
UNIT 6 STEPS IN SELLING-II

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6.0 OBJECTIVES

After studying this unit, you should be able to:

- Identify the aspects of objections;
- Explain how to close the sale
- Take the follow up after closing the sale
- Selling process in retail

6.1 INTRODUCTION

In Unit 5 the students have become aware of the first five steps of B2B selling. An important part of the preparation for the sales presentation involves Overcoming Objections which is a key in selling. It is important to anticipate and prepare counter-arguments for any objections that prospective customers might have. For instance, if a prospect states that she likes the product but her firm cannot afford it, a possible counter argument could be that financing is available at very reasonable terms. Alternatively, the salesperson might note that the product actually saves the company money in the long run and is therefore quite reasonably priced. In this unit, you will learn few more steps of selling.

6.2 MANAGING OBJECTIONS

6.2.1 SPIN Selling

Neil Rackham, in his classic book shows how classic sales techniques such as closing and objection-handling can actually reduce your chance of selling, especially in big business-to-business sales situations, where buyers are savvy to the classic tricks.

Overall, the method, like many other approaches, is a 'hurt and rescue' approach. You find their problem and 'hurt' them by exposing the terrible things that might happen (spot the use of tension). Then you rescue them with your product & services.

The Four Question Types are Described Below?

Situation Questions

In big sales, minimize the small talk and focus on finding background detail that can be used to make sense of the buyer's business situation . Right meaningful context creates meaning. This is about understanding the wider context before you zoom into the details.

Problem Questions

Ask questions to uncover problems which your product can address. If you are selling tractors, ask about maintenance costs, breakdowns and so on. If you are selling life insurance, ask about how many dependents the person has.

A trap here is to dive straight into presenting the benefits of what you are selling. You may know the problem, but they do not! Going straight to the sales pitch will just get you objections.

Implication Questions

Instead of telling them the problem they have (which is also likely to raise objections), the goal is now to get them see (and feel!) the problem. By asking questions which draw out the implications of the problem, they get to feel the pain that will drive them towards your product. This is the 'hurt' of Hurt and Rescue.

For example, the person selling tractors might ask about implications of unploughed fields whilst the life insurance salesperson could carefully ask what would happen to the children if the target person died or became very ill. Problems if not resolved might create fear. Customers have to be shown the fear part also for not having the right product or solutions. It might impact emotionally and financially.

Need-Payoff Questions

Having hurt the target person with your implications, you now give them a straw to grasp at by asking how their pain could be resolved. With careful questions, you can get them to the state where they are asking for your

product even before you show it to them. This is a very neat 'rescue' of Hurt and Rescue, where they either rescue themselves or ask you to rescue them.

For example, the tractor sales person can ask how much better the tractor was like when it was new, or whether any of the farmer's neighbours have solved problems of old and problematic tractors. The insurance sales person could ask questions that build pictures of the target person's children being safe and secure whatever curve-balls the world might throw at the family.

6.2.2 Customer Centered Selling

This is the approach used by Xerox. It uses an eight-stage process, as below. The dual titles indicate what the customer/sales person is doing at each stage.

Satisfaction/Research

Customers at this stage are happy with the products they have.

The sales person uses this period to research the customer:

- Seeking problems which may be addressed by the product.
- Finding people who will influence the purchase decision.
- Building relationships that will help the sale later on.

Questions are deliberately used to determine the context (like SPIN 'Situation' questions) and plant the seeds for later stages.

Identified problems are not highlighted at this stage, as this will only elicit objections.

Acknowledgement/Analysis

At this stage, customers acknowledge that they have a problem, but may well not see it as being worth solving. They will happily spend a very long time in this stage.

The sales person seeks to get the person to the next stage by getting them to see the problem as worth solving, by:

- Asking Identification Probes questions to identify the problem.
- Asking Development Probes to identify the full extent of the current problem.
- Asking Impact Probes to get them to feel the pain of future problem.

Note the close parallels with the SPIIV 'Problem' and 'Implication' questions.

Decision/Confirmation

Now the customer has decided to solve their problem, but are still nowhere near selecting the product.

The sales person quickly verifies that the customer wants to solve the problem, checks for any other concerns and ensures they are ready to move on.

Criteria/Requirement

The customer now decides on the criteria to use to select the final solution.

The sales person guides this process by eliciting the appropriate response and prioritizing the needs that are behind the identified problem and which will lead towards the right decision.

Measurement/Specification

The customer here turns the criteria into a coherent measure of what will constitute success. In particular, they are asking, 'What will it take to fix the problem?'

The salesperson guides the transferring of the identified needs/criteria into a clear specification, and ensures the customer is committed to it.

Investigation/Solution

The customer now goes looking for a product to meet the specification they (and hopefully the sales person) have in mind.

The salesperson checks that if they can meet the specification then the customer will give them the sale). After dealing with any objections, the target solution is presented, using the FABEC sequence:

- Show Features that meet customer needs (in priority order).
- Show additional Advantages.
- Describe Benefits that the customer is really buying.
- Explain how it works (but don't overdo it!).
- Confirm that they are comfortable with all of this.

Selection/Close

The customer now makes the final selection of the product to meet their specification and criteria and hence solve their problems.

The salesperson summarizes benefits (Summary Close), asks for the sale (using their favourite close), discusses any logistics details and reassures the customer that they have made a good decision.

Reconsideration/Maintenance

The customer now takes delivery, uses the product and eventually comes around to buying a replacement.

The salesperson should keep an eye on the whole delivery, setup and training to ensure that the customer stays satisfied in those crucial early days. It also helps to check that the solution really did solve the customer's problem. And staying in touch on an ongoing basis enables the salespersons to spot any future

6.2.3 Relationship Selling

The problem with one-off selling in a situation where the customer is invited to come back again is that if they are at all unhappy then will go elsewhere

next time. Worse still, they may warn their friends not to buy either. The preferred alternative for many sales situations is to build the right relationship.

Relationship selling is also known by other names, including 'Consultative Selling'.

It's the People

An important part of selling where repeat sales is desired is the relationship between the sales person and the person doing the buying. If the person is going to buy often, then the relationship may even develop into a genuine

The Centrality of Trust

In a relationship-based situation, a critical factor is trust. This takes time to build, particularly for the buyer to accept that the seller will always keep their best interests at heart. If trust is threatened or broken, then the sales person will have to put in a huge effort to rescue the relationship - and even then, it may be lost.

Whereas in One-off selling the buyer has most to lose, in relationship selling the seller can be the biggest loser if they sell something that is not wanted. Not only may the product be returned, but all future sales may be lost.

Trust-building is such a major activity in this approach it can take up -the half of your time. But this is repaid by a short close (as opposed to the long objection-handling of one-off selling).

Win-Win

This type of selling has to end up as a variable-pie win-win exchange. The seller wants the buyer to feel that they have got a fair deal, and the buyer, although they want a good price, do not want the seller to go out of business. Many negotiables beyond price are on the table, including goodwill and future sales opportunities.

Relationship selling happens in any place where relationships are important. Thus, when a husband and wife are negotiating about something, they will be more successful if they both consider the relationship as well as whatever it is they each want.

B2B (Business to Business)

A typical place where such relationship selling takes place is in business-to-business situations, and even more so where selling and buying are both professional activities, and full-time salespeople deal with full-time buyers. When the smart buyer has been on a wide range of sales courses, they can see selling techniques coming from a mile away.

Objections and closing still happens here, but it is far more subtle and with a lot closer regard for the relationship, and any form of deception is usually avoided. The focus of the sales person is to help solve genuine problems that their customers are experiencing and they often take time to acquire a deep understanding about their customers' businesses, using methods such as SPIN Selling and Customer-Centered Selling.

Relationships Under Pressure

In practice, business sales people often have monthly quotas that they need to meet and hence may use more pressured methods than perhaps they would like. This is a hazardous practice, as it may seriously damage the relationship, putting additional pressure on the pity sales person who falls into the dangerous chasm.

6.2.4 Selling Process

This is a simple sales acronym for sales steps.

Note, however that it goes against another viewpoint which suggests that starting with features is likely to create objections.

Understand Problem statement of the customer, means understanding his need and possible solution the client is seeking. Once you understand that your product can solve the customer problem then starts with the below process flow: -

Show Feature

First show them the features of the product, demonstrating how it works. For example, show them the graphic equalizer on the hi-fi amplifier you are selling.

Explain Advantage

Explain the feature further, showing how they will gain advantage from it. For example, explaining how the graphic equalizer will allow them to set the frequency waveform to balance the acoustic profile of any room.

Lead into Benefits

From the advantages, explain the benefits. For the equalizer, this may be about hearing a true sound, how it will let the other person experience the 'in the concert hall' sound.

Let Them Talk

Then let them talk further about the benefits. If the previous steps are done well, they will talk themselves into the sale.

6.2.5 Locate

LOCATE is an acronym that describes a set of useful activities you can use to better understand your customer and their needs.

Listen

Listen to the other person, not just superficially, but using active and deep listening. Hear the person inside, detecting their needs and goals, identifying preferences and biases, discovering their beliefs and values.

Observe

Watch the body language that the other person is using. It is said that words show thoughts but the body will tell you what they are really feeling.

Watch how their body changes (language) with their words. See the tensions, the excitement, the fears and so on. As Yogi Berra once said, 'You can observe a lot just by watching'.

Combine

Combine what you have already discovered with what you want to know. Bringing things together leads to new thoughts and potentially useful discoveries.

Ask

Ask questions to discover more detail that is relevant to your selling process.

Find more about the person and their needs.

Do remember to listen much more than you talk. Ask carefully crafted questions that will elicit valuable information for you.

Talk

If you just ask questions, they may become suspicious. Share a little information about you and your company, though do be careful not to over-do this. You can also talk with other people, finding more about your customer from their colleagues and others who have met or know them. These people will tell you something of their hidden self, which the customer will not tell you directly.

Empathize

Use empathy to show that you care about them and hence develop trust that will bond them to you.

Note that empathy is difficult to fake -- if you truly do care about them then it will shine through your words and deeds.

6.2.6 Lair

This is a simple objection-handling method for getting the sale.

Listen

First listen to them, hearing their concerns and objections. In doing this, listen closely to their real needs and how important things are to them.

Acknowledge

Echo back what you heard to show that you understand and to get the other person to elaborate further to give you the full details of their objection.

Identify the Objection

Identify the objection and check that they agree that this is their only reason for not buying. Possibly set up a Concession Close so that if you can handle the objection, you will get the sale.

Reverse the Objection

Turn around the objection. Use 'yes, but' or other methods to show how the truth is in fact the reverse of what was being objected to.

6.2.7 Adapt

This is a simple sales acronym for the steps in making a sale. It particularly suits Relationship selling and so may take place over a period of time and a number of meetings.

Assessment

First ask open questions to get them to tell you about their situation. This should be relaxed and non-threatening that seems easy for them but is packed with information for you.

Ask about history, how they came to be where they are. Inquire about the work they do and what other people they work with. Seek general information from which you can understand the broad context in which they are working.

Discovery

In your assessment, you may have identified some areas which are of particular interest to you, and where you may be able to make a sale. Ask them about the problems they are experiencing. Ask them what keeps them awake at night. When you have found even a little niggles, probe further to identify more detail about the situation.

DO NOT start selling products at this point. The closure you should be getting now should be on understanding specifically where you will later be able to make the sale.

Activation

Now start to activate their perception and discomfort about the problem in more detail. The goal here is to make them dissatisfied with the current situation and is the 'hurt' of the Hurt and Rescue principle. Of course, it is not physical pain and if you are a good sales person you are seeking to solve real problems for them.

Sometimes it is a bit uncomfortable when you realize that you need to change. Your job at this time is to help them into this discovery and then out of the other side as fast as they are able to go.

Watch their body language for signs of discomfort, such as shifting about. Listen to their voices too. When they are sufficiently activated, move on. If you over-do this stage, you might cause a Fight-or-Flight reaction.

Projection

Now that they are actively uncomfortable, the next action is to move them from despair at the size of their problem to hope that they will be able to find a solution.

Project forwards in time to a place where their problems are all solved. Get them to think about what it would be like then. Ask how it feels for them.

This will give you more hints about what they are seeking and what will make them happy.

Transition

The last stage is to move to the 'rescue' of the Hurt and Rescue principle, where you offer them your product and they bite off your arm!

Move smoothly towards a presentation of your product by checking the facts about what they need. Then match the needs, one for one as you show them that you happen to have just what they are asking for.

6.2.8 One-off Selling

In a one-off selling situation, the salesman is selling to someone who he will probably never see again. Beyond the courtesy of strangers, he does not particularly care about them, and they do not particularly care about him.

Win-lose

The situation is typically very much one of a fixed-size pie and hence a win-lose situation. If you gain something, then they lose, and vice versa. Most typically, this focus for bargaining is around price. If you are selling your old car, then all you pretty much want is the best price you can get. And, once they decide they want the car, all they want is to pay as little as possible.

This type of situation is very much a 'caveat emptor' where the buyer must beware of any deceptive tricks or lies that the seller may offer - and vice versa. After the close, the buyer may have very little recourse if they decide that they do not, after all, want the product. If they are lucky, they may be able to return the product, but there are often snags and problems with doing even this.

B2C (Business to Consumer)

This type of sales is often described as 'retail selling' and is the traditional form of selling that appears in many different sales training courses. This situation is characterized by a skilled salesperson and a relatively unsophisticated buyer.

The metaphor of a hunter and its prey is often quite accurate, with feelings of power in the sales person and of helplessness in the buyer.

Simple Sales Methods

Sales people who work in this climate are taught about objection-handling and closing techniques to gain agreement to the sale and simple acronyms such as LAIR and SELL are used to remember sequences of action.

This is very much 'traditional' selling and is based on limited research originating in the 1920s.

Relationships in Retail

Is that it? Is it so clearly black-and-white? Well of course not. Nothing is that simple

In an economic climate where there is intense competition for the money in the retail consumer's purse, making them unhappy is not a formula for business success. When you have the only clothes store for miles around, then a small rip may be passed off as 'that is the way it is'. But when there are many other clothing stores, all vying for the same customer's attention, then the customer will naturally expect good prices, excellent products and courteous service.

In this way, many successful retail sales people focus strongly on the relationship, and a good salesperson, even of used cars, really does care about his customers and will not knowingly sell them a faulty product at an inflated price.

Then you are faced with an objection remember to:

Listen with care, be patient and do not interrupt. Hear what the customer has to say. Customers may express doubts about goods and their suitability. It may be that the customer who objects does not understand the benefits and therefore requires more information.

Remember: Never argue and never ever be provoked into an argument; you may win the argument - but lose the customer!

Always try to be confident and give a positive reply and the customer will respect your advice. If you do not know the answer, be honest and say so.

Then do your best to find out

Where possible, turn the objection into a selling point - particularly useful if you get a false objection. Answer along the line, "Not really in fact
Objections fall into these broad categories:

1. Doubts about value, function design, material, suitability of item
2. Past performance of similar articles.
3. Price.
4. Past experience with the company.
5. Service delivery - spares.

6.2.9 Handling Objections

1. Listen to the customer's point of view
2. Clarify what the customer says by repeating his/her objections.
3. This shows:
 - i appreciation of their point
 - ii that the sales person has understood.

Re-state the main benefits (based on sound product knowledge focussed on the objection).

4. If you cannot satisfy an objection, be frank about it and find out the answer.

6.2.10 Common Sales Objections

Important to Remember

1. It's too expensive
2. There's no money
3. We don't have any budget left
4. I need to use this budget somewhere else
5. I don't want to get stuck in a contract
6. We're already working with another vendor
7. I'm locked into a contract with a competitor
8. I can get a cheaper version somewhere else.
9. I'm happy with your competitor
10. Competitor X says [false statement about your product]
11. I'm not authorized to sign off on this
12. I can't sell this internally
13. [Economic buyer] isn't convinced
14. We're being downsized/bought out
15. There's too much going on right now
16. I'm part of a buying group
17. I've never heard of your company
18. We're doing great in this area
19. We don't have the business plan
20. It's just not important right now
21. I don't see what your product could do for me
22. I don't understand your product
23. I've heard complaints about you from [company]
24. We don't have capacity to implement the product
25. Your product is just too complicated
26. You don't understand my challenges. I need help with Y, not X
27. You don't understand my business
28. Your product doesn't have X feature, and we need it
29. We're happy the way things are
30. I'm busy right now

Activity 1

- i) Visit a retail store and identify a few products on which objections the retail store receives.

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- ii) Also identify how the retail store handles such objections of customers for those products which you would be listing under.

6.3 CLOSING THE SALE

Here is where you are trying to get the order. The salesperson asks the prospect to buy the product. One common approach is to assume that the prospect does want to buy the product and to ask "when do you want delivery?" or "how many do you want?"

The employee needs to be trained to recognize the signal for when to close. For this to happen, the salesperson should have been put through several simulation training that will aid him in the final closing process.

An excellent method for developing a salesperson's skills at learning customer needs is through role playing. Role playing consists of acting out the customer-salesperson relationship by the salespeople. One person plays the part of the customers, and the other plays the part of the salesperson. Next time around, they reverse the roles. Role playing enables salespeople to see various sales situations from the customers' point of view. The skill necessary to quickly "size up" customers (learn about their needs) is rapidly sharpened through role playing. A particularly good time for you to try out this method is during slow periods when your salespeople are just "standing around" anyway.

A good approach for improving the second skill - knowledge of the merchandise and service - is to make use of regularly scheduled sales meetings. Such meetings offer an excellent opportunity to discuss the features of a new product, changes in store policies, new merchandising strategies, or other matters relating to the store's merchandise and services. These sales meetings do not have to be formal and precisely scheduled events. Instead, you can conduct them right on the sales floor during slack periods or shortly before the store opens for business.

What is important is that you hold these sales meetings periodically and planned frequently (once per week at a minimum) and that at each meeting you might want to discuss the features of a new line of products which the store is now carrying and how to introduce these to the customer. The next meeting might focus on changes in the store's merchandise returns policy.

The meeting after that you might talk about the sales strategies for the upcoming inventory clearance sale. If you hold these meetings regularly, you will be pleasantly surprised at how much better -informed salespeople will be about the store's merchandise and service offerings.

Training aimed at improving the third skill - the ability to convince customers that a store's merchandise and service offering is superior - is perhaps the most difficult. Some people believe that an individual either has this skill naturally or does not, and hence training makes little difference. While there may be some degree of truth in this position to the extent that people do differ in their natural communication abilities, training can still make a difference. Such training can range from encouraging salespeople to take a formal course in salesmanship to informal sales seminars which can be organized at the store. These seminars may be nothing more elaborate than sitting down with the salespeople for a half hour over a cup of coffee to discuss ways by which the store's merchandise and service offering can be better communicated to customers.

These sessions if conducted informally (but regularly), will foster a constructive interchange of ideas about selling. For example, one salesperson might have developed a good argument which he or she used to successfully close a sale when it looked like the customer was ready to walk out. Good salespeople do like to talk about and share their success stories and can contribute to a sales development program.

Most Large retail chains begin their day with a morning 15 -minute crisp sharing of their success stories each day or how they overcame some customer objections. This sharing of experience will alert others to expect and overcome such, moments.

The Related Sale or Up Selling Techniques in Sales

Basically, this enables the salesman to make an additional sale to the initial closed sale on most products. The best time to make the related sale is immediately following the close of the initial sale but before payment is made. Note however, that not all customers are receptive to suggestions for additional items, **so the moment should be picked carefully.**

Try to remember, whenever a sale needs to be closed, try to push, the related items that could sell with it. Always focus on the customer's needs and make the related sale a natural purchase to the initial one.'

Purely by asking 'Will there be anything else?' may not be enough to trigger a suggestion from the customer.

Observe the following points:

- 1 Complementary items e.g., fashion coordinate, essential components, batteries.
- 2 More of the same items e.g. 'Will 2 litres of paint be enough sir?'
- 3 Not-so-obvious items e.g., refill for that present they are buying for father's birthday.

Always be positive with a related sale, avoid a loose invitation (or closed questions).

Actually, display the item you suggest, allowing the customer to see and touch it, and sell the benefits by telling what it will do for them.

In the retail list of related and commentary products is known the team so that during the closure of the sale they may suggest additional SKU's which can be sold to increase the (ABV) of the overall bill.

Activity 2

In retail stores identify a few specific products and sales personnel who deal with customers in selling such products. Observe the customer and sales personnel discussions and how the sales person "closes the sale" to a particular customer, Explain briefly.

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6.4 FOLLOW-UP AND COMPLAINTS

A good salesperson follows up and ensures that everything went well. Was the product delivered on time? Is the customer satisfied? Any problems? By demonstrating that you care about your customers, you will increase the chances that customers will continue to buy from you and recommend you to others. Marketing is all about customer satisfaction and following up is necessary to determine whether or not your customers are satisfied.

As far as the customer is concerned every complaint is a justified complaint, particularly their own! Discreet handling of complaints is therefore necessary.

If a complaint is really justified the matter has legal aspects and the retailer is advised to ensure that the customer is made to feel that the shop has done everything it can to redress the wrong.

An irritated complaining customer can become a lifelong loyal customer if he/ she is treated fairly, offered an apology for any inconvenience caused and the complaint rectified.

On the other hand, a customer through ignorance may mishandle goods, subsequently returning the item for credit or an exchange. This type of complaint is unjustified - action by the store is then no longer a matter of law, but one of store policy. Nowadays most stores not only take complaints seriously and consider their effect on their goodwill, but keep records of complaints to be analysed by departments and suppliers.

Relationship Marketing or Retaining Customers in Long Term Basis

Relationship Marketing? refers to a philosophy that a company that wishes to succeed should maintain a strong, continuous, long-term relationship with its customers, suppliers, and distributors. Companies that follow this

philosophy understand the importance of communicating with their customers. Supplier? and distributors on a regular basis. In order to have this kind of relationship customers and intermediaries have to feel good about doing business with the company. Also, customers and intermediaries should find it easy to contact the company and feel welcome when communicating with it. They should feel that they are part of a big family and that the company is upset if the product or service fails to perform properly. Obviously, it is much easier to make customers and intermediaries feel this way if you strive to understand their needs. In recent years retailers offer loyalty cards (Part of Relationship Marketing) to track the customers buying habits and use such data to send mailers or make calls to customers to invite for launching of a new range or collection by brands which they have shown interest in the past through their buying record. Retailers also send greeting cards and gift coupons to establish relationship beyond the ordinary level

Activity 3

Visit two retail stores and identify how they maintain relationships with customers and intermediaries with an objective of creating a feeling that the customers and intermediaries' part of a big family of the retail side.

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6.5 PERSONAL SELLING PROCESS IN RETAIL

Good personal selling in retail stores is getting harder and harder to find today. This is particularly true in the large multi-unit retail establishments that have increasingly stressed self-service at the expense of good personal selling.

The de-emphasis of personal selling by large scale retailers leaves a gap in customer service that the small retailer is in a good position to fill. By emphasizing good personal selling, the small retailer can gain a competitive edge not easily matched by the bigger stores. It is much easier for your larger competitors to dominate in such areas as merchandise assortments, pricing, and advertising, than to provide a well -developed personal selling effort.

Good personal selling, however, does not automatically occur simply because the retail store is small. Nor does high quality personal selling result merely by paying sales people more money. Rather, good personal selling results from a carefully developed program which accounts for the major elements necessary in all successful personal selling programs.

A Program for Improving Personal Selling

Developing a program for improving these three basic selling skills in your salespeople is the essence of building a better personal selling effort for your store. The framework for the program consists of three basic elements:

- Selecting people who are suitable for particular sales position,
- Providing training, and
- Devising an appropriate compensation plan or attractive incentive plan

Selection: Finding good salespeople is a problem for both large and small retailers. Both are frequently heard talking about how hard it is to find "good" people. What they fail to realize, however, is that much of the problem is of their own making because they do not define clearly what they mean by good sales people. In short, these retailers do not specify what qualities they want in the salespeople they are seeking. It is no wonder then that they are not satisfied with many of the people whom they hire. Several multi brand retailers are found to hire and merely go through the process of so -called training without professional help and end up with front end sales persons who cannot even properly explain the features of a product nor are they capable of making a comparison between two similar brands and how they are different from each other.

An effective way to help avoid this problem is to use job specifications. This method has been used successfully for many years by large industrial firms. And, it can be-used with equal effectiveness by small retailers. A job specification is basically a written statement, typically no longer than one or two paragraphs, delineating the requirements for a particular job.

Personal selling in retailing is essentially a matching of the customer's needs with the retailer's merchandise and services. In general, the more skill-fully this match is made, the better the personal selling. If salespeople make a good match not only is a sale made but a satisfied customer is created (or maintained). Thus, a long term, profitable relationship can be established.

There are three basic skills needed by salespeople to make this match effectively:

- Salespeople must be skilled at learning the needs of the customer.
- They must have a thorough knowledge of the merchandise and service offered by the retailer.
- They must have the ability to convince the customers that the merchandise and service offered by their store can satisfy the customer's needs better than that of their competitors.

Selling in the Age of the Virtual Customer

This is the age of the virtual customer. Yet, although the Internet has made it perfectly reasonable to land a major client you've never met in-person, it has also created new expectations among consumers.

Today, you must include the online world into your overall sales program. In the old days, people might have formed their first impression by the clothes you wore. In the Internet age, first impressions are formed with the click of a mouse.

The Internet has increased the expectation among consumers that businesses will have a credible online presence. This goes to the heart of selling successfully in a virtual world.

You must factor in online visibility. In the Internet age, the buyer/seller roles are reversed. The prospect now makes cold-calls on the seller. The state of today's online world and its role in driving purchasing decisions dictates positioning your business for online credibility, while also mastering all the other stages of the selling process. In the Internet age, the selling process starts much earlier than through traditional selling. It can happen in a web browser when someone looks you up, within an email newsletter that mentions your name, or increasingly on blogs. Many of us now form our "virtual first impression" of people and companies via our Internet browsers. When you are considering buying from a vendor, many of us will use the Internet to research that company or professional service. If the web site creates a positive first impression, the client is predisposed to considering you from your many competitors. If your website looks like a messy ill-prepared showroom window, the customer is likely to move on to the next ether show room display. Internet first impressions are not just influenced by how your Website looks, but also by the number of references in the search or how high it ranks a web browser. You can evaluate your own virtual first impression by typing your name into a search engine. See how your business looks to a potential sales prospect, from the moment your name appears in a Web browser to the moment your Web site loads.

Does your website load quickly and communicate a positive image graphically and with valuable content? You never get a second chance to make a good impression, and your virtual first impression often means the difference between a shot at your prospect's business, or being shut out.

The Personal Selling Process

The personal selling process consists of creating new customers and maintaining existing customers. Salespeople follow a series of steps in identifying prospects and turning them into customers.

Prospecting is identifying potential qualified customers. Prospects may come as referrals from existing customers, from suppliers, dealers, etc. Sometimes they come from analysis of public sources such as directories, newspapers, or public activities of the firm. Once prospects have been identified, they need to be qualified or screened to see if they are good prospects.

Pre-Approach is planning the sales presentation to meet the customer's wants or to solve the customer's problem. This involves gathering research about the prospect. The salesperson must determine where the specific target market consumer is in the purchasing process. In the approach, the salesperson meets and greets the buyer and puts the buyer at ease. At this meeting, the salesperson asks some key questions to get some essential information before getting the buyer's attention and launching into the presentation.

Presentation is telling the product "Story" to the prospect, showing how the product will solve a problem for the product. The salesperson must build a case for how the product can serve the needs of the buyer. A need-satisfaction approach involves carefully listening to the buyer's needs and

then clearly explaining how the product can satisfy those needs. Questioning and listening are more important than talking. Presentations using Microsoft's PowerPoint significantly enhance the professionalism of the presentation.

Features and Benefits

The information about features and benefits is adapted from Sales & Marketing Executives-International - Certified Professional Salesperson - Study Guide Prepared for the SME-I Accreditation Institute COPYRIGHT 1994 by Sales & Marketing Executives-International and Thomas N. Ingram, CSE, Ph.D. <http://smei.org/sm2-certificationpreread-scps.htm>

To do an adequate job in planning a presentation, salespeople must understand the concepts of features, potential benefits, and confirmed benefits. Extensive research by Learning International, a major sales training and consulting firm, concludes that stating features and potential benefits may result in successful sales calls, or at least may lead to a continuation of the sales dialogue on the next sales call. This same research, however, concluded that a far more promising way to achieve sales call success is to seek customer confirmation of potential benefits. According to Learning International, successful sales calls have approximately five times as many confirmed benefit statements than for unsuccessful sales calls.

A **feature** is a factual statement about a characteristic of the product or service being sold.

Examples of features:

- Natural surface cohesiveness of ULTRAMID, a high-tech plastic golf club
- Bell-shaped nozzle on vacuum cleaner
- Daily delivery of Frito-Lay potato chips
- Technical support personnel for a computer system

A **potential benefit** describes how the product or service may meet a customer need that is assumed to be important by the salesperson. When a customer acknowledges the importance of a benefit to his or her buying situation, it is a **confirmed benefit**. In selecting specific benefits to be stressed, salespeople should focus on any unique benefits not offered by competition, as long as the benefits are of interest to the prospect. These might include product benefits, along with non-product related benefits such as delivery, extraordinary customer service, or additional sales support available to the customer.

Examples of Corresponding Benefits:

- Better launch angle
- More distance on shots
- Optimum airflow improves cleaning ability
- Retailer can reduce inventory costs
- Product freshness leads to customer satisfaction

- Assistance in installation, maintenance, and expansion

Handling Objections raised by the prospect takes a great deal of skill and training. The salesperson must be able to identify the real reasons for an objection, respond to the objection, and overcome it. Objections provide the salesperson with the opportunity to learn more about the customer's needs and provide information about the product to satisfy those needs.

Closing the sale is asking the prospect for an order. The salesperson must be able to recognize the signals that indicate the prospect is ready to close.

Follow-up is essential to building a relationship between the seller and the buyer. The salesperson follows-up to ensure that the buyer received the right products in the right condition at the right time. Any problems or concerns on the part of the buyer after the sale are addressed immediately. The salesperson demonstrates continued interest in the account and a desire to satisfy the buyer's needs on an ongoing basis

The Sales Funnel (or Sales Pipeline)

A sales funnel report presents a "snapshot" of your sales function at any given point in time. For conceptual purposes, the sales process is often compared to a funnel where new leads coming into the system (i.e., prospects) are initially placed into the top of the funnel (the widest part) and then worked through the system by informing, persuading, overcoming objections, providing information, demonstrating, providing free samples, etc., etc. until at the narrow part of the funnel, an order is placed and a sale is closed when payment from the customer is received.

The funnel framework works fairly well because for all new leads that are generated by marketing, there is a closing rate that represents the sales that ultimately result. The number of resulting sales is usually significantly less than the number of total leads generated hence it is useful to think that as leads work their way further down the funnel there will be less and less of them until they come out the narrow end of the funnel as sales.

One important thing to note is that organizations define each phase in the sales process (or, part of the funnel) differently. Each step working through the funnel should have clearly defined criteria that go along with it so at each part of the funnel, there is specific knowledge about all the leads at that stage. In other words, leads become more and more qualified as they work their way through the funnel and at each step, you will know exactly what that specific level of qualification is. Another important thing to keep in mind is that the funnel is a great way to track and forecast sales, as well as, gauge marketing activities.

By running a Sales Funnel Report, the sales manager can visually see how many leads are at each step, if there are any "**bottlenecks**", or if there are an insufficient number of leads at any stage. Armed with that knowledge, then the sales manager may instruct his or her salesforce where they should focus more attention to keep sales at the desired level. He or she can then also work closely with the marketing manager to ensure they are generating enough leads to hit sales goals, whether the leads are of high enough quality, or what further needs to be done to hit sales goals.

In short, the funnel can clearly point out what adjustments need to be made within the sales function to hit sales goals. That might mean that marketing activities need to be adjusted, that additional sales training is needed, or that sales personnel need to focus their efforts and activities on certain parts of the sales pipeline to keep the entire process on balance and running smoothly. The sales funnel also helps sales and marketing work closely together to meet organizational sales objectives. It is a wonderful management tool.

Sales tips

What-makes a salesperson successful? Success in sales depends upon some basics. A few pointers for success in sales:

- 1) Be sincere with people. Too many sales people act in a manner that seems artificial or they only feign interest in their prospects' problems and concerns. People are smart and see right through such insincerity. If you are not sincere and honest with everyone you meet then you should not be in sales.
- 2) It is vitally important to constantly hone your sales and communications skills. Continuous growth and training in formal professional selling techniques is also very important. Take training classes, listen to audio cassette professional development tapes, read all the professional development material you can get your hands on, and start a program of self-study and development in sales today if you haven't already.
- 3) First listen to your customer, understand his or her wants and needs, and only then try to determine whether or not you can deliver the product or services to meet those wants and needs. If you approach a prospect with a solution before understanding the problem you are likely to be wrong about the solution.
- 4) The best salespeople ask a lot of questions and genuinely listen to the answers before speaking again.
- 5) Your prospects and customers are all different so you should treat them differently.
- 6) The best salespeople listen much more than they talk.
- 7) Find out what your prospects want and then give it to them.
- 8) If you cannot give your prospects what they want, tell them so and help them find what they are looking for elsewhere.
- 9) If you think that you cannot make it in sales as a profession, then you probably should not even try.

It should be noted that while we present these activities in an order that is suggestive of a step-by-step approach (i.e., one activity must be carried out before the next), in many selling situations this will not be the case. For example, a buyer for a large retailer may have observed a salesperson's product being used while visiting a competitor's store. The buyer, anxious to obtain the product for use in her own stores, contacts the salesperson immediately upon returning to the office. After addressing a few questions from the salesperson confirming the buyer's status at the retail company and

without much prodding by the salesperson, the buyer places an order and agrees to meet the salesperson for lunch the next day. In our example, only activities #2 - Qualifying the Lead, #6 - Closing the Sale and #7 - Account Maintenance are carried out in order to obtain the sale and to begin building a long-term relationship.

Additionally, salespeople often find circumstances in which all activities are required but the order these are carried out may be disrupted. For instance, salespeople are often confronted with a buyer who is resistant to making a purchase even before the salesperson has made a presentation (e.g., "I don't think I'm interested in what you're selling"). This will likely force the salesperson to adjust his or her selling process. In this example it will require the salesperson to address the buyer's resistance before beginning to present the product.

Which may occur in activities associated with either **Preparation for the Sales Call or The Sales Meeting**.

Preparation for the Sales Call

If a prospect has been qualified or if qualifying cannot take place until additional information is obtained (e.g., when first talking to the prospect), a salesperson's next task is to prepare for an eventual sales call. This activity in the selling process has two main objectives:

Learn More About the Customer

While during the lead generation and qualifying portion of the selling process a seller may have gained a great deal of knowledge about a customer, invariably there is much more to be known that will be helpful once an actual sales call is made. The salesperson will use their research skills to learn about such issues as:

- Who is the key decision maker?
- What is the customer's organizational structure?
- What products are currently being purchased
- How are purchase decisions made

Salespeople can attempt to gather this information through several sources including: corporate research reports, information on the prospect's website, conversations with non-competitive salespeople who have dealt with the prospect, website forums where industry information is discussed, and by asking questions when setting up sales meetings (see Arranging Prospect Contact). Gaining this information can help prepare the salesperson for the sales presentation. For example, if the salesperson learns which competitor currently supplies the prospect, then the salesperson can tailor promotional material in a way that compares the seller's products against products being purchased by the prospect. Additionally, having more information about a prospect allows the salesperson to be more confident in his/her presentation and, consequently, come across as more knowledgeable when meeting with the prospect.

Arranging Prospect Contact

With some information about the prospect in-hand, the salesperson must then move to make initial contact. In a few cases a salesperson may be fortunate to have the prospect contact her/him but in most cases, salespeople will need to initiate contact. In many ways arranging for contact is as much as selling effort as selling a product.

There are two main approaches to arranging contact:

- **Cold Calling or Presentation** – A challenging way to contact a prospect is to attempt to conduct a sales meeting through a straight cold call. In this approach the intention is to not only contact the prospect but to also give a sales presentation during this first contact period. This approach can be difficult since the prospect may be irritated by having unannounced salespeople interrupt them and take time out of their busy work schedule to sit for a sales meeting.
- **Cold Calling or Appointment** - A better approach for most salespeople is to contact a prospect to set up an appointment in advance of the sales meeting. The main advantages of making appointments are that it gives the salesperson additional time to prepare for the meeting and also, in the course of discussing an appointment, the salesperson may have the opportunity to gain more information from the prospect. Of course, this way also has the added advantage of having the prospect agree to sit for the meeting, which may make them more receptive to the product than if the salesperson had followed the Cold Calling for Presentation approach.

The Sales Meeting

The heart of the selling process is the meeting that takes place between the prospect and the salesperson. At this stage of the selling process the salesperson will spend a considerable amount of time presenting the product. While the word "presenting" may imply the seller is taking centre stage and does most of the talking by discussing the product's features and benefits, in actuality successful sellers find effective presentations to be more of a give-and-take conversation.

Additionally, the meeting is not just about the seller discussing the product, rather much more takes place during this part of the selling process including:

- **Establishing Rapport with the Prospect** - Successful salespeople know that jumping right into a discussion of their product is not the best way to build relationships. Often it is important that, upon first greeting the prospect, the salesperson spends a short period of time in a friendly conversation to help establish a rapport with the potential buyer.
- **Gaining Background Information** - The salesperson will use questioning skills to learn about the prospect and the prospect's company and industry.
- **Access Prospect's Needs** - Taking what is learned from the prospect's response to questions, the salesperson can determine the prospect's

needs. To accomplish this task successfully, sellers must be skilled at listening and understanding responses.

- **Presenting the Product** - The salesperson will stimulate a prospect's interest by discussing a product's features and benefits in a way that is tailored to the needs of the customer. Part of this discussion may include a demonstration of the product.
- **Assess the Prospect** - Throughout the presentation the seller will use techniques, including interpreting non-verbal cues (e.g., body language), to gauge the prospect's understanding and acceptance of what is discussed.

Handling Buyer Resistance

It is a rare instance when a salesperson does not receive resistance from a prospect. By resistance we are referring to a concern a prospect has regarding the product (or company) and how it will work for their situation. In most cases the resistance is expressed verbally (e.g., "I don't see how this can help us.") but other times the resistance presents itself in a non-verbal fashion (e.g., prospect facial expression shows puzzlement).

While handling sales resistance may sound like a difficult part of selling, most successful salespeople actually welcome and even encourage it as part of the selling process. Why? Because it is an indication the prospect is paying attention to the presentation and may even have an interest in the product if the resistance can be effectively addressed.

To overcome resistance, salespeople are trained to make sure they clearly understand the prospect's concern. Sometimes prospects say one thing that appears to be an objection to the product but, in fact, they have another issue that is preventing them from agreeing to a purchase. Salespeople are rarely able to make the sale unless resistance is overcome.

Closing the Sale

Most people involved in selling acknowledge that this part of the selling process is the most difficult. Closing the sale is the point when the seller asks the prospect to agree to make the purchase. It is also the point at which many customers are unwilling to make a commitment and, consequently, respond to the seller's request by saying no. For anyone involved in sales such rejection can be very difficult to overcome, especially if it occurs on a consistent basis.

Yet the most successful salespeople will say that closing the sale is actually fairly easy if the salesperson has worked hard in developing a relationship with the customer. Unfortunately, some buyers, no matter how satisfied they are with the seller and their product, may be insecure or lack confidence in making buying decisions. For these buyers, salespeople must rely on persuasive communication skills that help assist and even persuade a buyer to place an order.

The use of persuasive communication techniques is by far the most controversial and most misunderstood concept related to the selling process.

Why? Because to many people the act of persuasion is viewed as an attempt to manipulate someone into doing something they really do not want to do. However, for sales professionals this is not what persuasive communication is about. Instead, persuasion is a skill for assisting someone in making a decision; it is not a technique for making someone make a decision. The difference is important. Where one is manipulative, the other is helpful and designed to benefit the buyer. And as we noted, persuasion does not always occur. Many times, buyers take the lead in closing a sale since they are convinced the product is

For salespeople, understanding when it is time to close a sale and what techniques should be used takes experience. In any event, the close is not the end of the selling process but is the beginning of building a relationship

Account Maintenance

While account maintenance is listed as the final activity in the selling process, it really amounts to the beginning of the next sale and, thus, the beginning of a buyer-seller relationship. In selling situations where repeat purchasing is a goal (compared to a one-time sale), following up with a customer is critical to establishing a long-term relationship.

After a sale, salespeople should work hard to ensure the customer is satisfied with the purchase and determine what other ways the salesperson can help the customer be even more satisfied with the purchase. The level and nature of after-sale follow-up will often depend on the product sold. Expensive, complex purchases that require installation and training may result in the salesperson spending considerable time with the customer after the sale while smaller purchases may have the seller follow-up with simple email correspondence.

By maintaining contact after the sale, the seller is in a position to become more accepted by the customer which invariably leads to the salesperson learning more about the customer and the customer's business. With this knowledge the salesperson will almost always be presented with more selling opportunities.

A different approach to personal selling is a 3 -step process which can be divided into':

- a) Pre-approach
- b) The Approach
- c) Post' Approach-

Please note that all these are situational i.e., a different approach may call for a different situation.

For the pre -approach- the way it is handled would be directly related to the situation i.e., dependent on whether the customer is in self -service mode or is being served.

In case of the former the sales person needs to take the following steps:

- a) Be aware of the company and its product range
- b) Be in a positive frame of mind
- c) Be aware of company procedures

For the approach process, he should greet the customer warmly and with a smile. What draws the attention of the prospect is a warm smile and good dress sense.

Then again addressing the customer, provided he is a regular visitor would be an added bonus. Gender salutation i.e., adding Mr/ Ms appropriately as per the demand of the situation will leave a positive impression in the customer's mind.

The conversation is where sales are lost or made. A salesman would often be confronted with different types of customers. Some of the types are explained below:

- a. The accompaniment customer
- b. The regular customer
- c. The clear-headed customer
- d. The window shopper
- e. The muddled customer

The prospect who accompanies others or is part of a group inside the store. He can be approached and sold personal care items as gift or remembrance through upselling or cross selling.

The regular customer is aware of the products and services that the store deals in; nevertheless, he is interested in the latest retail offerings and this is where he can be sold on new products, ideas and services.

The clear-headed customer is one who is clearly aware of what he wants. He nevertheless provides an outlet for upselling better brands.

The window shopper can be invited inside the store to have a closer look at the new products on display.

The maximum opportunities are provided by the muddled customer who is himself not clear about what he wants to buy or whether he has a need for the specific product

Please note that irrespective of the type of customer, the salient feature of any sale is asking questions aimed at eliciting a response. This should lead to identifying customer needs including stated and unstated needs.

Please note that the biggest goal of a sales person (esp. in a retail set up) is to convert the window shopper or casual visitor to a buyer and a regular buyer at that.

Further, he should be ready to handle the queries of the different types of prospects as highlighted above, say in a saree store the customer wants to buy a saree you would want to know about the material, design, fabric,

colour, brands available etc. This would then be followed by comments or queries about its price, discounts, schemes on offer etc. All this has to be handled very patiently by the salesman preferably with a smile.

The post approach-

The deal has been made. What next?

On to the next customer, you might say. Ouch!

The salesman should thank the customer for his time and effort and ensure that the right product is handed to the customer.

How would all this be different in a self -service scenario, you might be wondering?

The salesman has to change his approach to that of a consultant, who simply suggests and does not recommend to the customer.

Visualise this- The prospect comes to the counter to have a look at what is on display irrespective of a restaurant or a MBO while the salesman is behind the counter. The sales man should be able to suggest alternatives in case the prospect does not seem too satisfied by what is on offer. Take the order if the prospect seems satisfied and try to get it ready after the payment has been made. This is also an opportunity for the salesman to indulge in some cross selling and upselling in an effort to maximize sales for the retail outlet as well as to establish relations.

6.6 LET US SUM UP

It is said that a best salesman is one who can sell a refrigerator to an Eskimo. Which means the level of skill in communication, presentation and counselling should be so effective that he should be able to sell a product to a most unlikely customer too. In retailing the art of converting a casual window shopper to get interested in a product and finally managing to sell him calls for a very good presentation of the product and understanding of the customer need. Handling various customer concerns and confusions and finally overcoming the objections of the customer is art of selling. There are no born salesmen, but are only trained to handle customer with care.

6.7 TERMINAL QUESTIONS

1. What is "SPIN" Selling?
2. Explain Relationship Selling with one example?
3. How to close a Sale?
4. What is the personal selling process?