

## UNIT IV

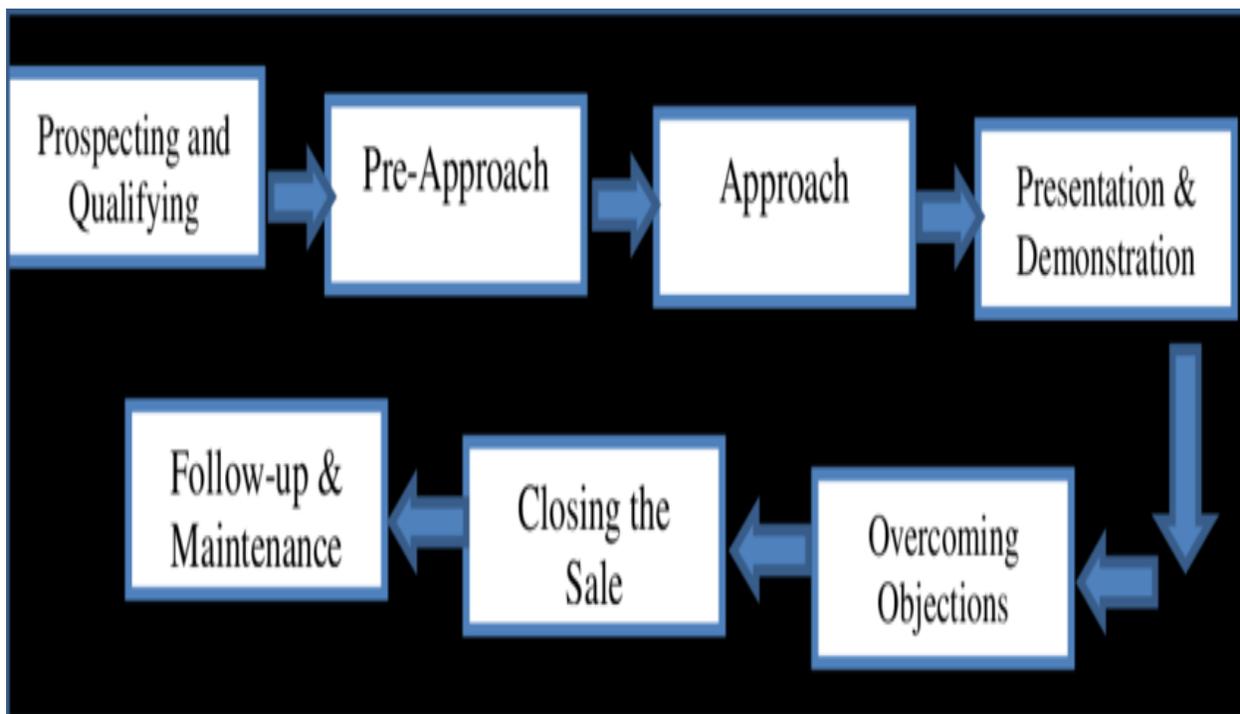
### Topics to be covered as per syllabus:

Selling Process – 1: Prospecting and qualifying; Pre-approach; Approach; Presentation and demonstration.

Selling Process – 2: Handling of objections; Closing the sale; Post sales activities.

### THE SELLING PROCESS

The selling Process Involves Following steps



Source: [https://www.researchgate.net/figure/Steps-in-the-selling-process\\_fig1\\_283292043](https://www.researchgate.net/figure/Steps-in-the-selling-process_fig1_283292043)

## 1. IDENTIFYING AND QUALIFYING PROSPECTS

Prospecting is the first stage of the selling process. Prospecting is the lifeblood of sales because it identifies potential customers.” A steadily growing list of qualified prospects is important for reaching the sales targets. A prospect is a potential buyer.

According to Futrell, “A prospect is a qualified person or organisation that has the potential to buy the good or service, provided he has the money to buy, authority to buy, and desire to buy.

1. A good prospect is someone who has a problem that the product can solve efficiently and cost-effectively.
2. A good prospect has a goal that the company’s product can help to achieve:
3. A good prospect has the power to make the buying decision:
4. A good prospect is someone who likes the salesman, the company, as well as their product
5. A good prospect is a center of influence; someone who can open doors for other prospects:
6. A good prospect is easy to sell to and service:
- 7.

### A. IDENTIFICATION OF PROSPECTS

The identification of potential customers is not an easy job, especially for a new sales person. Rejection rate is quite high and immediate payoffs are usually minimal. Following are the methods of identifying prospects

- a) **Cold Canvassing:** salesperson goes from door-to-door and tries to impress upon the prospects. Cold canvassing means face-to-face interview with the people. At the end of cold call, the salesperson must give his visiting card, so that the prospect could call the salesperson. If at the time of cold call, a person had shown interest he may be ready to buy.
- b) **Present Satisfied Customers:** Customers who are satisfied give the names of those who are interested in similar products, The Insurance Advisor of Birla Sunlife Insurance asks five names of the persons who are known to the customer and are in need of insurance products.

- c) **Telephone Directory or Mailing List:** Prospects names can be generated through telephone directory or mailing lists. In India, specialized companies compile lists of individuals and organizations for direct mail advertisers. A sales person may also find that membership directories of trade associations, professional societies, and civic and social organizations are good sources for prospects.
- d) **Spotters:** Some companies use spotters as a source for prospecting potential customers. Spotters are usually 'sales trainees' who help sales person identifying prospects, thus saving time and qualifying sales lead.
- e) **Trade shows and exhibitions:** A cost effective way to make personal contacts and locate prospective buyer is to participate in trade shows and exhibitions. In view of the rising costs of personal selling trade shows have become an increasingly important source of prospecting. India International Trade Fair organized by Trade Fair Authority of India every year provides a good example of usage of trade shows for prospecting
- f) **Non-competing sales Force:** Prospects names can be got from salespersons of noncompeting products. A salesperson supplying copiers can tell about computers. One can know by listening or observing the buyer of the products.
- g) **Bird-dog Method:** 'Bird dog' is the nick-name given to the persons who visit the houses at a definite interval. Often, we have electric or water meter readers, gas boys, milk suppliers, news-paper boys, watchmen.

## B. QUALIFYING PROSPECTS

Once the sales person has identified potential customers, he or she must qualify them to determine, if they are valid prospects. Unless this is done, time and energy is wasted in trying to sell to people who cannot or will not purchase the product or service.

- a) **Money:** Does the prospect have the money or resources to purchase a product or service?
- b) **Authority:** Does the prospect have the authority to make commitment?
- c) **Need:** Does the prospect need the product or service?

## 2. PREAPPROACH

The pre-approach step includes all the information gathering activities necessary to learn relevant facts about the prospect. It is an effort to get details regarding the prospect such as his ability, need,

authority, accessibility to buy; it is a closer look of prospects, likes and dislikes, tastes, habits, financial status, social esteem, material status, family background and the like.

### IMPORTANCE OF PRE-APPROACH

- a) Pre-approach helps in saving valuable time, effort and energy of the salesperson in the best interest of the organisation in which he works
- b) Pre-approach makes the salesperson more confident and enthusiastic while meeting the prospects and putting forth the sales proposition before them. The confidence and enthusiasm is the cumulative result of the detailed background information about the prospects collected during pre-approach.
- c) Pre-approach enables the salesperson to know beforehand about the needs and requirements of the prospects in the most detailed manner possible.
- d) By pre-approach, the salesperson's knowledge about the prospects is considerably enhanced. As the salesman has prior information about the financial status, likes, dislikes, tastes. he is likely to commit least number of mistakes at the subsequent stages of sales presentation.
- e) the salesperson can plan out the sales talk in advance and present the same on systematic lines for assured success. Salesperson who has all possible socio-economic information about the prospects is better placed in handling the prospects.

### SOURCES OF INFORMATION IN PRE-APPROACH

1. **Fellow Salesmen:** Friendly relationship with other salesperson helps to add to the information regarding prospects. Other salespersons may disclose some useful clues about prospects and their wants.
2. **Customers:** Customers, particularly satisfied customers are most dependable source of information. The satisfied customers readily give the information in terms of the likes and dislikes, income status, family composition and so on.
3. **Market Survey Reports:** Market surveys are conducted by companies whenever they need data of a particular locality.

4. **Dealers:** Dealers especially retailers are the last link in the chain of distribution. They usually have close contact with customers. They know their customers totally in terms of temperament, buying behavior, profession, purchasing power, and so on.
5. **Data Surfing:** A salesperson could also get the data about prospect by surfing through various social media platforms like Facebook, Instagram, twitter etc.

Some sources of prospecting like, bird-dogs, directories and spotters could also be used as source of information in pre-approach. Other sources may be travel agents, garment cleaners, jewelers, petrol pump stations, garages and so on. All these sources appear quite petty but they are rich sources of information.

### 3. APPROACH

It means coming in to direct contact with the prospects. It involves meeting the prospect for the first time by the salesperson. salesperson makes face-to-face contact with the prospect to understand him better.

Prospects often judge the quality of a salesman by the way in which the salesperson comes prepared. With this stand, the prospects form their opinion that the salesperson has really something to offer. Success follows those salespersons who are in possession of courage, courtesy and also the ability to win confidence. So it is important stage in selling process that the salesperson approaches the prospect confidently and makes a good impact.

#### **IMPORTANCE OF APPROACH**

Approach is one of the important stages in the selling process. It is correct to say that a sale is won or lost during the approach. In reality, approach influences the prospects to keep their door either open or close for the salesperson or sale. During the first few minutes of the approach, the prospect decides whether he will buy or not. Similarly, the salesperson is also likely to know whether the prospect is really interested in the product or not. The importance of the approach varies with the type of selling. For example, while selling cheap and necessary articles, the importance of the approach is comparatively less, whereas for selling costly and luxurious goods and services, the importance of the approach is very high. The importance can be explained as follows:

1. Approach is most vital for the success or failure of the firm because it directly contributes to increased sales or decline in sales.
2. It helps in throwing out competition.
3. The approach increases the prospect's knowledge about the product or service and helps to take better decision.
4. Modern people are too busy that they have little time to know in detail about the products, new innovations, new features, latest developments. Through approach prospects are able to get all such information from the salesperson.

## METHODS OF APPROACH

1. **Introductory Approach:** The introduction approach is the simplest way to start a sales call. Salesperson describes his name and his company's name and hands over a business card to the prospect in the introductory approach.
2. **Referral Approach:** Furnishing the name of a satisfied customer or a friend of the prospect can be the beginning of a sales call by salespersons. The reference approach is often effective with prospects who are sociable and expressive because they emphasize on relationships. Successful salespersons always get permission from references prior to using them.
3. **Benefit Approach:** It is better to open sales call to fill the prospect's attention on a product benefit. The salesperson could start the conversation by telling about specific benefit, something the prospect can actually realize of his advantage. This benefit approach is better for those who like to get down to business rather quickly.
4. **Product Approach:** Product approach means really demonstrating the product features and benefits as soon as the salesperson goes up to the prospect. It is nice to hand over the product to the prospect for his use. This delivery shows deeper involvement. This approach can be better for the prospects who express directly.
5. **Compliment Approach:** everyone like being complemented. Sincere and specific complements by the salesperson influences prospects attention. But too much flattery could be dangerous.

6. **Question Approach:** Starting the conversation with a question is helpful in getting prospects attention. It helps in starting a two-way communication at the very initial stage. The question must be related with the buying motives.
7. **Socratic Approach:** it is an extension of question approach. In this approach customer is asked opinion keeping in view the salespersons product and the buyers need. This approach is helpful as it emphasizes on customer's needs and it is the consumer who takes lead of the meeting.
8. **Fear Approach:** Fear appeals a lot. Everyone has a fear of one kind or other. A salesman selling insurance policy often start the conversation with some fearful talks related with the old age, sickness, death, theft accidents etc. while starting the conversation with the prospect.
9. **Statement Approach:** A salesman can open his talk with hard facts of achievements or benefits of the product he is offering. This is generally done by putting some strong facts in favor of product to the prospect.

#### 4. PRESENTATION DEMONSTRATION

##### PRESENTATION

A good presentation is as important as a good product. The significance of a good presentation of the product can be gauged from the fact that many a time an attractively packed presentation is sufficient to sell the product.

##### ESSENTIALS OF A GOOD PRESENTATION

1. Quick presentation must create a good impression in the mind of the customer that he feels that he is being dealt with care and understanding.
2. The salesman should explain the product with its features and price advantage to the customer in simple and easy terms.
3. The presentation can also be given through models, slides, pictures and videos to make the presentation interesting.

4. An intelligent salesman should never compare his product with rival products. Under circumstances, he can stress on high points of his offering rather than pointing out the negatives of the rivals.
5. It is very important that the customer be shown the kind of quality that he is looking for. Too many varieties will only confuse the customer, while too little does not help him make a choice.
6. Half the battle is won, if the salesman is able to make the product appeal to the customer's senses.

### **TYPES OF SALES PRESENTATION**

1. **Canned Presentation:** It is a presentation where the presentation script is written after thoroughly understanding the product and the requirements of the customer. It is also tested before finally rolling it out. Every salesperson must memorize it and follow the script of the presentation in the prescribed order. This is most often used in non-technical products like pharmaceuticals, telephonic selling and door to door selling of products.
2. **Planned Presentation:** The organization provides a basic format or procedure for making the presentation and the individual sales person then writes the script which includes description and illustrations.
3. **Audio-Visual Presentations:** The presentations are made with the help of audio visual aids like charts, slides, video films, computer based presentations which depict the actual use of the product. They are widely used by advertising firms, software companies.
4. **Problem Solving Presentation:** This type of presentation includes two stages. The first stage is to understand the needs of the individual prospect and the second includes offering a solution. Commonly used in the insurance sector where based on the requirements or needs of the prospect a specific policy is suggested.
5. **Webinar:** A webinar is an online seminar presentation on a specific product that salesman wants to present. anyone with an Internet connection and a compatible device can watch, no matter where they are. Webinar presentation is better because they are easy to prepare,

cheap and have a high conversion rate. Internet users like them a lot too they get all the benefits of a live event

## **DEMONSTRATION**

Demonstration is an exercise to prove the characteristics of the product. It highlights various attributes of the product such as utility, performance, service and quality. Demonstration happens mostly when the product is tangible.

During a sales presentation, the salesman describes the product to the prospect but it is only during the demonstration that the customer gets an opportunity to verify the facts about the product. Hence, demonstration is imperative and essential for a prospect to make a buying decision.

### **Significance of Demonstration**

1. Demonstration gives the salesman a chance to show specific features of the product or service more clearly, For example, in case of a vegetable chopper, demonstration is more effective than the description.
2. It creates a lasting impression in the minds of the prospective customers as they see the functions of the product or handle them personally.
3. The salesman can provide proof for the claim through a series of tests, experiments and operations. Thus, increasing the confidence of the prospective buyers.
4. By proper demonstration, the customer's sense of curiosity about the product is considerably satisfied.
5. It helps in focusing attention of customers on the satisfaction and utility that they will be deriving out of the ownership of such products.
6. it also provides a chance to the prospects for making comparisons with the competitor products.

## **ESSENTIAL OF A GOOD DEMONSTRATION**

1. The demonstration should be easy and clear to understand.
2. The demonstration must be in a way that it displaces possible doubts from the minds of the customers.

3. Demonstration must be in a manner that provide a chance to the customer to compare the product with the product of competitors.

## **TYPES OF DEMONSTRATION**

1. **Demonstration in use:** The most effective form of demonstration is to show the product while in use. The salesman can allow the customers to personally examine and use the product. For example, while selling readymade garments, footwear, Jewellery, etc., the salesman may ask the customers to try the product.
2. **Demonstration of Specific Features:** special features and additional advantages can be demonstrated. For example, un-breakability, leak-proof, waterproof, fire-resistant, shock absorbent etc.

## **6. OBJECTION HANDLING**

Prospects usually show resistance against buying products by pointing out real or imaginary hurdles and by voicing objections. In other words, objections are the feelings of disapproval or dissent raised by the prospects. It has been rightly pointed out that without handling objections the salesman cannot sell anything to the prospects. Therefore, the success of a salesman depends on how well he handles objections efficiently and tactfully. Hence, raising of objections are normal and common from the point of view of the salesman.

### **REASONS FOR OBJECTION**

1. People normally display resistance to new and unfamiliar ideas and goods. Therefore, many consumers raise objections in the normal course.
2. Certain prospects raise objections as they are not 100% sure about the product or service offered, i.e, they are only partially satisfied and are waiting for more explanation, classifications, additional features about the sales proposition.
3. Some prospects also raise objections to test the salesman's knowledge and patience.
4. Under certain instances the prospects raise objections either to postpone buying or because the prospects lack the required purchasing power.

5. Prospects raise objections if the salesman is unable to identify their need or if they come across the salesman pressurizing them or using unfair means to sell the product.
6. Some prospects find objections as a means to avoid salesman.

### **SOME COMMON OBJECTIONS AND HANDLING TECHNIQUES**

There are certain common objections which are usually raised by the prospects. These common objections and their handling techniques are as follows:

1. **Price objections:** It is the most common objection raised by the prospects in a country like India. It is an economic excuse. Objections based on price may be of two types, one the prospect may state that he feels that he cannot afford or that the price is too high. Some prospects may object that the price of the product is not on par with that of the neighboring shops in the market.  
The salesman can offer substitute, offer installment payment and justify price by displaying the evidence.
2. **Payment Objection:** It may be genuine or sometimes used as an excuse. In genuine cases salesman can offer credit through EMI'S.
3. **Service Objections:** The salesman while meeting objections related to service has to emphasize the service facilities offered by the organizations are 24x7x365 call centers to register complaints, prompt service by expert service personnel, immediate delivery at doorstep, prompt attendance of service or repair calls within 24 hours etc. and pleasant service experience.
4. **Time to Buy Objection:** Some prospects may postpone the time of purchase by citing the reasons of arrival of new models, waiting for festive occasions or waiting for prices to drop. he salesman tries to emphasize on the value of time and induce them to purchase immediately, by stating that the prices would increase in the near future or the model would arrive after a considerable time.

## **OBJECTIONS AND HANDLING TECHNIQUES**

	<b>Types of Objection</b>	<b>Handling Technique</b>
1.	<b>Objections on Price</b>	1. Cheaper variations of same product can be shown. 2. Cash memo or invoice of previous customer can be shown. 3. Discount can be offered.
2.	<b>Objections on Quality</b>	1. Reference of prominent customer can be provided. 2. Product could be supplied in right size and color as per demand. 3. Special features could be compared with competitors.
3.	<b>Objections on Payment</b>	1. Product can be offered on credit so that customer can pay later. 2. Both cash and credit option should be given for payment. 3. EMI (Equated Monthly Installment) option could be given. 4. All payment methods like Internet banking (IMPS, NEFT, RTGS) and app based payments (BHIM UPI, Paytm, Phonepay, Tez etc.) should be accepted.
4.	<b>Objections on Timing of Purchase</b>	1. Incentives could be provided for inducing on spot purchase. 2. The salesperson must exaggerate the inconvenience of not buying on spot.
5.	<b>Objections on After Sales Services</b>	1. The salesman must give his contact number and office address. 2. Free servicing coupons can be given. 3. Annual Maintenance charges could be borne by the company.
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## **6. CLOSING THE SELL**

This is the last stage and the most crucial stage for a salesman. The whole exercise becomes useless if the sale does not take place. The main aim of the close is to convince the prospect to sign the order form or to place an order immediately rather than in the future. The salesman should be alert and use his good judgment to spot an opportunity when he is in a position to close the sale

	<b>Type of Close</b>	<b>Description</b>
1.	<b>Action Close</b>	The sales person takes an action that completes the sales procedure. Like handing over the memo or invoice to the prospect.
2.	<b>Benefit Close</b>	Here the salesman restates the benefits of his product to induce the prospect to respond positively.
3.	<b>Direct Close</b>	If the buyer is showing strong positive buying motives; this technique is most appropriate. It is easy to close the deal when prospect is little affirmative.
4.	<b>Urgency Close</b>	Creating a sense of urgency places pressure on the prospect to make a decision, especially if salesman has identified that the client needs to make a decision quickly.
5.	<b>Gift Close</b>	The salesman could provide a gift as an incentive to induce the prospect to take purchase decision immediately.

6.	<b>Alternative Close</b>	Providing alternatives to close the deal is one of the best methods. The Salesman could give alternatives regard to product like payment on cash or credit, red or yellow product color.
7.	<b>The suggestion close:</b>	If the salesperson has good rapport with the prospect and prospect view him as a trusted expert, a suggestion close is a good approach.
8.	<b>Objection Close</b>	If an objection is hurdle in closing the sale, the salesman must try to handle the objection quickly and close the sale.
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## 7. AFTER SALES SERVICE/ FOLLOW UP

- Post purchase follow up is important in building customer confidence and long-term relationship with the company.
- The moment the salesman closes the sale; he should not think that relationship is closed. Rather a close is just the beginning of such relationship.
- The salesperson contacts customer to learn if there are any problems and answers any questions that the customer does.
- He also contacts customers regularly to ascertain that they are happy with their purchase and offered services.

### IMPORTANCE OF AFTER SALES SERVICE

1. **Keeps the customers satisfied:** This helps in keeping the customers satisfied. It promotes proper communication of customer's needs and wants to the product or service provider. This helps the organizations identify what their customers want and expect from them. Thus, they can offer their customers desired products that will satisfy their needs.
2. **Gaining customer loyalty:** When customers make repeat purchases of products or services from a company, it shows that loyalty towards the organization. This happens when a product or a service delivers consistent value of the money spent by the customers.
3. **Reduces the cost of luring new customers:** The cost of gaining new customers is far higher than retaining the old ones. Good customer service from a company helps to retain old satisfied customers, thus reducing the cost for attracting new ones.

4. **Helps to beat competitors:** Organizations that provide excellent after sales services outperform competitors and become leaders in the industry. Even if such a company offers services and products at little higher rates, customers prefer purchasing it from them. As excellent after sales service is one of the most important factors determining sales.
5. **Helps in receiving feedback:** Customer service representative directly chats to the customers and listens to all the positives and negatives expressed by them. This helps the company to receive invaluable feedback, which they would otherwise never receive.

### **STEPS IN AFTER SALES SERVICE TECHNIQUES**

1. **Connect with the customers:** Sales professionals need to remain in touch with the customers even after the deal. They should not ignore their calls. They ought to call them once in a while to exchange pleasantries.
2. **Provide necessary Support:** The sales personnel can help them install, maintain or operate a particular product. For example, Sales professionals selling laptops must ensure windows are configured in the system and customers are able to use the Internet without any difficulty.
3. **Replacement of the product:** Any product found broken or in a damaged condition must be replaced immediately by the sales professional. Their grievances should be addressed and make them feel comfortable.
4. **Frequent Feedback:** Feedback of the products and services from the customers should be taken periodically. It helps the organization to know the customers better and incorporate the necessary changes for better customer satisfaction.
5. **Annual Maintenance Cost:** AMC is an agreement signed between the organization and the customer where the organization promises to provide after sales services to the second party for certain duration at nominal costs.
6. **Exchange Policies:** The exchange policies must be transparent and in favour of the customer. The customer who comes for an exchange should be given the same treatment as was given to him when he came for the first time.

## **AIDA THEORY OF PERSONAL SELLING**

AIDA theory was developed by American advertising and sales pioneer, Elmo Lewis in 1898. He created his AIDA (Attention/Awareness, Interest, Desire and Action) funnel model on customer studies in the US life insurance market to explain the mechanisms of personal selling. Later evolutions of the theory have edited the AIDA steps and therefore, another step- satisfaction- has been added.

This theory is based on the premise that during a sales presentation, the prospect consciously goes through five different stages: Awareness/Attention, Interest, Desire, Action and Satisfaction.

### **1. AWARENESS/ATTENTION**

The salesperson should attract the prospect to his presentation before he actually goes into the details of the same

- (a) This is to ensure that the prospect becomes receptive to the presentation.
- (b) Unless the salesperson involves the prospect's mind in the presentation, his total effort may go unnoticed or unregistered.
- (c) Drawing the prospect's attention is important for dissociating him from other assignments and involving him in the presentation, both physically and mentally, so as to gain maximum from the sales meeting.

### **2. INTEREST**

The salesperson should ensure that the prospect remains glued to his presentation throughout its length and that the prospect does not wander away from the same.

The salesperson should be make efforts to know the interests, likes, dislikes, attitude and motivation of the prospect and should proceed with the presentation, keeping in view all these factors.

### **3. DESIRE**

The salesperson should consciously try to bring the prospect into this stage of readiness to the point of buying his product.

He should concentrate on projecting the benefits of his product to the prospect. He should go even to the extent of presenting benefits according to the motivation of the prospect. For example, if the prospect is motivated more by safety need, then an insurance salesman can put stress on the safety benefits provided by the insurance plans he is offering.

#### **4. ACTION**

Once the salesperson has been successful in taking his prospect through the three stages, as discussed above, he should induce the prospects into actually buying the product.

#### **5. SATISFACTION**

The salesperson should also ensure that the delivery of the service takes place within the time frame and all other promises are kept, regarding freebies, discounts, etc. Moreover, the salesperson should try to keep in touch with his prospect and should keep enquiring about the experience of the customer with the service.

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