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## UNIT 5 STEPS IN SELLING-I

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### 5.0 OBJECTIVES

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After studying this unit, you will be able to:

- Explain the personal selling process;
- Describe the importance of personal selling;
- Describe prospecting and its need in personal selling;
- State the relevance of planning the sale
- Describe the different approaches to selling- Personal selling as well as B2B selling

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### 5.1 INTRODUCTION

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After being introduced to the fundamentals of personal selling and its various aspects in the previous unit we come to the all -important task of understanding the sales process.

The steps explained are general in nature and could vary from one organization to the other and would also be dependent on the nature of the customer, the type of product being handled and the type of business the firm is dealing in.

One important advantage of personal selling is that the selling pitch can be adjusted and individualized to the prospect. Once the prospect's needs are determined; the sales pitch can be altered accordingly. Unfortunately, personal selling is extremely expensive. As noted previously, door-to-door selling is disappearing in the area of consumer marketing. This is, however, not true in the area of business-to-business marketing. Companies selling complex products such as printing presses, buses, jets, computer systems,

power plants and other expensive "installations" usually use salespeople to sell their products. These salespeople are compensated quite well and a large number of them are college graduates. In this unit, you will learn the steps that are followed to sell a product or services.

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## **5.2 WHAT IS PERSONAL SELLING PROCESS?**

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The personal selling process is a method through which a salesperson has direct access to consumers and interacts to convince and draw his attention in building interest in the product or services, he intends to sell. In several other sales situations the salesperson can obtain information on the background of the customer as well as his needs. However in retailing, the sales person directly interacts and needs to create interest to sustain the selling process. This means that: in personal selling, time is a critical factor and therefore the salesman has to make a good impression within the given time. The personal selling process 'thereby involves a high level of skill. In the current retailing context, personal selling involves the process of sales facilitation. The salesman has to do the role of a consultant to advise the customer on the right product and services.

### **5.2.1 The 12-STEP Selling Process**

#### **Determine Your Best Client Profile**

Determine the markets in which the type of people who fit the Best Client, Profile work, live and play. Generally, it is also found through their income pattern and consumption pattern with luxuries attached to it.

#### **Research Your Prospective Clients**

Compile a bank of names of people who fit Your Best Client Profile, including recommendations. This is through first identification of which type of customers you look for then with the help of research, pinpoint the type of customers you should look for.

#### **Approach Your Prospective Clients**

Send a pre-call letter/introductory leaflet/newsletter. If possible, include a handwritten introduction for the client.

#### **Prepare For Your Calls**

Ensure that all possible homework has been done before you go for the sales call. Review the client history and ensure that all tools are handy and available with the salesman.

#### **Call to Set a Time for an Introductory Meeting (Preferably for a Morning)**

Calling in advance to set a time would help to show seriousness and would also convey the message that you value the other person's time.

#### **Attend Your Introductory Meeting**

It is important to keep time and be on time for the introductory meeting.

**Apply the Prospect Filter**

Utilise the MAN concept (Money, Authority and Need) to judge whether you are targeting the right person.

**Attend a Planning Meeting (If required)****Present Your Options in Person**

It is okay to send the information by post or mail but a personal presence adds a lot of value to the whole.

**Get the Order**

Be crisp and always on the lookout for signals that will help you close the sale

**Obtain Written Recommendations**

Once the order has been secured, ask for recommendations and references that would help gain inroads to other clients.

**Apply n Effective Client Service Program**

Aim at a long-term client service to gain clients in the long term.

**5.2.2 Salesperson Skills**

Before we talk of the process the salesman needs to get a few things in place namely:

**The Right Mental Attitude**

Every salesperson's responsibility is not only to believe their offer but to project their belief so that it is felt by the buyer. (Some sales staff give the impression that they are doing the customer a favour when they serve.) The ability to project this belief tends to vary according to one's current mood - therefore the salesperson must strive to maintain an attitude of optimism all the time.

The sale that is started with the right mental attitude will give a buyer the positive, optimistic mood which, in turn, will ensure the right mental attitude towards the salesperson.

**Judgement - (Common-Sense)**

So very necessary but unfortunately not common!

Good judgement can only be developed by practice & experience in sales. However, a salesperson has unlimited opportunities for the exercise of judgement. As and when objections get raised, the salesperson learns how to exercise judgement in handling them based on the past learnings

**The Power of Persuasion**

Remember that in selling you do not argue, you take part in a conversation. The salesperson confronted by a buyer has a listener who is not inhibited by any rules from interrupting.

The salesperson should, wherever possible, set his/her sales presentation at a conversational level and by question and interest bring the buyer into the conversation.

Aim To:

- Make people believe you
- Make people like you
- Make people listen to you

### **Warning**

You can possess the right mental attitude, have good judgement and powers of persuasion but without motivation you could still fail. Motivation is the major reason for success or failure in selling. When you are trying to influence or motivate others to accept your proposition, it is practically impossible to do so unless you are motivated yourself.

### **Product Knowledge**

Some products sell themselves at particular times of the year. But the vast majority of products and services are in direct competition with one another and therefore it is up to the sales person to present products and services in an imaginative and convincing manner.

In this section we are going to deal with product knowledge - how do you get to know your products? Where does the information come from? How do the products work? How do we carry out a demonstration? The most important thing here is knowing your competitor's products & services they are offering and pricing will always create some benefit to sales person while having conversation with the customer.

### **TELL**

- You give information about the product or service.
- You can clarify areas of customer doubt.
- You can explain in greater detail complicated points.
- You can try and persuade the customer to buy.

### **ASK QUESTIONS?**

- To find out the customer's needs, ask questions
- Probe more and let the customer explain his requirement. When it comes to probing asking the right and relevant question is the key.

### **SHOW PRODUCTS**

- You can present one by one.
- You can display the products.
- You can select a few or all of your products.
- You should do some comparison and benefits against competition also, if required.

**DEMONSTRATE**

- Let the customer taste, handle or move the product.
- You can demonstrate the operation of the product, or show the product out of its wrapper.
- You can ask the customer to try out the product.

Motivated people motivate others by their very presence and in turn create positive, working conditions, which makes hard work enjoyable. Personal motivation begins with believing in yourself, your organisation and the product or service being sold.

At the start you would need to be able to answer the following questions

What do we know about the product in terms of:

- Uses, sizes, prices, colour, material, availability, qualities, discounts
- Its composition
- Appearance and handling
- Health and Safety factors
- Operation
- Reliability and service
- Delivery
- Installation
- Maintenance and Insurance
- Guarantee
- Credit facilities

**Check Your Progress 1**

1. Once the prospect's needs are determined, the sales pitch can be .....accordingly.
2. There are .....steps in the Personal Selling process
3. The four main components of communicating product knowledge are ..... and .....
4. You can possess the right mental attitude, have good judgement and powers of persuasion but without .....you could still fail.

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### **5.3 SPANCO SALES PROCESS**

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The S P A N C O process is quite popular and widely used by many sales organisations.

This is a 6-stage selling cycle to sell your company product successfully.

**S- Suspect** In this stage, a list of leads are identified as suspects to be potential customers. But at this stage of the Sales process cycle, it is not

ascertained whether they are interested to buy the product offered by the Salesperson or not. It is just a list of leads or details of customers which has been gathered from multiple sources like Directories, Mail Opt-in lists, Networking platforms, Referrals and other potential connects etc

**P – Prospect** During this stage, a few prospects are identified out of the list of initial Suspects list. These prospects are the potential customers who express their interest during the previous Suspecting stage. For. E.g., Consider that you are selling Software's to a B2B firm. You have been cold calling every lead you had during the Suspecting Stage. Let us suppose, out of 100 calls made, 20 leads were found to be interested and would like to meet further. Then those 20 leads are said to be your Prospects.

**A – Approach** During this stage, you go on to meet the clients identified during the Prospecting stage. This meeting can happen either virtually using phone & video calls or physically by meeting in person. In this stage, the salesperson tries to identify the client's requirements, analyse them, perform lead qualification and based on that, tries to present a solution from their offerings. This happens over several days with multiple meetings each for Need Identification, Sales Presentations, etc.

**N – Negotiate** This is one of the most crucial stages, of the sales cycle since this can either make or break sales deals. This stage would decide whether the client would buy from you or not. This stage involves negotiation with the clients on the pricing aspect of the deal and its associated terms & conditions. During this stage, you should demonstrate the value of your product to be more than what the customer is going to pay. This is usually done using many techniques like "Balance Sheet Comparison method" for comparing the pricing with respect to your competitor; "TCO" method, wherein you tend to explain the Total Cost of Ownership of your product over a given time period to the client and explain how it would benefit more than the cost he would pay at present.

**C – Close** At this point of sales cycle, the Client would agree to the terms & conditions of the deal or contract. The Deal would be considered to be "Close", when the customer would sign on the contract and would complete all the necessary formalities for issuing a purchase order to you

**O – Order** This is the last stage of the sales cycle; Now the Client would issue the purchase order and Order fulfilment is done. Once a Purchase Order (PO) is issued, the salesperson has to hand over the PO to the concerned Operations Department or Fulfilment or Delivery Team which would carry it forward. The client's responsibility is transferred to the Delivery Team. This marks the end of the sales cycle for that particular deal.

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## 5.4 TYPES OF SALE

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1. **Inside Sales** – Saleperson works from the office, connects with the customer across the globe remotely. He presents company details, show case company products & services and close sales. Many companies follow this type of sales process which is faster and save on cost also.

2. **Outside Sales** – The salesperson sells outside the office, visits clients, meets them and closes sales. This is a traditional way of closing sales.
3. **B2B Sales**- This common acronym stands for "business-to-business" and describes companies that sell products and services to other businesses, instead of individual consumers. B2B sales tend to have a higher ticket value and more complex terms because the goods sold to other businesses typically play an essential role in how the buyer's business operates.
4. **B2C Sales**-Unlike B2B sales, B2C (or business-to-consumer) sales revolve around transactions between a company and its individual consumers. These deals tend to be of lower price-value and complexity than B2B sales and can involve multiple deals with a variety of customers.
5. **Business Development Sales**-BDRs at Slack are responsible for the pipeline within enterprise accounts. They drive outreach to several stakeholders at the companies where they work. People in these roles are expected to be product experts and build demand for the Slack product.
6. **Agency Sales**-In the agency sales space, clients are typically signed either by project or on a retainer. For agencies that sign clients by project, they primarily focus on bringing in new business, selling service packages to new clients as their current projects wrap up. With a retainer model, agencies can engage with clients on an ongoing basis which allows for predictable recurring income with less dependence on bringing in a steady stream of new customers.
7. **Consultative Sales**-With consultative selling, sales reps focus on building a relationship with the buyer and leading the sale with how the offering will benefit the individual customer, instead of solely focusing on the features of the product to make the sale.
8. **E-Commerce Sales**-Does your company sell products exclusively online? Is your customer able to research your product, determine whether they want to buy it, and make their purchase online all without needing to engage with someone from your company? If so, you're following an eCommerce or online sales model.
9. **Account Based Sales**-Businesses that have large enterprise accounts with several points of contact look to account based sales to serve these customers. Unlike business development sales, account-based sales teams don't hand off their opportunities to a sales development rep to close.

### 5.4.1 Selling Objections

Look at the figure 5.1 which shows the common Objections Raised by Customers.

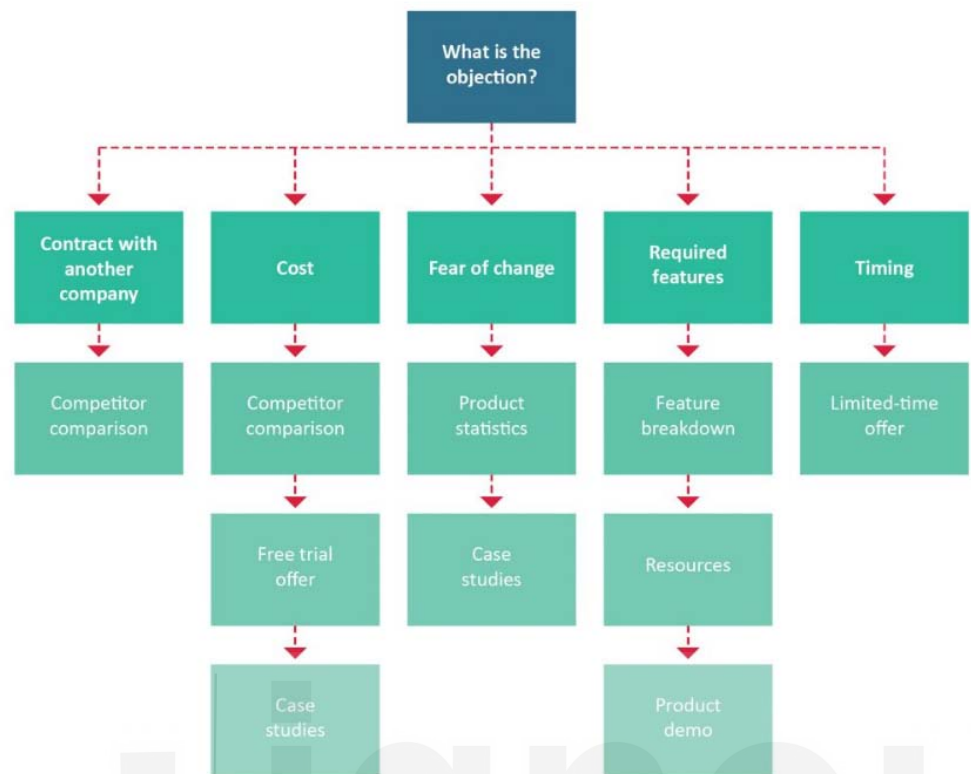


Figure 5.1: The common objection raised by customers

Source: [www.beyondbusinessgroups.com](http://www.beyondbusinessgroups.com)

### Handling Objections

After you've made your sales pitch presentation, it's natural for your customer to have some hesitations or concerns or queries, known as **objections**. Good salespeople look at objections as opportunities to further understand and respond to customers' needs. It should be taken positively by a salesperson

Be prepared and use some of the following ideas:

- Recognize your customer's comments by acknowledging their views and then responding with solutions.
- Ask questions about their views to find ways to address them.
- Restate the customer's objection. By saying it aloud, you can reduce its impact.
- Ideally you will be prepared for what customers will say, and be ready to respond. For example:
- Objection: *'Sorry, I don't have the time today.'*
- Response: *'No problem. I'm more than happy to book you a ten-minute meeting later in the week.'*

### 5.4.2 Selling Process in Retail

Look at the figure 5.2 which shows how to attend a customer.





**Figure 5.2: How to attend a customer**

Source: - <https://blog.atrivity.com/>

**Step 1 - Greet the Customer** You need to know HOW to greet every customer and welcome them into your retail store, shop or showroom or kirana shop. You must ensure they are greeted in a friendly manner that opens up the conversation. It is extremely important to ask the right type of questions to start a conversation. Build rapport by making the customer feel welcomed and comfortable in your environment.

**Step 2 - Ask KEY Questions** You need to know HOW to ask probing questions with the 80/20 rule. You need to do 20% of the talking by asking open-ended questions and 80% of the listening to identify your customer's needs. If the customer is engaged in an open conversation with you, then the customer will feel that you are interested in their needs as opposed to a transactional sale. Based on this, the customer will have high intentions of buying a product or service from your retail store.

**Step 3 - Qualify the Customer** first on his needs – This is a must! a. Is the customer looking for a purchase for self-consumption? b. Is it for personal, business or a trade use? c. Is there anyone else who needs to be involved in the decision-making process? Can they buy today? d. You need to qualify exactly what the customer is looking for and how soon they want to make the purchase. If a customer has made the effort to walk into your store, shop or showroom, there is intention to make a purchase.

**Step 4 -** Based on information gathered from the customer, you must demonstrate your skills with product knowledge. It is extremely important you know how to sell the Features of your products and services back to the customer. You have to present and demonstrate with high confidence level. The customer is looking for a solution, so sell back to their requirements / needs so you WIN them over.

**Step 5 - Offer Options** Now let's look at what additional options you can offer the customer – e.g., cross selling, up-selling

**Step 6 - Close the Sale** Now the closing techniques come into play – soft, alternative and hard closes must be used to engage the customer and confirm

their decision to close the sale. a. Soft Close – E.g. “Is this the right product you’re looking for?” b. Alternative – E.g. “Which model do you prefer, Model A or Model B?”

**Step 7** - Validate Purchase and Thank the Customer Validate the purchase and congratulate the customer

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## 5.5 LET US SUM UP

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The biggest advantage of personal selling is that the selling pitch can be adjusted and individualized to the prospect. Once the prospect's needs are determined, the sales pitch can be altered accordingly.

In case of individuals following a typical sales-process it consists of 12 stages although it varies from one organisation to the other depending on the volume of sales handled, the nature of products and services, the type of clients being serviced etc.

For the B2B selling process, this is made up of Prospecting, Pre -approach-planning the sale, Approach, Need- assessment, presentation, meeting objections, Gaining commitment, Follow-up.

Where prospecting is involved, i.e., a method by which sales persons identify the customers who may need the product and can afford it, the salesperson needs to also identify and quantify leads.

The pre-approach stage involves information gathering and understanding the relevant facts about the prospects, their needs and their overall situation.

At the approach stage it is important to call to fix an appointment rather than rely on cold calling. Fixing an appointment conveys a high level of seriousness and throws the organisation in very good light

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## 5.6 ANSWER TO CHECK YOUR PROGRESS

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### Answers to activity 5.1

1. Altered
2. Twelve
3. Tell, ask questions, show products and demonstrate
4. Motivation

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## 5.7 TERMINAL QUESTIONS

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1. What are the steps in individual selling? How are they different from the B2B selling?
2. Comment on the four components of communicating product knowledge?
3. Comment on the AIDA approach to personal selling
4. Explain the different types of sales presentations