

Chapter 12: What is Selling?



LEARNING GOALS:

- Understand the different methods/types of selling.
- Understand the concept of customer benefits
- Understand the different buying motives
- Understand different ways customers make decisions
- Understand the concept of the pre-approach
- Understand the concept of prospecting

Section 12.1

- **Personal Selling:** Any form of direct contact between a salesperson and a customer. Helps customers make buying decisions.

Personal selling can take place in 3 settings:

1. **Retail Selling:** When a customer comes into a store
 2. **Industrial sales:** Businesses selling to other businesses
- **3. Telemarketing:** Selling over the telephone
 - This has been drastically affected by the 2003 law and the National Do Not Call Registry

Goals of Selling:

- Help customers make satisfying buying decisions
- Keep repeat business (easier and less expensive than generating new business)
- Have customers generate new customers through word of mouth

TELEMARKETING



RETAIL



Our Friendly and knowledgeable sales staff available to assist you 7 days a week!

INDUSTRIAL SALES



ACTIVITY

LEARNING GOAL: Understand the different methods/types of selling.

- List an example for each type of selling in your notes:
 - Retail
 - Industrial
 - Telemarketing

Consultative Selling: Sales that provide solutions to customers' problems by finding products that meet their needs

Ex: Hairdresser stands all day: she needs *comfortable* shoes

Ex: Customer going to a party: she wants *dressy* shoes

Feature-Benefit Selling: Sales that match the characteristics of a product to a customer's needs and wants

It's frequently said: Customers don't buy *products*; they buy what it will *do for them*

Product Features: physical characteristics or extended attributes of the product

- Physical: car's color, transmission, stereo, tires, etc
- Extended: car's warranty, service policy, available financing

Customer Benefits: advantages or personal satisfaction a customer gets from it.

Salesperson must answer two questions about each product feature

- 1. How does the feature help the product's performance

Ex: air pocket in heel of running shoe will cushion impact

- 2. How does the performance info. give the customer a personal reason to buy?

Ex: shoes give more comfort, less injury to foot results

LEARNING GOAL: Understand the concept of customer benefits

*The purpose of customer benefits is to link the product features to the needs and wants of the customer.

Feature

equals

Benefit

Our telecommunications equipment is the most advanced in the world

you will not be upgrading your system for many years

We teach the most up to date English

you will get the best English education available today

we have the best after sales care in the industry

which means that

if anything does go wrong we will be there to help you quickly

We are read by more Koreans than any other online newspaper

you will reach more people than any other newspaper

Our products are the safest in the industry

you will have less accidents than with any other product

CUSTOMER BUYING MOTIVES

- **Rational Motive**: conscious, logical reason for a purchasing
 - Ex: buy down jacket since it is warm
 - Ex: buy good tires since they're save
 - Ex: buy Kroger peanut butter since it's cheaper than Jif
- **Emotional Motive**: purchase decisions based on emotions(such as power, status, social approval)
 - Ex: buying more expensive brand name merchandise
 - Ex: buying a Corvette to attract attention

CUSTOMER DECISION MAKING: 3 types

- **Extensive Decision Making**: customer has little or no previous experience buying item
 - Ex: first house
 - Ex: car
 - Ex: cottage on lake up north
- **Limited Decision Making**: customer purchased item before—but not regularly
 - Ex: TV
 - Ex: refrigerator
 - Ex: couch
- **Routine Decision Making**: bought item often; lower risk
 - Ex: grocery items
 - Ex: pizza
 - Ex: newspaper

EXTENSIVE



LIMITED



ROUTINE



ACTIVITY

LEARNING GOAL: Understand different buying motives and different ways customers make decisions

- Answer the six questions in your notes related to buying decisions you have made.

Section 12.2

- **Preapproach**: The preparation for face-to-face encounters with potential customers
- It includes:
 - Studying products
 - Keeping up with trends and competitors
 - Becoming familiar with company's policies and procedures
 - Researching potential customers or **Prospects**

Ways to Find Prospects:

- Employer leads (See p. 267)
- Trade and professional directories
- Newspapers (Ex; engagement announcements for bridal shops)
- Commercial Lists (can be bought)
- Cold Canvassing (or Cold Calling): potential customers selected at random, such as door to door
- Referrals: buyer tells others about product/company/sales person
- Endless Chain Method: Salespeople ask previous customers for names (sometimes offer discounts or gift to customers who give referrals).

- ***LEARNING GOAL: The purpose of the pre-approach is to prepare for interaction with prospects (potential customers).***

PREPARING FOR THE SALE IN BUSINESS-TO-BUSINESS SELLING

- Selling to a **previous customer**:
 - salesperson analyzes their past sales records
 - reviews notes about customer's family, hobbies, interests, etc.
- Selling to a **new customer**. Find out:
 - Does the customer need your product?
 - Does he have money to pay for it?
 - Does he have authority to buy it?

PREPARING FOR THE SALE IN RETAIL

- Get merchandise ready (stocking, price tags, folding)
- Get familiar with the items and what goes together
- Arranging displays
- Cleaning the work area



COMPANY POLICIES AND TRAINING

- Training the sales staff
- Compensation (straight commission, straight salary, salary + commission)
- **Sales Quotas**: dollar or unit sales goals set for the sales staff to achieve
- Legal and Ethical Issues

RECAP

- Selling is done through the retail, industrial, and telemarketing setting.
- Features link needs and wants to customer benefits.
- Customers use different rational when making decisions.
- The pre-approach is used to prepare for the sale and find prospects.

POST ASSESSMENT

- Circle your level of understanding on the learning goal evaluation scale for the learning goals we covered to day.
- Chart your level of understanding on the post assessment chart.
- Pass your data notebook forward when finished.