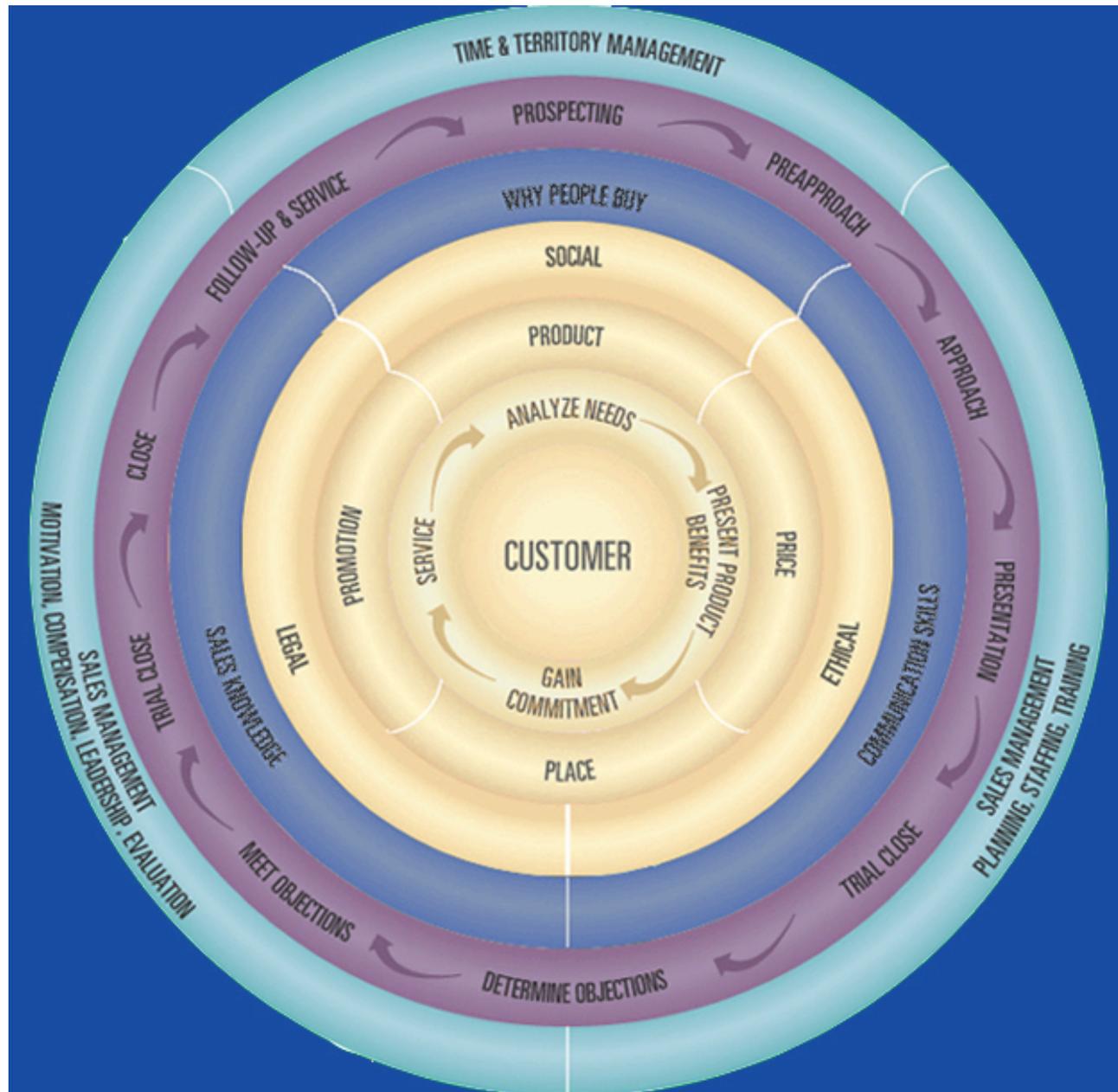




## UNIT 1: SELLING AS A PROFESSION

mkt09

The Life, Times, and Career of the Professional Salesperson



# Main Topics

3

- Personal Selling Today
- A New Definition of Personal Selling
- The Golden Rule of Personal Selling
- Everybody Sells!
- What Salespeople Are Paid to Do
- Why Choose a Sales Career?
- Is a Sales Career Right for You?

# Basic market system:

4



# Traditional Marketing Mix: 4Ps

5

Price

Place

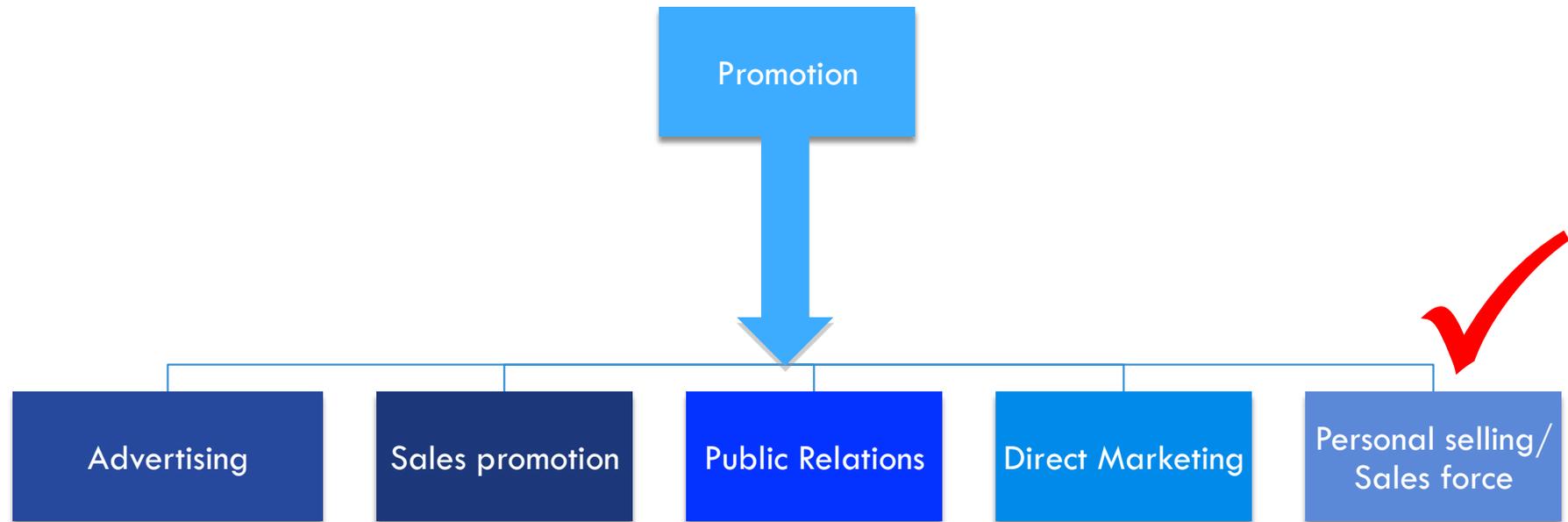
Promotion

Product



# The Promotional Mix: Explained

6



- The above are not exclusive: many times the promotional elements crosses over
- There are said to be others such as Sponsorship, Exhibitions, Corporate image, Viral Marketing etc.

# Promotion:

7

As we can see, it is part of the promotion mix

**Promotion:** You have to tell people about it!

**Promotion:** increasing company sales by communicating product information to potential customers

# Personal selling/sales force:

8

- Personal selling involves selling a product or service on a one-to-one basis
- **As B2B:**
- This can either be done face to face or over the phone
  - ▣ If the company is using a **pull strategy** to sell the product a sales force will be required to make sure that retail outlets are looked after well, that they have enough stock, and trained well so they (the retailer) can **push the product onto the consumer**.
  - ▣ With a **push strategy** the sales force will need to try and persuade retail outlets to carry stock of your product



# Personal selling/Sales force

10

- The basic idea is that employing people to sell **face-to-face** can be expensive, especially for **B2C non-complex transactions**
- Much can now be done on the internet **without people** and are classed as **non-complex transactions**
  - Consider buying a computer game or a handbag
  - You have the information, you make the purchase

# Personal selling/Sales force

11

- However, in **B2B**, buying is generally done in large quantities and may involve
  - ▣ negotiating price, payments terms, delivery, after-sales service etc.
  - ▣ This requires a sales people/team/force
  
- Nokia for example may sell its mobile phones to Walmart
  - ▣ this would require meetings, negotiations, agreements, contracts

# The Business Market Versus the Consumer Market

---

- **The business market** consists of all the organizations that acquire goods and services used in the production of other products or services that are sold, rented, or supplied to others:
  - ▣ The major industries making up the business market are agriculture, forestry, and fisheries; mining; manufacturing; construction; transportation; communication; public utilities; banking, finance, and insurance; distribution; and services.

# The Business Market Vs The Consumer Market

13

- More dollars and items are involved in sales to business buyers than to consumers.
- Consider the process of producing and selling a simple pair of shoes:
  1. Hide (**animal skin**) dealers must sell hides to tanners (**colour and deal with the skin**)
  2. who sell leather to shoe manufacturers
  3. who sell shoes to wholesalers
  4. who sell shoes to retailers
  5. who finally sell them to consumers (us)
- Each party in the supply chain also has to buy many other goods and services.

# Characteristics of Organizational Buyers:

14

- **Fewer, larger buyers:**
  - ▣ The business seller normally deals with far fewer, much larger buyers than the consumer seller does
- **Close supplier-customer relationship:**
  - ▣ Because of the smaller customer base and the importance and power of the larger customers, suppliers are frequently expected to customize their offerings to individual business customer needs.
  - ▣ Business buyers often select suppliers who also buy from them
- **Professional purchasing:**
  - ▣ Business goods are often purchased by trained purchasing agents, who must follow their organizations' purchasing policies, constraints, and requirements
  - ▣ for example, requests for quotations, proposals, and purchase contracts—are not typically found in consumer buying

# Characteristics of Organizational Buyers:

15

- **Several buying influences:**
  - ▣ More people typically influence business buying decisions. Buying committees consisting of technical experts and even senior management are common in the purchase of major goods
  
- **Multiple sales calls:**
  - ▣ Because more people are involved in the selling process, it takes multiple sales calls to win most business orders, and some sales cycles can take years

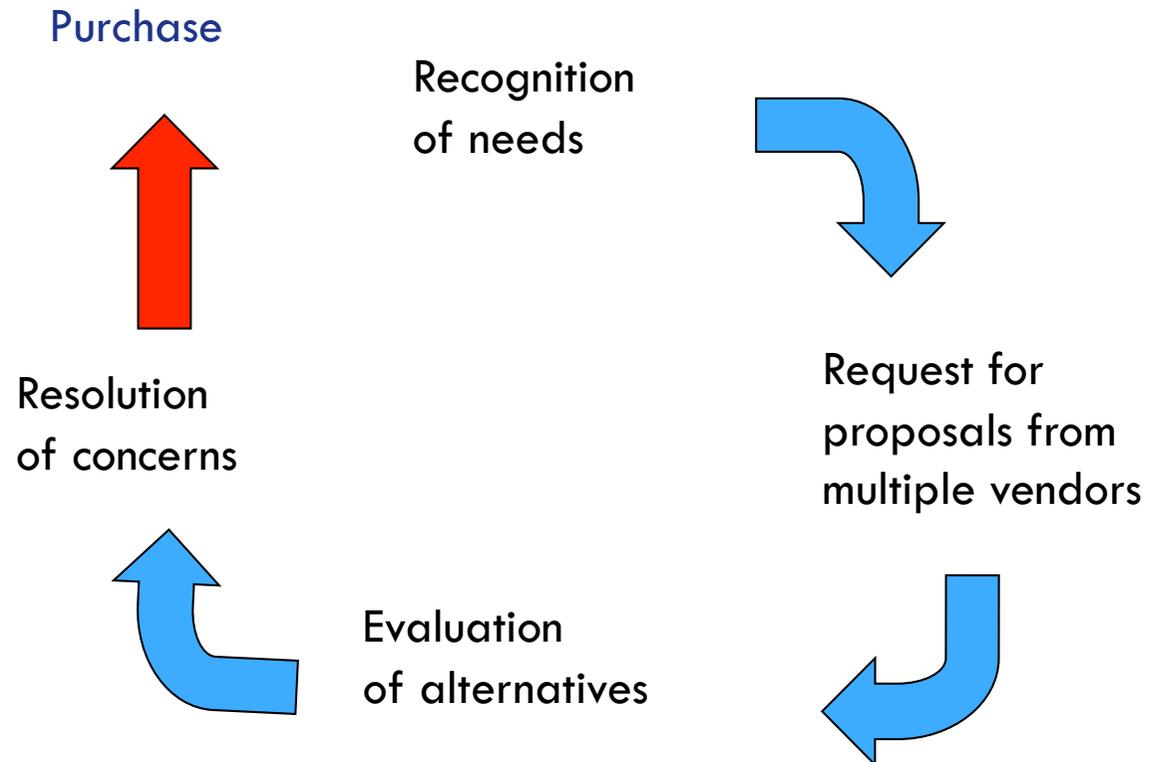
# Characteristics of Organizational Buyers:

16

- **Derived demand**
  - ▣ The demand comes from the consumers, not the buying organization
  - ▣ closely monitor the buying patterns of ultimate consumers
  
- **Size, frequency, and planning horizon**
  - ▣ Important to keep in touch with buyer even over long periods
  
- **Buyer sophistication**
  - ▣ Organizational buyers are considered more sophisticated than the average consumer. Buyers may consist of many executives. Know who to contact.

# Organizational Buying Process:

17



# How Do You View Salespeople? p:8.

18

- Some people have a negative view of salespeople
- What is your view of salespeople?
- How many of you have a viewpoint that is
  - Positive?
  - Negative?
  - No opinion?
  
- Do salespeople have a good reputation in China?
- What about people who sell cars?



# What is Selling?

- Selling is just one of many marketing components
- Personal selling includes
  - Personal communication of information
  - Persuasion
  - Helping others
    - Goods
    - Services
    - Ideas



# A New Definition of Personal Selling

20

## □ Personal Selling

- Refers to the **personal communications** of information

- To **unselfishly** persuade someone

- To buy something – a good, service, idea, or something else – that satisfies that individual's needs

## □ Let's consider:

- a good

- a service

- an idea

# Think of Your Grandmother

21

- Would you treat her in a selfish manner?
- Would you sell her something just to make a sale?



# Salesperson Differences

22

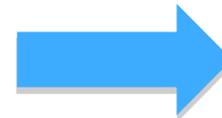
□ Traditional Salesperson

Guided by self-interests



□ Professional Salesperson

Takes care of customers



□ Golden Rule Salesperson

Others interests most important



# Exhibit 1.3: Self & Customer Service Progress: p:10



Traditional Salespeople	Professional Salespeople	Golden Rule Salespeople
<ul style="list-style-type: none"> <li>■ Do what they think they can get away with.</li> <li>■ Guided by self-interests.</li> <li>■ Attribute results to personal efforts.</li> <li>■ Seek recognition for efforts; sharing not important. Pride and ego driven.</li> <li>■ Money is life's main motivator.</li> </ul>	<ul style="list-style-type: none"> <li>Do what they are legally required to do.</li> <li>Take care of customers.</li> <li>Attribute results to personal efforts, employer, customers, economy.</li> <li>Enjoy recognition; may share if it suits their purpose. Pride and ego driven.</li> <li>Money is important, but not to the customer's detriment.</li> </ul>	<ul style="list-style-type: none"> <li>Do the right thing.</li> <li>Finds others' interests most important.</li> <li>Attribute results to others.</li> <li>Feel that an individual's performance is due to others; thus not motivated by pride and ego.</li> <li>Service is most important; money is to be shared.</li> </ul>

# Everybody Sells!

24

- Each of us develops communication techniques for trying to get our way in life
- You are involved in selling when you want someone to do something
- You use **persuasion skills** to persuade someone to act
- **You should also realise that when you graduate, you sell your skills and abilities to an employer**
- **This requires a good understanding of marketing and sales**

# What Salespeople are Paid to Do: p:l l

25

- Salespeople are paid to sell – that is their job
- Performance goals are set for:
  - ▣ **Themselves** – In order to serve others and earn a living and keep their job
  - ▣ **Their employers** – So the companies will survive
  - ▣ **Their customers** – To fulfill needs and help organizations grow
- Salespeople must build positive long-term relationships with their customers. **Why?**
- **80 percent** or more of future sales of many organisations come from present customers and customer referrals
- How do you sell someone something and remain business friends?

# How Do You Sell Someone and Remain Friends?

26

- Salespeople need to **close** sales and at the same time **maintain** a great relationship with their customers
- What does this require?
- This is what you will learn in this course



## Exhibit I.4: Major Reasons For Choosing A Sales Career

27

Service to others	Variety of sales jobs	Freedom	Challenge	Advancement	Rewards
-------------------	-----------------------	---------	-----------	-------------	---------



# What are Examples of How Selling Can Help Others?

28

- What could a person be sold that would help the individual/family?
  - ▣ Car, gas, repairs
  - ▣ House
  - ▣ Insurance
  - ▣ Food
  - ▣ Medicine



# What are Examples of How Selling Can Help Others?

29

- What could a business be sold that would help it produce and market goods and services?
  - Land to build a business
  - Building materials/construction of business
  - Furniture, equipment, supplies
  - Raw materials used in manufacturing

# Types of Sales Jobs. page 12

30

- Retail
  - Retail salesperson selling to someone for their personal use (usually)
    - In-store salesperson:
    - Direct seller who sells face-to-face away from a fixed store location:
    - Telephone salesperson
- Direct
  - Sells face-to-face to consumers, typically in their homes who use the products for personal use
- Wholesaler
  - selling for resale. Usually to retailers.
  - use in producing other goods or services such as a home builder buy electrical supplies
- Manufacturer
  - selling to other manufacturers, wholesalers or directly to consumer (consider the supply chain)

# Types of Sales Jobs

31

## □ Retail Selling

- A retail salesperson sells goods or services to consumers for their personal, non-business use
  - In-store salesperson:
  - Direct seller who sells face-to-face away from a fixed store location:
  - Telephone salesperson

## □ Direct Selling

- Face to face sales to consumers, typically in their homes, who use the products for their non-business **personal use**

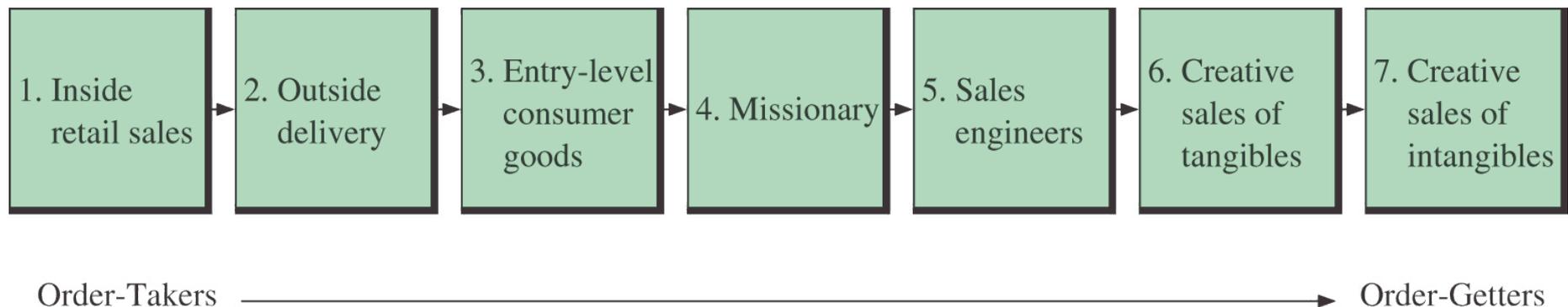
# Types of Sales Jobs, cont...

32

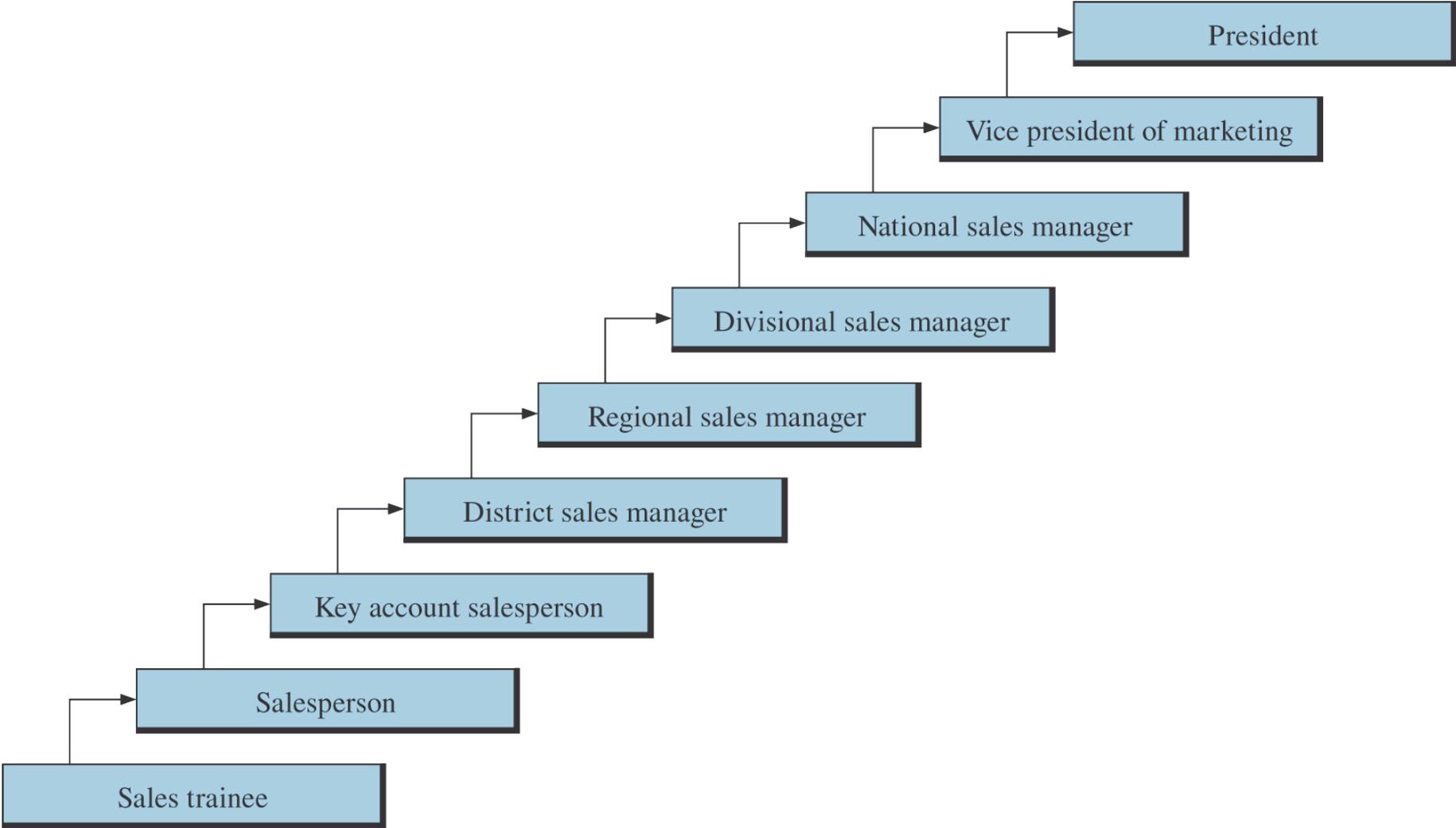
- Selling for a Wholesaler
  - For resale (usually to retailers)
  - For use in producing other goods
  - For use within an organization
  
- Selling for a Manufacturer
  - Working for the firm who manufactures the product
  - Usually one of the most prestigious jobs to hold
  - Consider the supply chain

# Exhibit 1.6

- The complexity and difficulty of these seven sales job categories increase as they move left to right.



# Exhibit I.7:A Sales Personnel Career Path



# Rewards:

35

- **Non-financial**
  - ▣ Intrinsic reward of knowing you've skillfully delivered a sales presentation
  - ▣ Quick path to managing large amounts of responsibility
  - ▣ Quick path to managing others
  
- **Financial**
  - ▣ Higher average salary than that of other workers at the same level within the organization
  - ▣ Based upon performance, not tenure

# Sales Compensation:

36

- The basic goals of any compensation system are to enhance a firm's performance and to attract and motivate personnel.
  
- Generally there are three basic methods:
  1. straight salary
  2. straight commission
  3. combination plans of salary plus commissions or bonuses

# Sales compensation:

37

	<b>Straight Salary (per annum)</b>	<b>Straight Commission (e.g. 5% on sales)</b>	<b>Salary plus commission or bonus</b>	<b>Total</b>
Salesperson 1:	100,000 RMB	0	0	100,000RMB
Salesperson 2:	0	Total Sales: 2,000,000RMB RMB/5% = 100,000RMB	0	100,000RMB
Salesperson 3:	50,000RMB	Total Sales: 1,000,000RMB /2.5% = 25,000RMB	Meeting sales target of 1,000,000RMB = 25,000RMB	100,000RMB

# Sales Compensation:

38

- Which compensation would suit you?
  
- Different kinds of sales jobs require different incentives and rewards
  - Why is this?
  - Is the level of the employee important too?
    - For example: a manager or new employee?

# Sales Bonuses:

---

- Exceeding sales quotas
- Making sales in low-demand seasons or dates
- Increasing sales to more profitable customers
- Increasing account penetration to existing accounts
  - ▣ (for example: annual increase of 15%)

# Consumer buyers vs. Organisational buyers

---

- **Organizational buying**
- is the decision-making process by which **formal** organizations establish the need for purchased products and services and identify, evaluate, and choose among alternative brands and suppliers

# Is a Sales Career Right for You?

41

- ❑ What are your past accomplishments?
- ❑ What are your goals?
- ❑ Do you want to have the responsibilities of a sales job?
- ❑ Do you mind travel? How much travel is acceptable?
- ❑ How much freedom do you want in a job?
- ❑ Do you have the personality characteristics to succeed?
- ❑ Are you willing to transfer to another city? Another state?
  
- ❑ Can you answer the questions about yourself?

# You and a sales career:

42

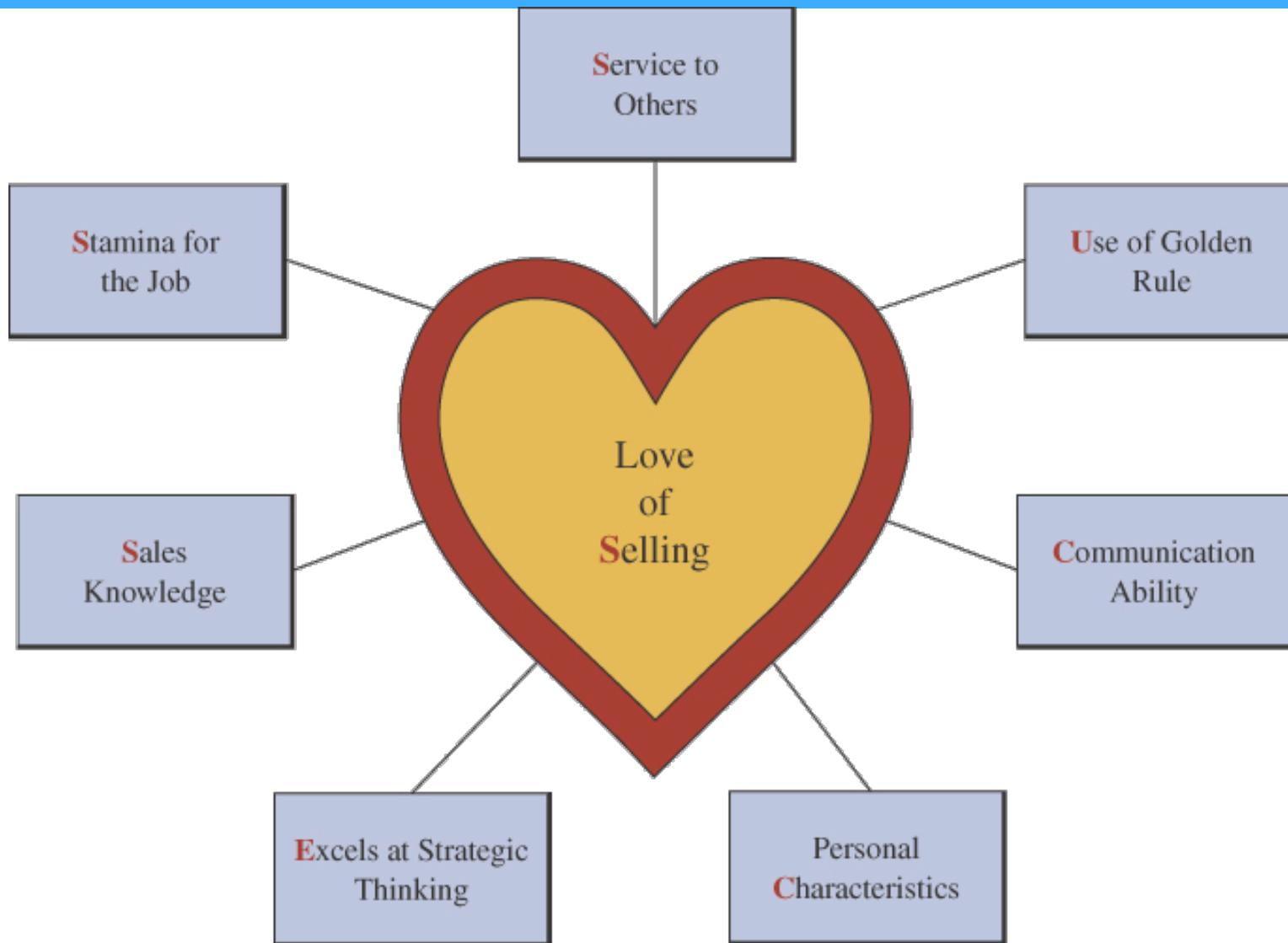
1. In your opinion, **what qualities** (skills, personalities, traits etc.) do you have that would make you a good salesperson?
2. **What qualities** do you not have but would like to have?
3. What compensation would suit you best (from the **3** types we talked about)? Why?

Please write the answers to the questions for my attention. You have 20 minutes.

# Exhibit I.8: Success in Selling—What Does it Take?

## Love of Selling Is At Heart of Helping Others (Ssuccess)

43



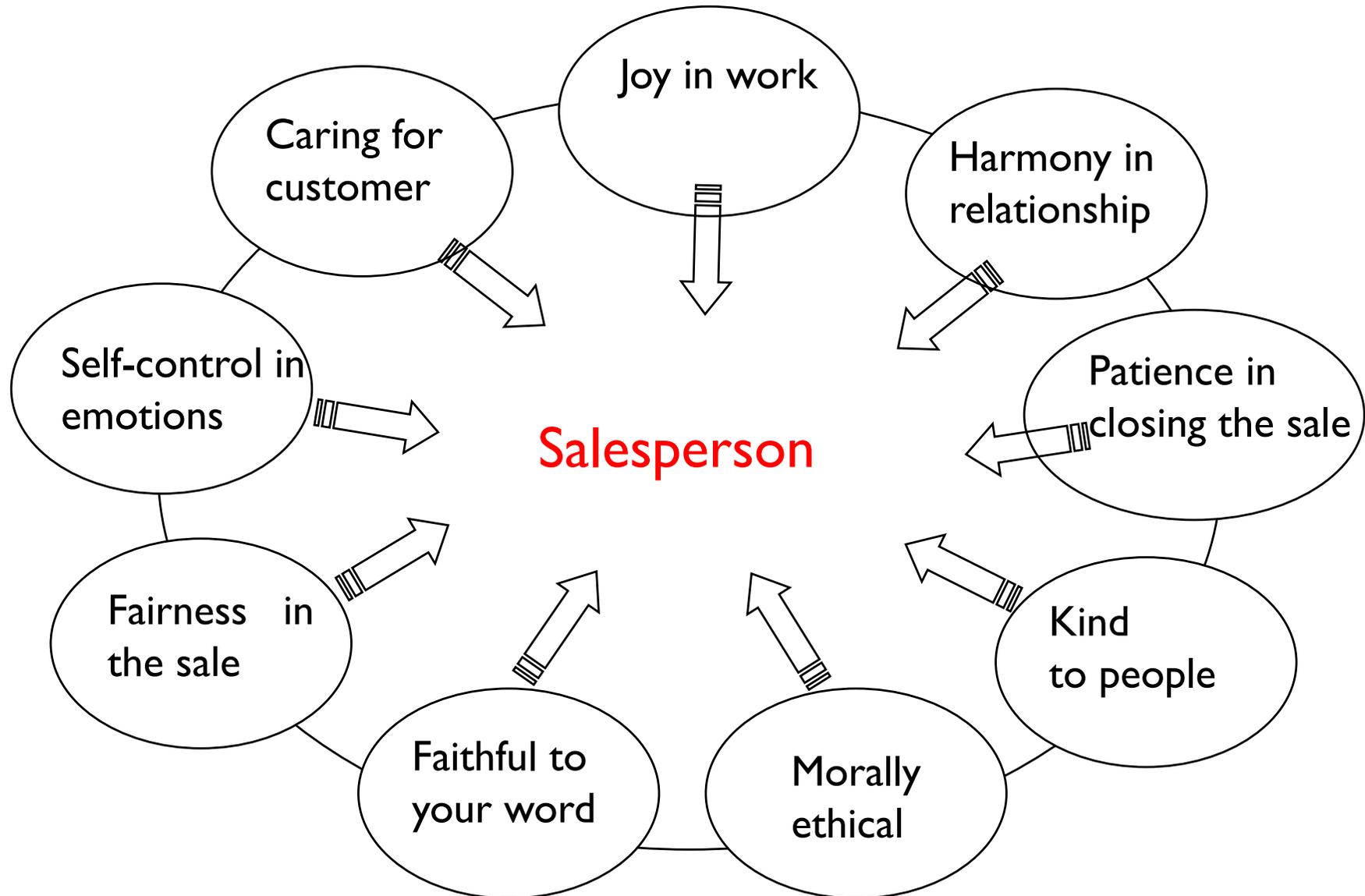
## Exhibit I.10: Harry Potter and You Have Something in Common

44

- You both have the freedom to choose the type of person you want to be and thus how you will treat others.



# Personal Characteristics Needed to Sell for Building Long-term Relationships



# Exhibit I.1 I: Personal Characteristics Needed to Sell for Building Long-term Relationships



# Sales Presentation – 20%:

47

- First, let's look at your homework

## Putting the Customer First Requires Salespeople to Have Personal Characteristics That Allow Them To:

48

- Care for the customer
- Take joy in their work
- Find harmony in the sales relationship
- Have patience in closing the sale
- Be kind to all people
- Have high moral ethics
- Be faithful to one's word
- Be fair in the sale
- Be self-controlled in emotions

# How Would You Answer These Questions?

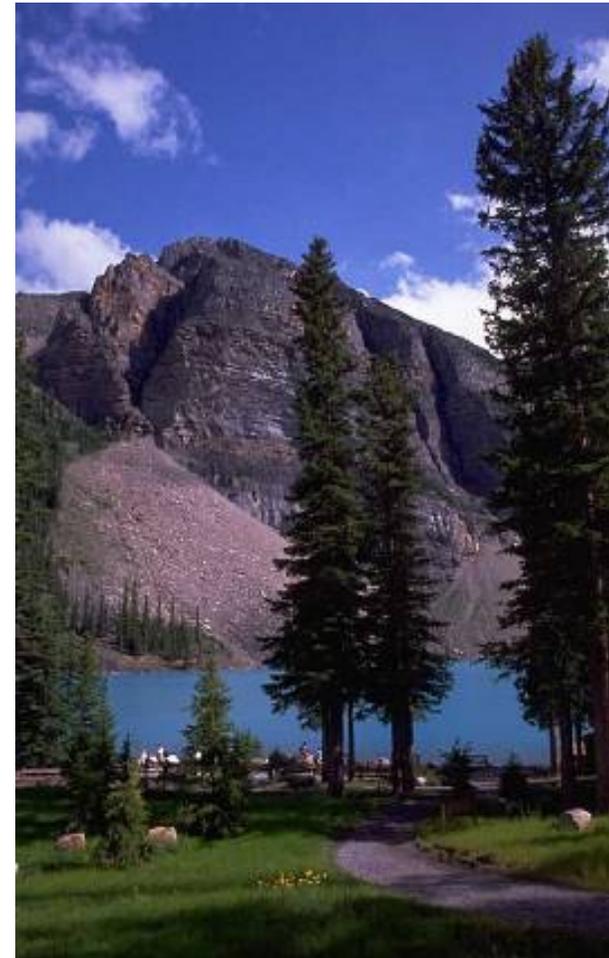
49

- Do these success characteristics describe you?
- Do you have all, or part, of them?
- Can you develop the missing ones?

# Once again, are You:

50

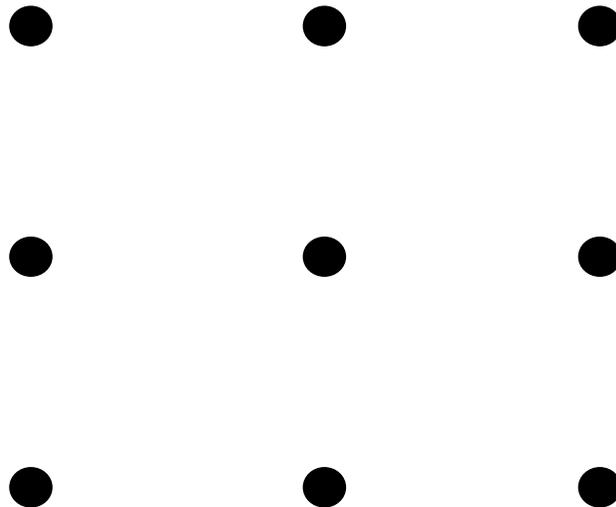
- Caring?
- Joyful?
- Able to get along with others?
- Patient?
- Kind?
- Ethical?
- Honest?
- Fair?
- Self-controlled?



# Connect the Dots

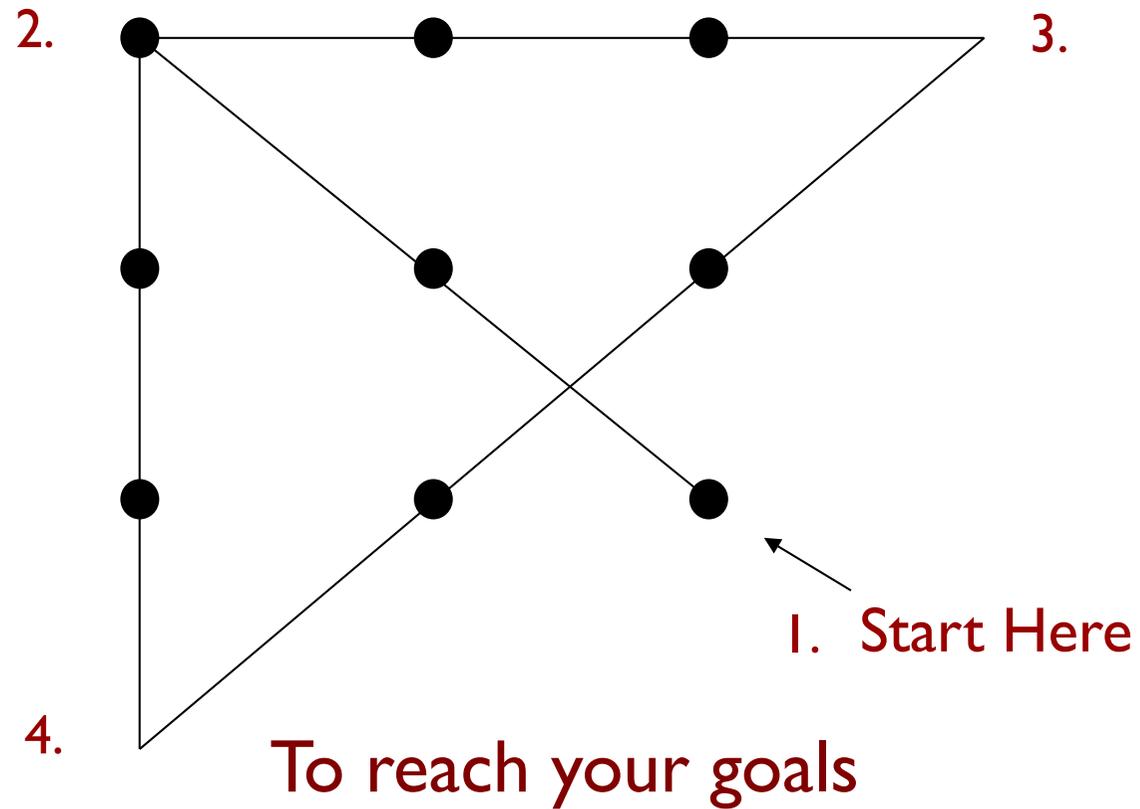
51

↗ The following puzzle illustrates how you can be held back from breaking through. The challenge is to connect all nine dots with four straight lines, without lifting your pencil from the paper. Try it!



# Go Beyond the Limits!

52



# We Often Do Not Reach Our Potential Because

53

- We set our limits
- It is hard to breakaway from our **old self**
- The process of **unlearning** is more difficult than **learning**
- We focus on **short-term** gains instead of **long-term benefits**...and then fall short

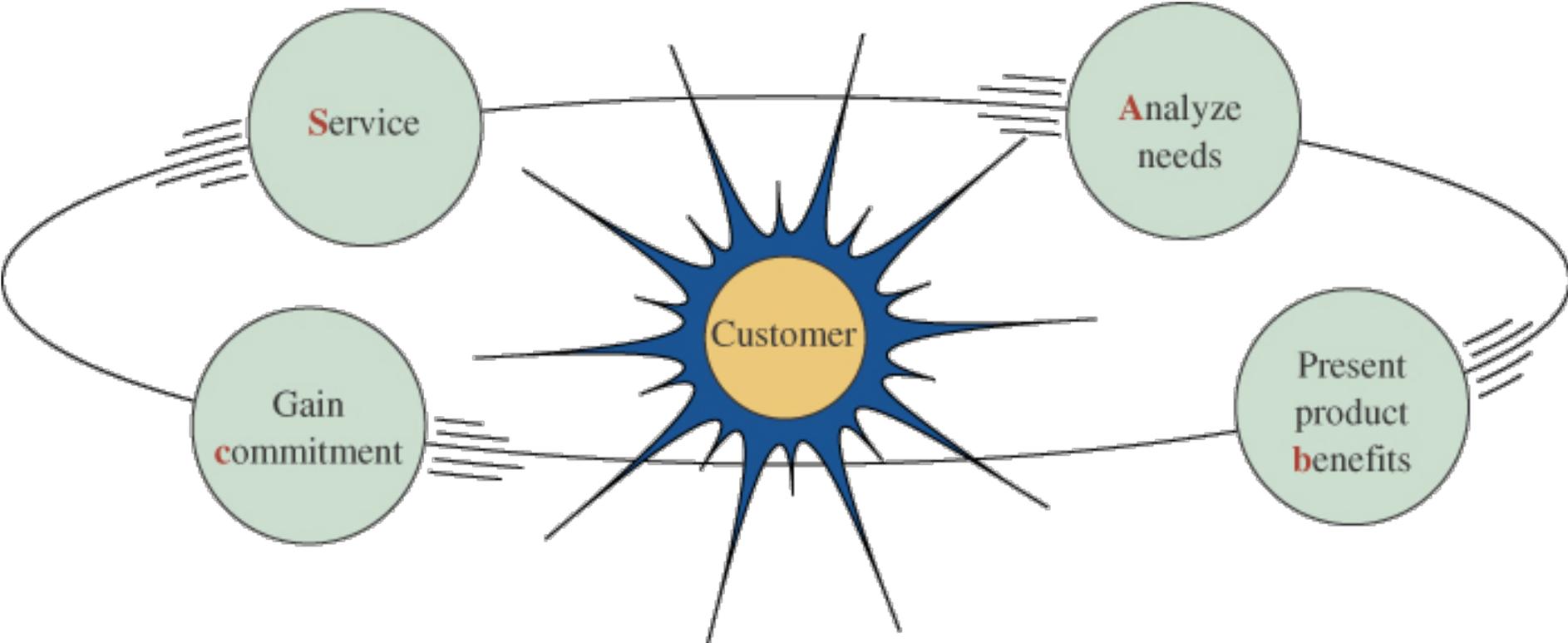
# Relationship Selling

54

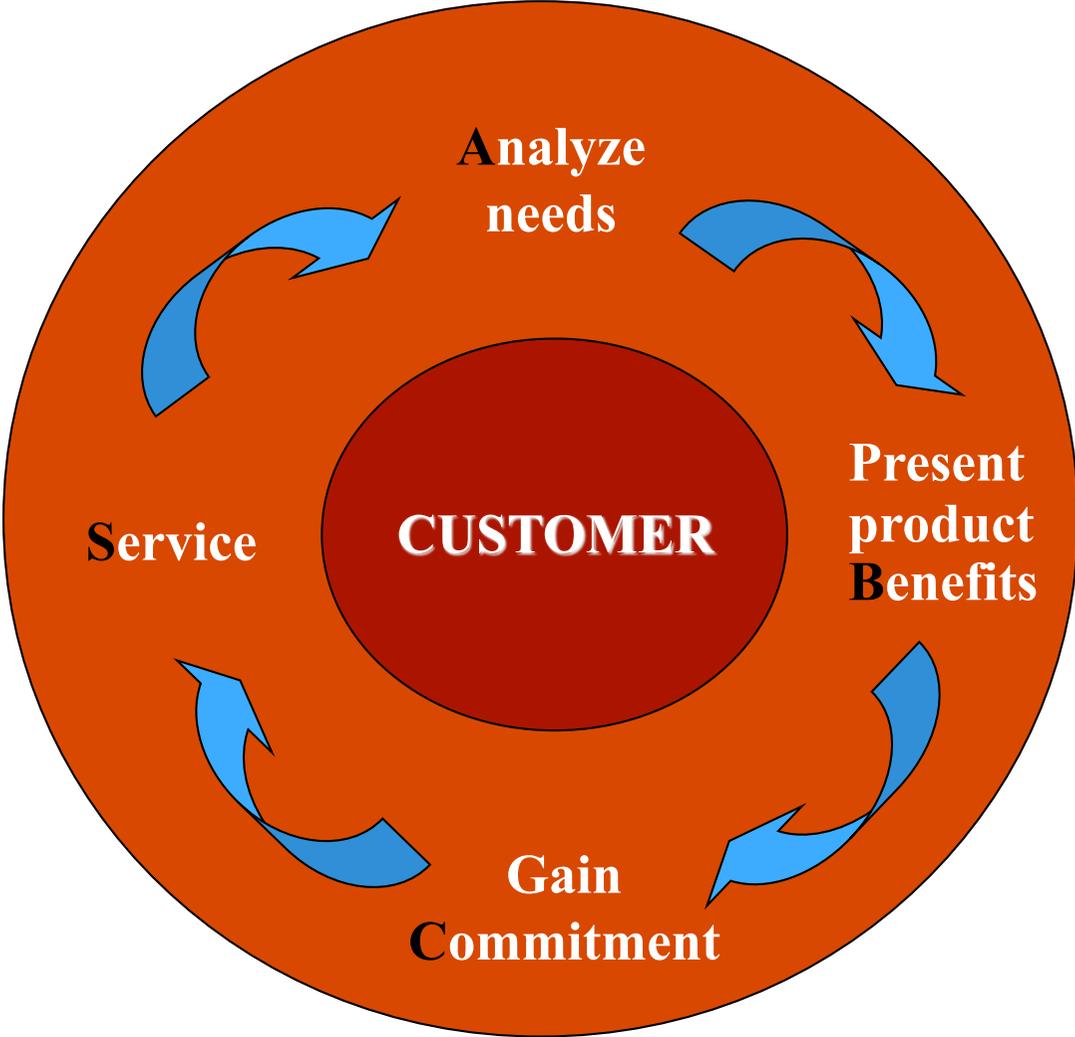
- Non-adversarial
  - Non-manipulative
  - Consultative
  - Partnering
  - Problem-solving
  - Goal: long-term relationship
- 
- Can we understand this idea?



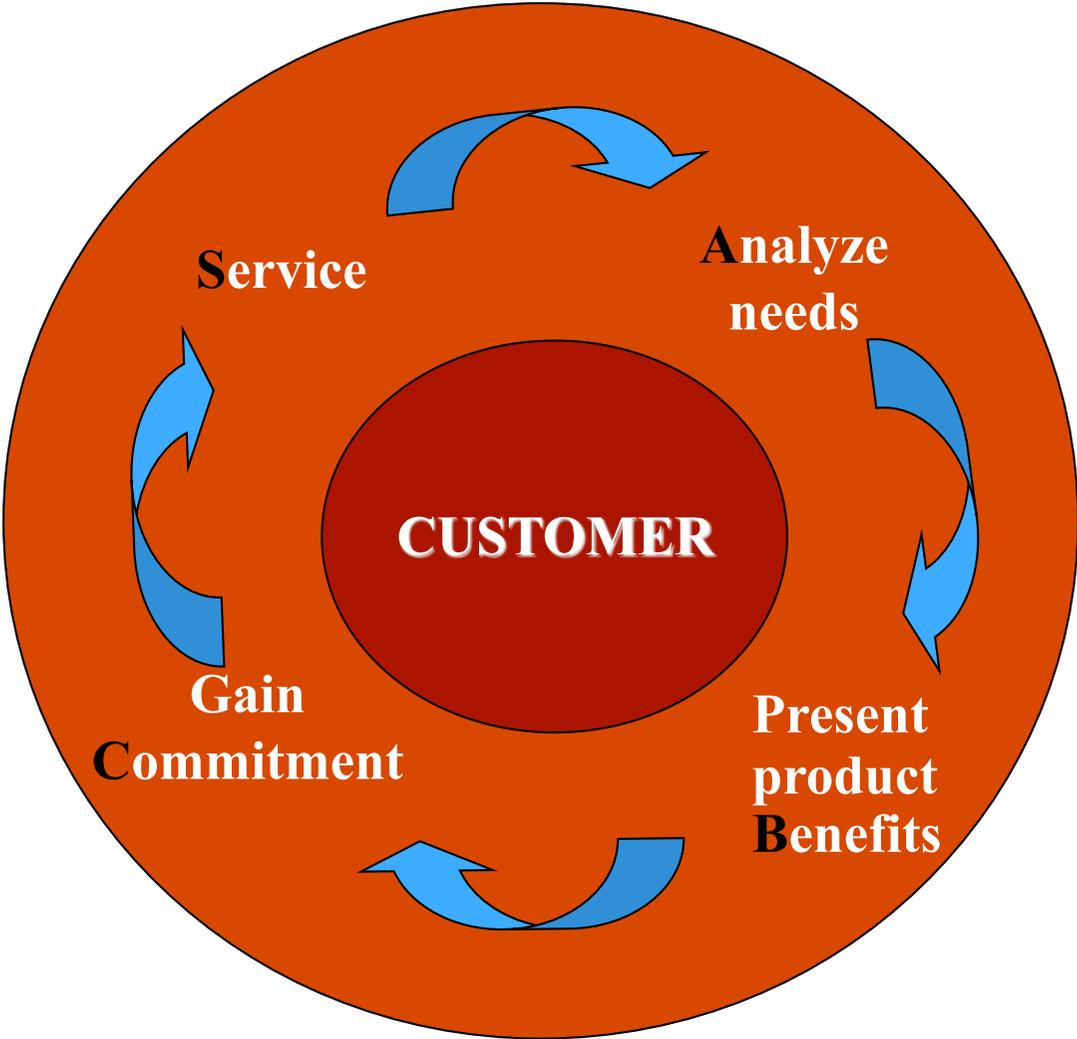
# Exhibit I.11: The Customer is at the Center of the Sales System: ABC's



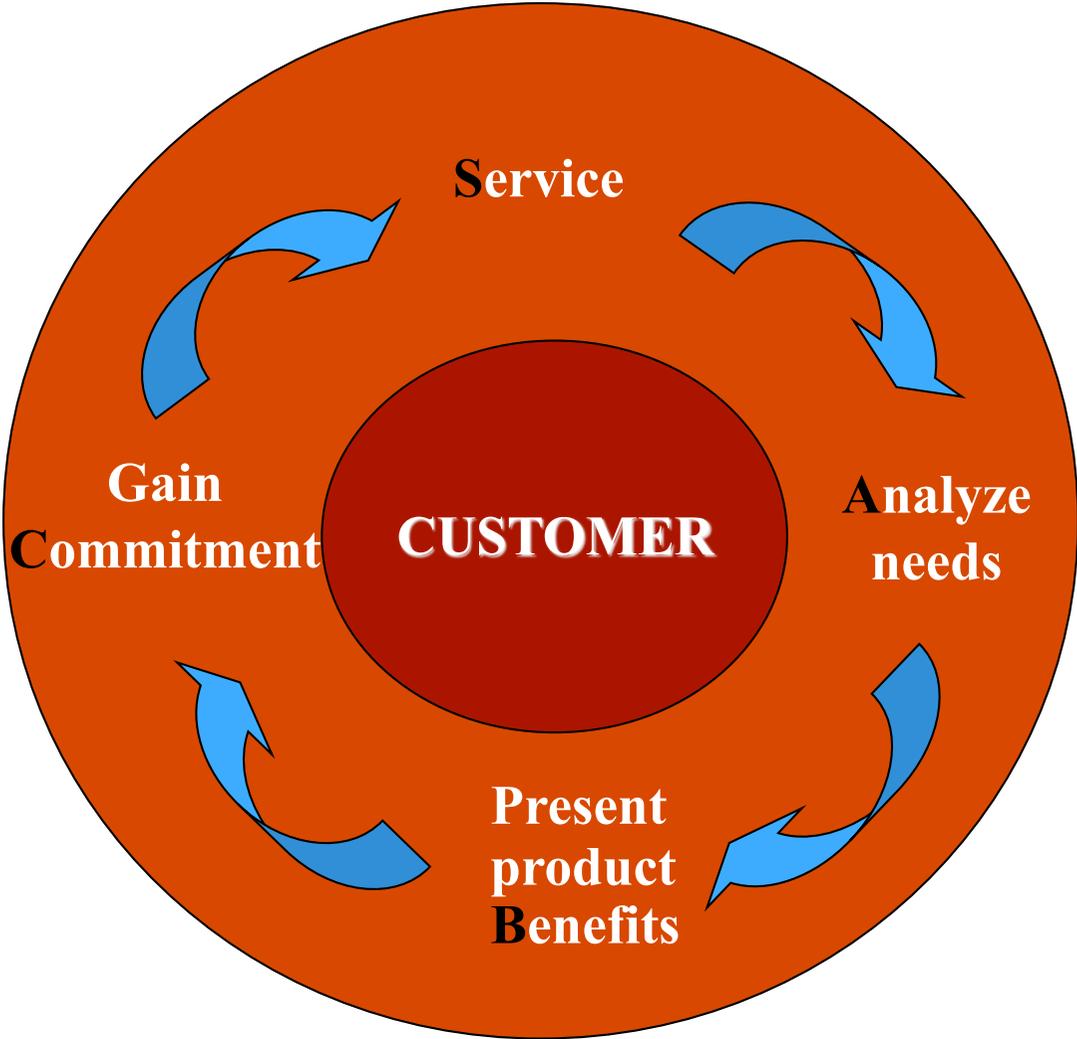
# What Are The ABC'S? Analyze, Benefits, Commitment, Service



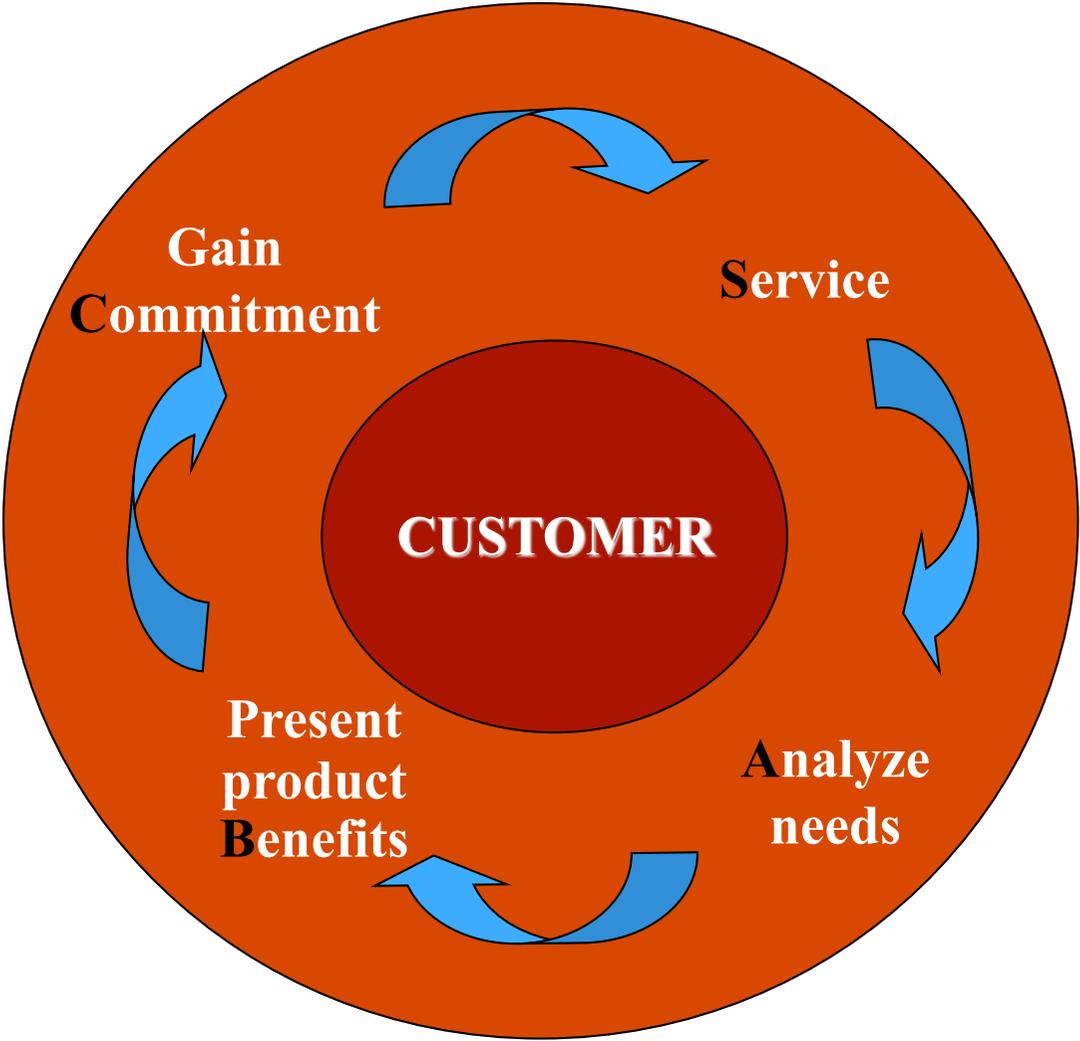
# What Are The ABC'S? Analyze, Benefits, Commitment, Service



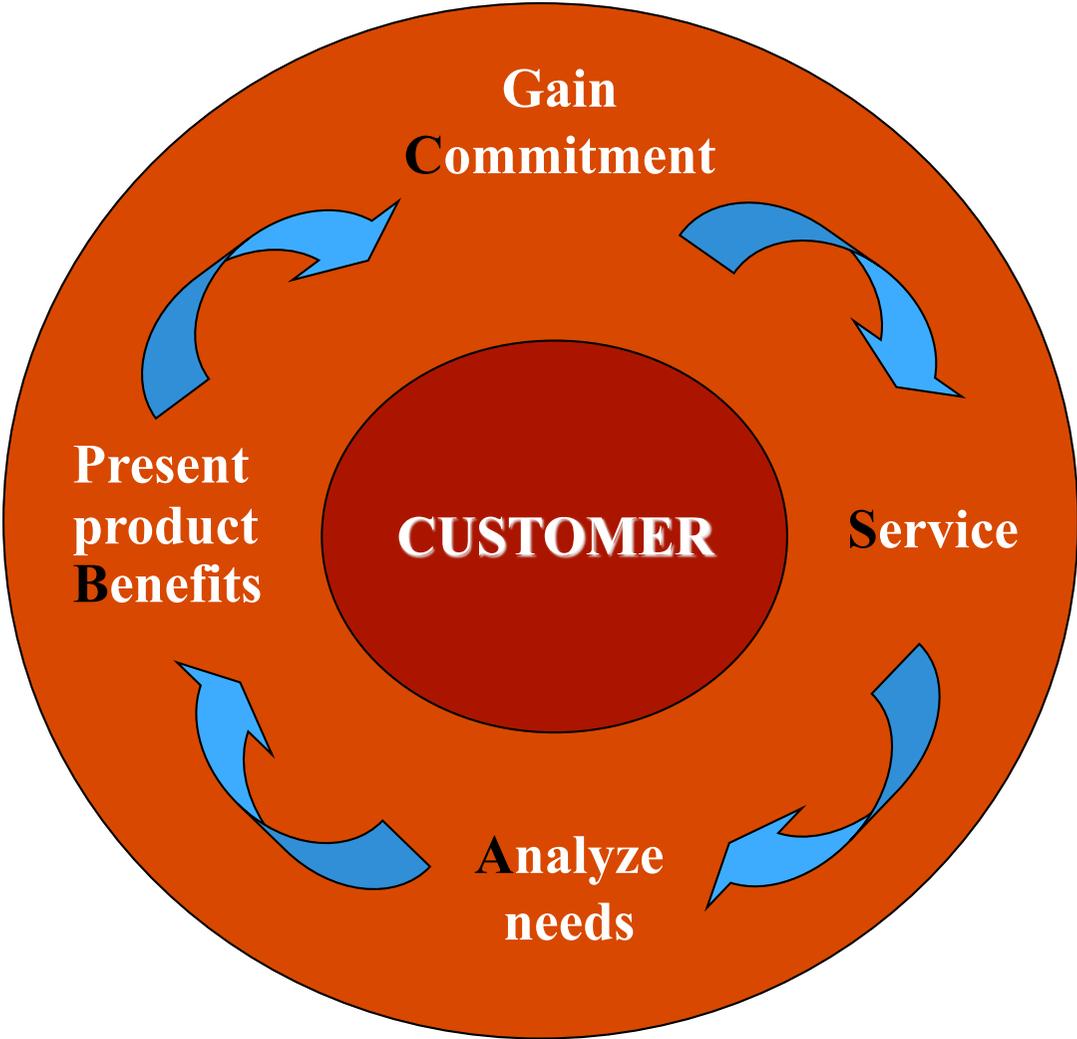
# What Are The ABC'S? Analyze, Benefits, Commitment, Service



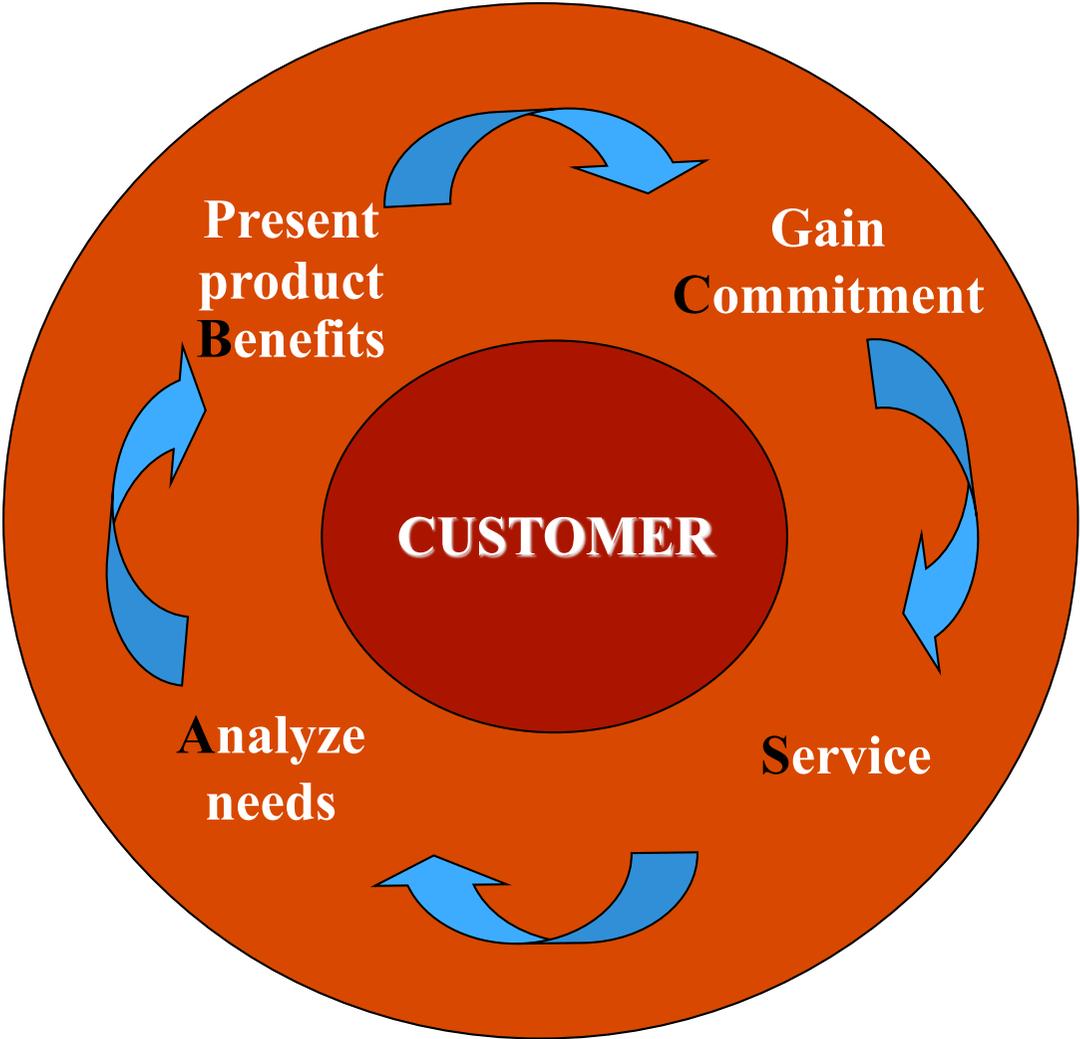
# What Are The ABC'S? Analyze, Benefits, Commitment, Service



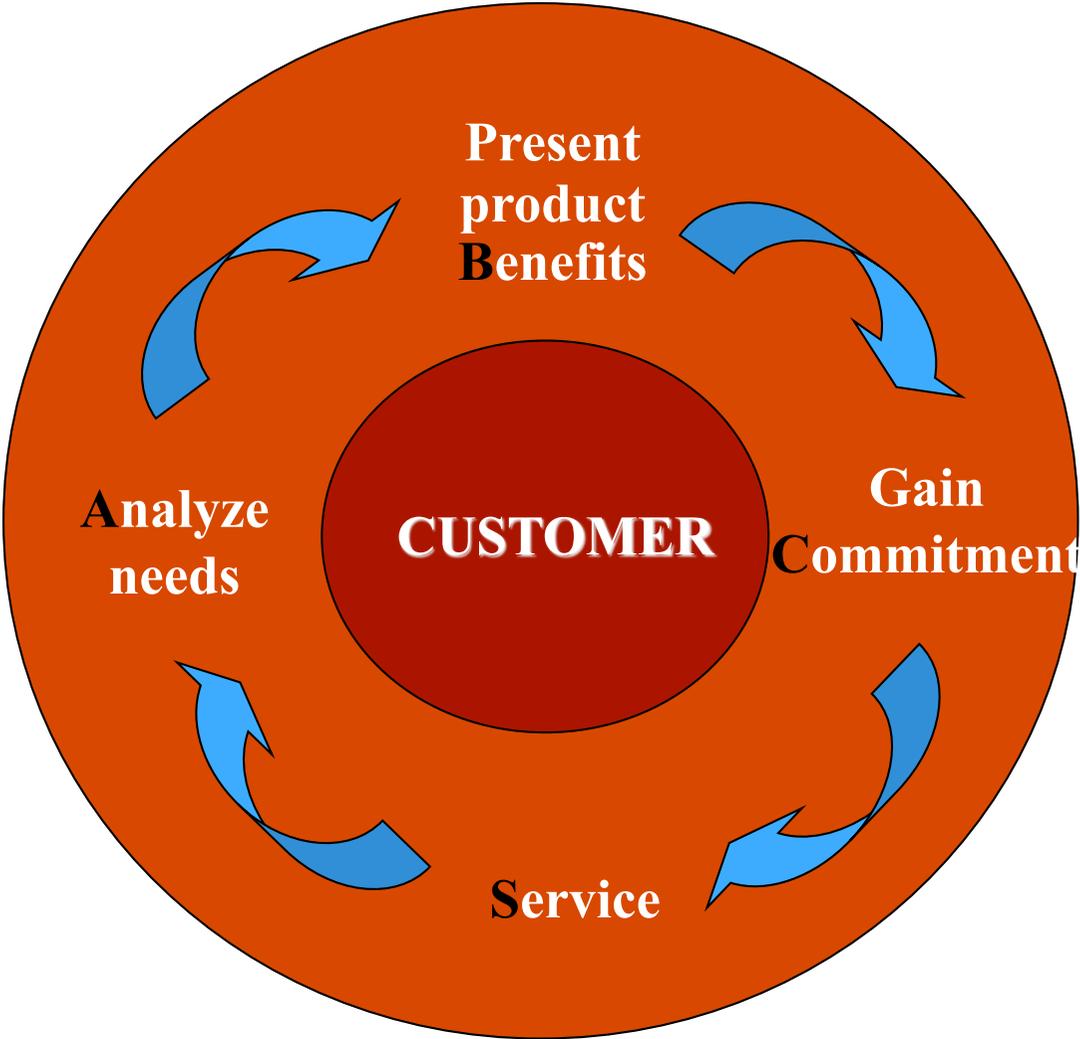
# What Are The ABC'S? Analyze, Benefits, Commitment, Service



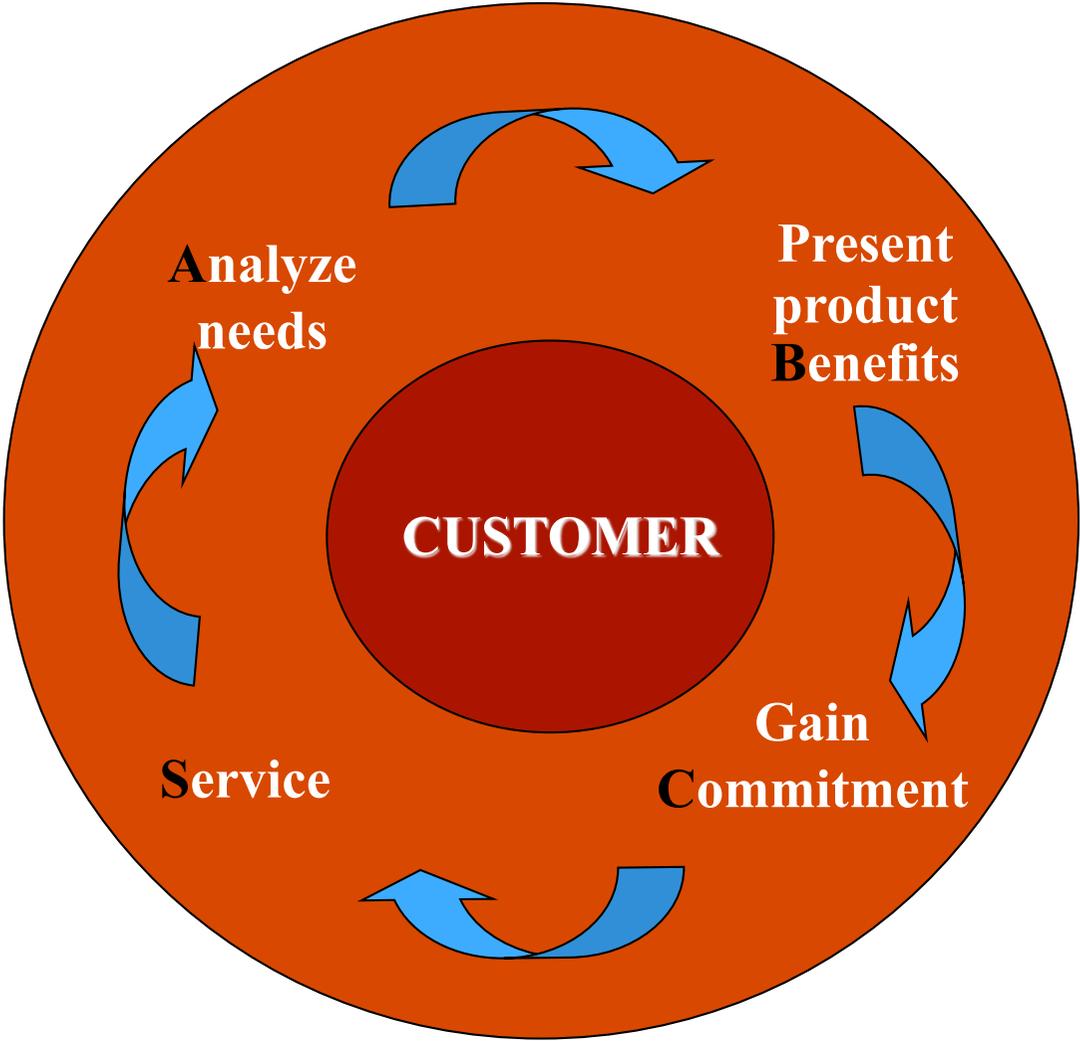
# What Are The ABC'S? Analyze, Benefits, Commitment, Service



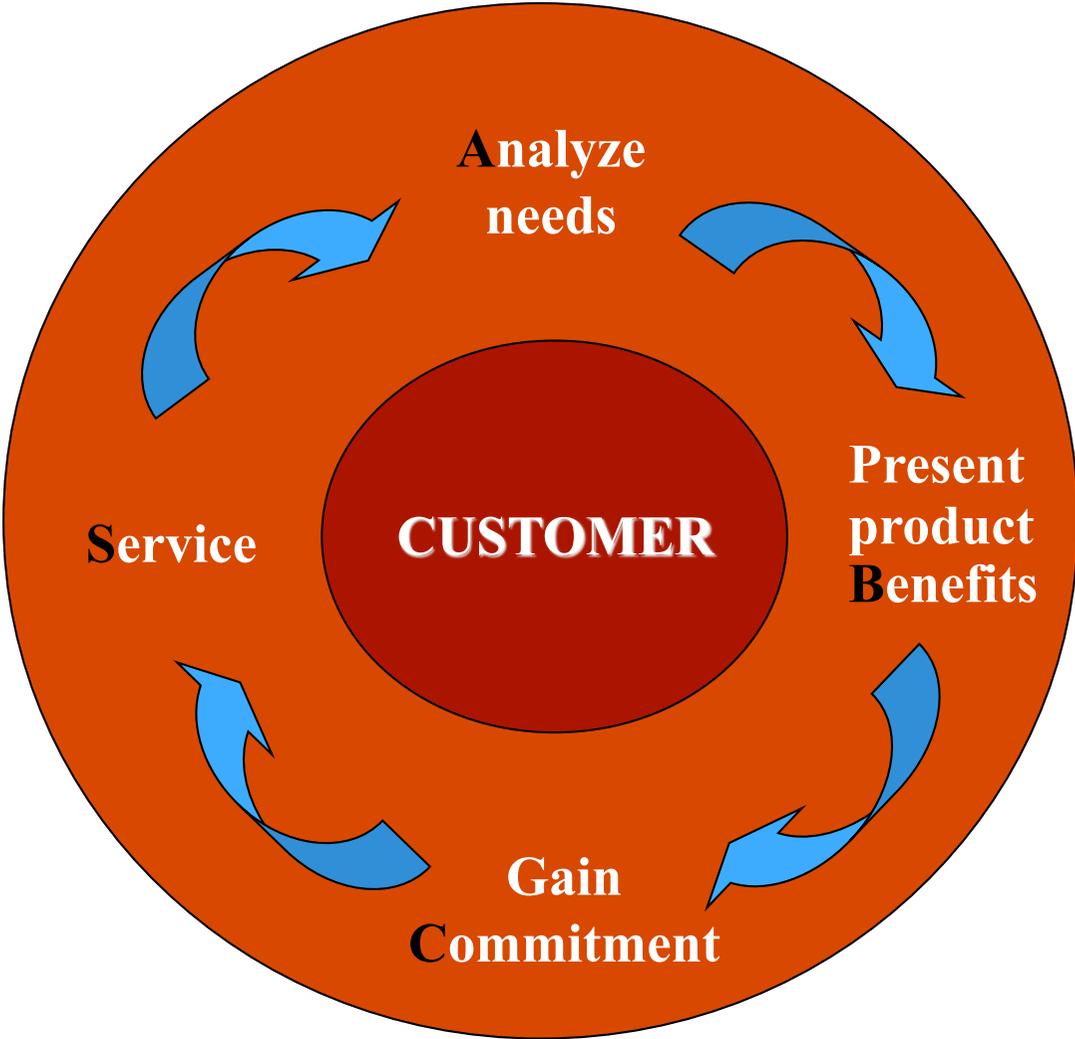
# What Are The ABC'S? Analyze, Benefits, Commitment, Service



# What Are The ABC'S? Analyze, Benefits, Commitment, Service



# What Are The ABC'S? Analyze, Benefits, Commitment, Service



# Sales Jobs Are Different

65

- Salespeople:
  - Represent their companies to the world
  - Work with little or no supervision
  - Require more people skills
  - Are often allowed to spend company funds
  - May require travel and being away from home
  
- Is your impression of salespeople wrong?

# What is a Customer? p:26

66

- Let's look at what a customer is...
- Please read it and understand it

# What Does a Salesperson Do?

67

- What does a Salesperson actually do?

# What Does a Salesperson Do?

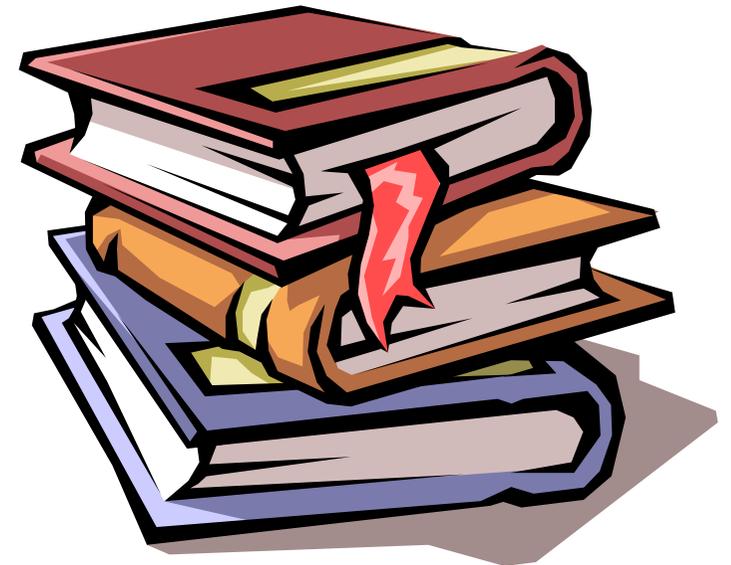
68

- Creates new customers
- Sells more to present customers
- Builds long-term relationships
- Provides solutions to customer's problems
- Provides service to customers
- Helps customers resell products to their customers
- Helps customers use products after purchase
- Builds goodwill with customers
- Provides company with market information

# The Future of Salespeople: Skills Required

69

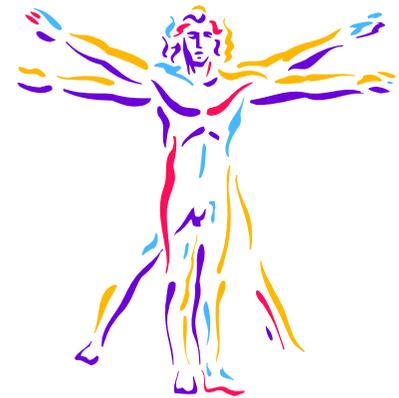
- **Learning conceptual skills**
  - ▣ Example: planning
- **Learning human skills**
  - ▣ Example: working with customers
- **Learning technical skills**
  - ▣ **Example: selling skills**



# Selling is Both an **Art** and a **Science**

70

- Selling takes practice, just like golf or tennis
  
- Selling is also a science because a growing body of knowledge and objective facts describe selling



# Preparing for the 21st Century

71

- How has selling changed from 20 years ago?
- How does this affect the Salesperson?



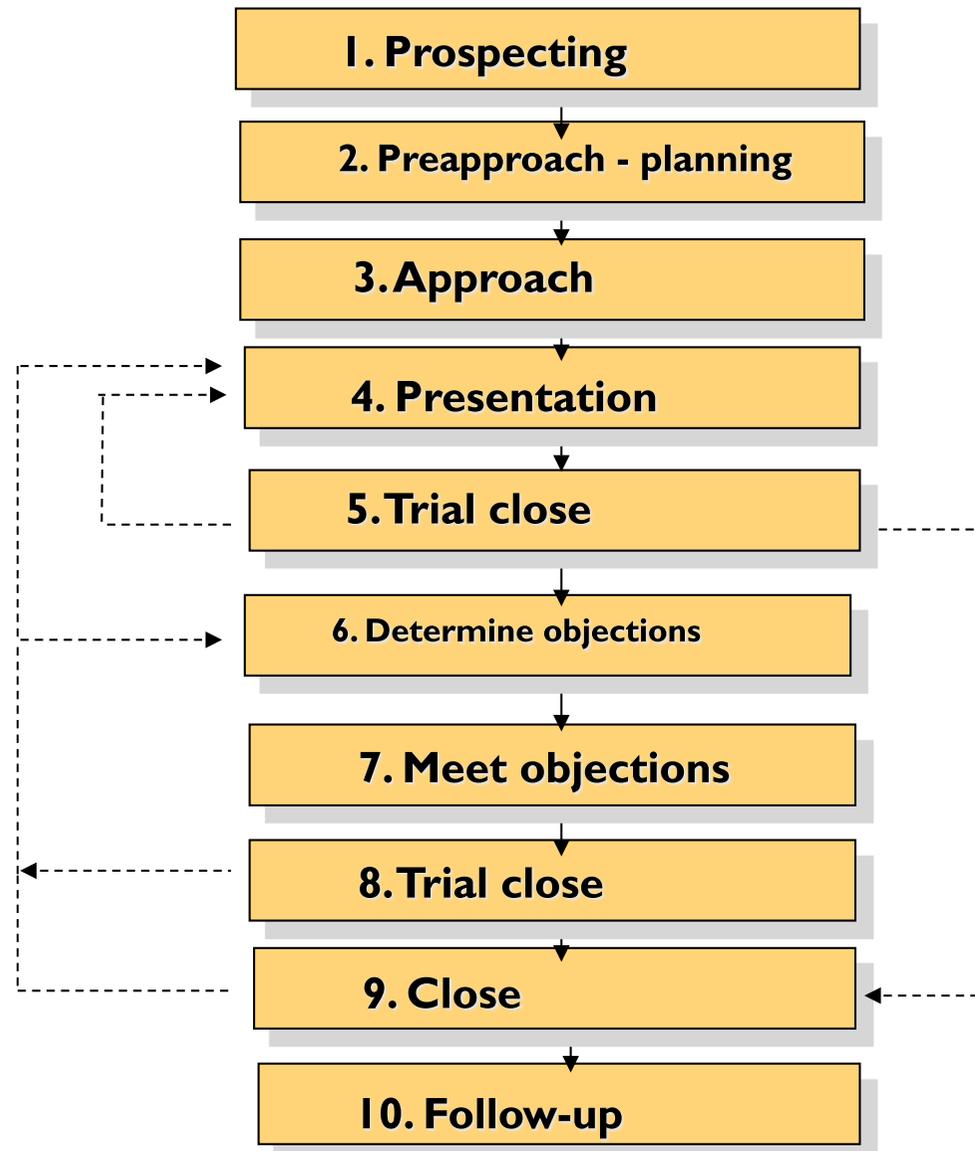
# Preparing for the 21st Century

72

- International and global selling
  - ▣ Cultural fluency
  - ▣ Language fluency
  
- Diversity of salespeople and customers
- Customer partnerships
- Customer segmentation (target market) is becoming more complex
- Ethical and professional behavior
- **E-tailing and E-commerce**
- Sales is becoming more simplified due to information availability (product information, multiple purchasing channels)
  - ▣ Easy to gain more information of customers' buying habits and personal information (data mining)

# Building Relationships through the Sales Process

**The sales process is a sequential series of actions:**



# Exhibit I-19: Ten Important Steps in the Customer Relationship Selling Process

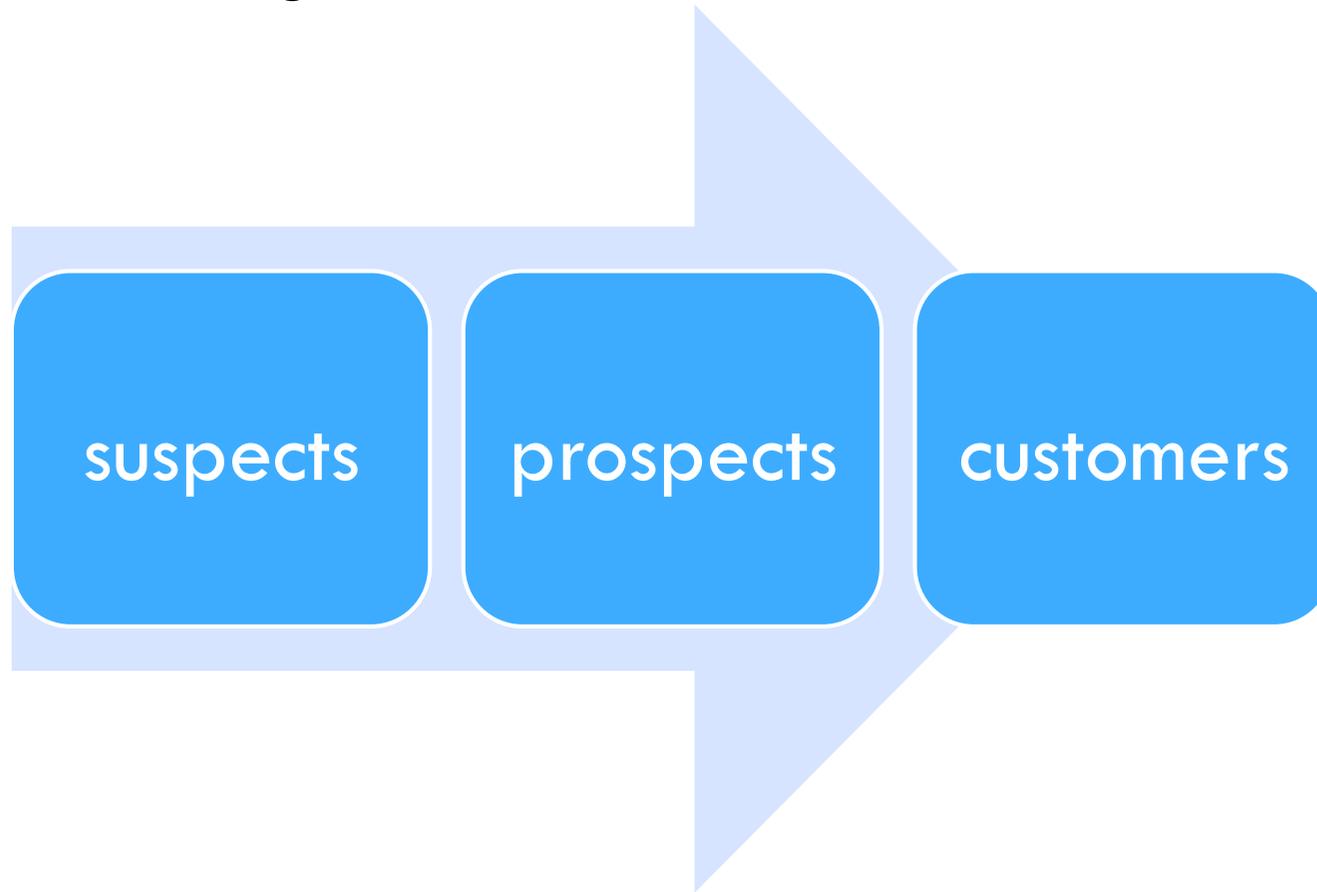
74

1. **Prospecting.** Locating and qualifying prospects.
2. **Preapproach.** Obtaining interview. Planning: determining sales call objective, developing customer profile, customer benefit program, and sales presentation strategies.
3. **Approach.** Meeting prospect and beginning customized sales presentation.
4. **Presentation.** Further uncovering needs; relating product benefits to needs using demonstration, dramatization, visuals, and proof statements.
5. **Trial close.** Asking prospects' *opinions* during and after presentation.
6. **Objections.** Uncovering objections.
7. **Meet objections.** Satisfactorily answering objections.
8. **Trial close.** Asking prospect's *opinion* after overcoming each objection and immediately before the close.
9. **Close.** Bringing prospect to the logical conclusion to buy.
10. **Follow-up and service.** Serving customer after the sale.

# Evolving Customer Status (p 123)

75

□ Converting:



# Suspects:

76

- Potential buyers with a certain **probability** of actually purchasing a product or service
- A salesperson has to find **many of these** in order to eventually gain a **FEW CUSTOMERS**
  - **Remember the idea of the 'numbers game'**
- **10-49% approx chance** of purchase

# Prospects:

77

- A prospect is qualified suspect

A prospect has the:

- authority to purchase or can influence the purchase
  - means or ability to purchase (money)
  - need to purchase (basic need)
  - interest in purchasing the product or service
- 
- 50-79% of becoming a customer

# Customers:

78

- A prospect that has agreed to the terms of the proposal presented by the salesperson
- Can be said to be 90%-100% due to cancellations etc.
- Contract can be signed if both parties are happy

# Salespeople Must Be Highly Selective in How They Use Their Time

	Evolving Buyer Status	Probability of Becoming a Customer	Type of Communication
Lead Generation	Suspects	10% to 29%	1. Customized direct mail
	Suspects	30% to 49%	2. Telephone 3. Internet 4. Emails
Sales Call	Prospects	50% to 69%	1st Personal sales call

# Case 1.1: What they didn't teach us in Sales class

80

- There is a case study at the end of chapter one.
- You will do the case study in tomorrow's class. You will be in **groups of 5 people**
- This will go towards your final grade
- Please read through it at home and make the translations that you need and understand it. I will help with some of the idioms and understandings ('turn in his keys' means 'to quit')

# Summary

81

- Personal selling is an old and honorable profession
- Millions of people have chosen sales careers because of:
  - Job availability
  - Personal freedom
  - The challenge
  - Opportunities for success
  - Non-financial rewards
  - Financial rewards



# Summary, cont...

82

- Success comes from:
  - Training
  - Applying knowledge
  - Developing skills
  - Working hard
  - Wanting to succeed
  - Maintaining a positive outlook
  - Effective time management
  - All to take care of the customer



## The Golden Rule of Personal Selling as Told By a Salesperson

### □ The Golden Rule of Personal Selling

- Unselfishly treating others as you would like to be treated without expecting something in return

### □ Others Include Competitors

- The Golden Rule of Selling especially applies to your relationship with **competitors**

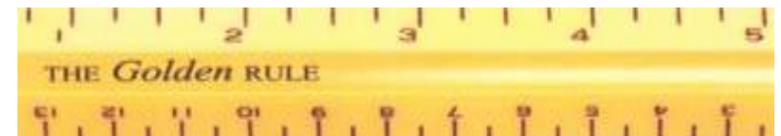
### □ Sales is your “Calling” to Serve

- Do not think of your occupation as work.
- Only through service can you find fulfillment in your job and life

# The Golden Rule of Personal Selling Cont...

84

- **To Serve, You Need Knowledge**
  - ▣ Being knowledgeable on products and selling skills allows you to provide a high level of customer service.
- **Customers Notice Integrity**
  - ▣ Your customer's should be able to trust that you are looking out for their best interest.
- **Personal Gain is not Your Goal**
  - ▣ Do not be concerned about sales goals – just your customer's.
- **Others Come First**



# The Golden Rule Is Not :

85

- ❑ Corruptible
- ❑ Self-Serving
- ❑ Comprehensive
- ❑ Easy to Follow



# The Fruits of the Selling Spirit

86

- The effects of applying the Golden Rule to work and life is the 9 fruits of the selling spirit:
  - Love
  - Joy
  - Peace
  - Patience
  - Kindness
  - Goodness
  - Faithfulness
  - Gentleness
  - Self-control

