also felt it was important to follow the Golden Rule as it pertains to the *way* you sell the product.

One thing Mary Kay always discouraged was selling Mary Kay® products at flea markets and garage sales. If it had been around back then, she would have probably included internet auction sites, such as eBay®. Why do you think this was important to her?

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Here is a suggestion you might consider:

Mary Kay believed that selling in this environment cheapened the public’s perception of the Company and our products when they are sold next to old furniture, used clothes and other discarded items.

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### **Mary Kay Wisdom:**

*You can’t sell Cadillacs in a junk yard! It is important that we maintain the image of professionalism in Mary Kay. The way Mary Kay is sold is as important as the fine quality of the products that we sell. The “rummage sale” environment does not convey the image which we wish to maintain.*

**Did you know?**

According to the terms of the Independent Beauty Consultant Agreement you signed with Mary Kay Inc., you agreed not to sell or display Mary Kay® products in retail sales or service establishments, and that doing so would be inconsistent with the terms of your Agreement with the Company. Selling Mary Kay® products at flea markets, garage sales and on internet auction sites like eBay®, therefore, is a violation of the terms of your Agreement with the Company.

In addition to being contrary to the marketing plan and the terms of your Independent Beauty Consultant Agreement, selling products in this environment might also dishonor the Golden Rule. How?

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Here are some suggestions you might consider:

Think about the Golden Rule from the customer’s point of view. Selling in this environment might deprive a customer of:

1. Professional, personal service.
2. The opportunity to try before she buys.
3. The assurance of fresh products, which have been properly stored.
4. Our Mary Kay satisfaction guarantee extended by the Beauty Consultant who sold her the product that allows her to exchange or return the products if she’s not satisfied.

Now think about the Golden Rule from a Consultant’s point of view. Selling in this environment may take a sale and a customer away from a Consultant who is working her business the way Mary Kay suggested and the way the terms of the Independent Beauty Consultant Agreement require.

People who sell products at these venues may be departing Consultants who are trying to deplete their inventory without selling it back to the Company for 90% repurchase. If you become aware that a departing team member might be considering this option, what alternatives could you recommend?

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Here are some suggestions you might consider:

1. Use the products to cover your own personal use for the next year or two. Where else could you get a value as good as your wholesale cost?
2. Give the products as gifts to friends and family. Again, chances are, you'll never be able to give quality gifts like these at the wholesale price you paid for them.
3. Call your friends, family members and customers and offer them a wonderful value. You could even hold an open house to help move the items quickly.

The Company always suggests a retail price for each product. As an independent contractor, you can determine your own price. Mary Kay, however, was opposed to Consultants offering big discounts.



**Mary Kay Wisdom:**

*When I hear that a Beauty Consultant is discounting our product to a great degree, I'm always concerned because I feel this is hurting her business as well as the businesses of other Consultants in the area . . . I sincerely hope you will discontinue engaging in this and other price-cutting ventures.*

Why do you think Mary Kay was opposed to offering big discounts?

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Here are some suggestions you might consider:

1. On a long-term basis, discounting can discourage customers from buying product when they need it and encourage them to wait for a Consultant's next "sale."
2. Customers may shop around for the cheapest bargain rather than establish a long-term relationship with one Consultant.
3. Other Consultants in the area may feel pressured to discount their products, too, even to the point where everyone loses their rightful profits.
4. It tends to lessen the perceived value of the product in customers' eyes.

Instead of offering a big discount, what could you do instead that may help increase sales and is more in line with the Golden Rule?

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Here is a suggestion you might consider:

Instead of offering a big discount, you might want to offer a gift with purchase. This not only helps instill customer loyalty, but it also provides an opportunity for you to introduce your customers to products they don't normally purchase. The gift with purchase could be a product sample or, depending on the loyalty of the customer, a full-size product, perhaps one you received as a product bonus from the Company.

In creating the Mary Kay marketing plan, Mary Kay felt that no product should be purchased from anyone other than the Company. In fact, it was so important to her that she included it in the Independent Beauty Consultant Agreement, which says that a Consultant agrees "to purchase the Starter Kit and all Mary Kay® products only from the Company."

Why do you think this was so important it was included in the Agreement?

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Here are some suggestions you might consider:

1. When you buy from the Company you are assured that you are receiving fresh, quality products.
2. The Company's whole marketing plan is based on a Consultant's direct orders from the Company: prizes, commissions, active status, etc.
3. Buying any other way could be considered multi-level marketing. Buying products directly from the Company based on the same discount schedule for resale to consumers is one aspect of the marketing plan that sets Mary Kay Inc. apart from other companies.

Another thing Mary Kay opposed was trading product. She did not feel this was the best way to run your business. Why do you think that was?

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Here are some suggestions you might consider:

1. You can't be assured that the product you get from another Consultant is fresh.
2. This is a business and it's to your advantage to treat it as such. Grocery stores don't borrow from other grocery stores when they run out of an item. Instead, they learn to manage their inventory.
3. Borrowing product is like borrowing money. Would you ever ask another Consultant if you could borrow \$100 cash from her?
4. There is a potential for hard feelings between Consultants, especially if a Consultant borrows product and doesn't repay it in a timely manner.
5. If you are continually lending product, you run the risk of depleting your own inventory and not having enough product on hand for your own customers.
6. Borrowing instead of buying product may cut into the commissions of your sister Consultants and Sales Directors.
7. You are an Independent Beauty Consultant, but you're making yourself dependent on others if you do not have adequate inventory.

More information about the Company guidelines on selling product can be found within the terms of the Independent Beauty Consultant Agreement or on the Mary Kay InTouch® Web site as part of Legal-Ease. Search word: *legal ease*.

**Essential Ideas**

This lesson focused on building a successful business on integrity, honesty and the Golden Rule. What two or three essential ideas would you like to keep in mind for future use?

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