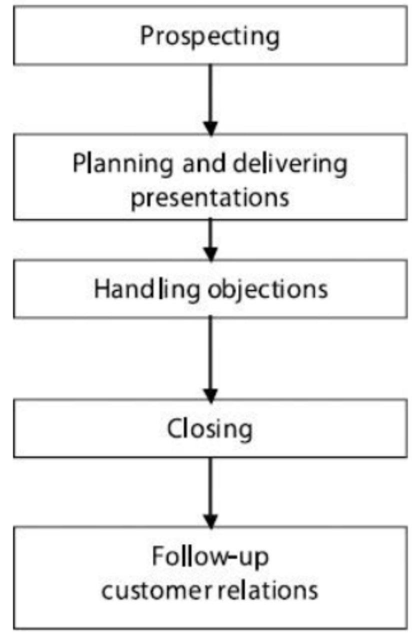
CHAPTER 7

The Selling Process and Prospecting

To better understand the job of a salesperson and how it should be managed, the selling process can be broken into a series of steps. Each step in the process may not be required to make every sale, but the salesperson should become skilled in each area in case it is needed. The steps are shown in Figure 7.1.

Figure 7.1: The Selling Process: Steps Involved



Each of the steps is discussed in the present and later chapters.

Prospecting

Success in selling depends more and more on ability to find new prospects in the face of increasing competition. In most situations competition is too keen to allow a salesperson the luxury of waiting for prospects to come to her. She must take the initiative, for sales do not just happen - they are the result of careful planning and hard work. Prospecting is one of the major means for increasing sales and earnings.

Or course, the amount of prospecting that must be done will vary with the product or service being sold. A retail salesperson generally does little or no prospecting, as the prospect usually comes to the store in response to its advertising. In selling life insurance, however, the salesperson usually must go into the field and locate prospects.

Considerations for selection prospects

Not everyone is a good prospect, and the salesperson has to be able to select those who are prospective buyers. We shall discuss some of the factors that aid selection in the following paragraphs.

The prospect should have a ***definite need or want*** for the product or service. Such a need can be specified by the prospect at the outset or may be an unrecognized one which the salesperson creates or uncovers. In either case, a real need must exist or be developed, for selling a product to someone who doesn't need it is detrimental to both parties. Successful selling is dependent upon repeat sales, and repeat sales will follow only if the customer needs the product and is satisfied with it.

The prospect should have the ***ability to pay*** for the product or service. Sale of a product to someone who cannot pay for it is a disservice to the prospect, to the company, and to the salesperson. In the case of the prospect, she will be forced to do without something else in order to pay for the product, or she will experience embarrassment and resentment when steps are taken to collect the money she owes. For the company, it can mean a loss from failure to collect the amount due. The salesperson also suffers because selling to a person who is unable to pay may require considerable effort in trying to collect the money and may also reflect unfavorably on her judgment in selling to such a person.

The prospect should have the ***authority to buy***. If the prospect has no power or authority to make the purchase, the salesperson will often waste valuable time in contacting them. This does not mean, however, that the salesperson should completely ignore someone who does not have the authority to buy. For example, and assistant to a purchasing agent may not have the authority to buy, but she may exercise considerable influence in helping the purchasing agent to make her decisions.

It is important that the salesperson ***be able*** to ***approach the prospect under favorable circumstances.*** For example, the president of a large corporation would very likely not react favorably to a beginning salesperson and might not even be willing to see her. Also, a prospect should not be approached at an inconvenient time or place, or when she is very busy and the salesperson's appearance amounts to an annoying interruption. Care should, therefore, be exercised in approaching the prospect at the time and place that will be favorable to the sale. Needless to say, there will be some prospects who are always too busy to see the salesperson. However, the salesperson should generally respect the schedules and activities of her prospects.

Finally, the prospect should be ***eligible to buy.*** In some cases salespeople can sell only to wholesalers or retailers. It is obvious that in such instances she would be wasting her time if she were to select prospects who were ultimate consumers. In the case of a vacuum cleaner salesperson, she should make her presentation to the mother who is eligible to buy rather than to her teen-age daughter who may have nothing to say about the purchase.

Prospecting methods

As previously discussed, prospecting methods will vary with the type of product or service being sold. Following are some of the methods which are commonly used.

The "cold-canvas" or "cold turkey"method

Under this method the salesperson calls on any of the persons or companies within a certain class or group. She does not carefully preselect her prospects. Instead she goes from door-to-door and depends upon the law of averages to give her sales. It is sometimes a discouraging type of selling because many persons are not at home or in the office when the salesperson calls without an appointment. This method of prospecting also has a high refusal rate.

Lists

To avoid the "hit-and-miss" results of cold canvassing, lists are sometimes used. These lists are carefully prepared with reference to sex, age, marital status, income, occupation, and so on, and help to identify those persons who might be interested in purchasing a particular product or service. Often these lists are purchased from commercial companies. They are frequently used for direct-mail advertising with the salesperson following up on the inquiries received.

Company leads

Often prospective buyers will contact the company directly, and such information is given to the salesperson who follows up on the call. Or managers of auto and appliance agencies will usually instruct service and repair personnel to inform the salesperson of any persons who have older cars or appliances in need of repairs and are likely to qualify as prospective buyers.

Company advertising

Companies may receive inquires from their advertising which are relayed to the salespeople. Sometimes a free gift is offered to the prospect who requests information about the product or service. Then a salesperson delivers the gift and further explains the product.

Friends and acquaintances

Sometimes a salesperson's friends and acquaintances will serve as a good beginning source of prospects. Also such persons as neighbors, relatives, fraternity brothers, business associates, people from whom the salesperson buys, and others are excellent sources for locating other prospects.

The customer reference method

Under this method the salesperson attempts to obtain the names of additional prospects from persons she has interviewed or who have purchased from her. With others helping her, this simple method can provide the salesperson with a continuous supply of prospects.

The testimonial method. This method is similar to the customer reference method. It differs, however, by selecting persons who are well known and/or influential in the community. The salesperson keeps in close contact with these people and uses their names and assistance in selling to others.

Group prospecting

Sometimes the salesperson can make arrangements to give a group demonstration to clubs or service organizations. Or she can give demonstrations at the home of someone who is willing to sponsor her. Such products as cosmetics and household supplies are often sold in this manner, and the sponsoring party is usually rewarded with merchandise based on the number of persons who attend or the volume of sales made.

Surveys by junior salespeople

Some companies use junior salespeople to make surveys or canvasses of consumer demand. They seldom attempt to sell the product but instead pave the way for the experienced salesperson to make the actual presentation.

Sales spotters

These are persons who aid in prospecting by providing information on potential buyers. The associate receives cash or premium rewards from the salesperson if this information results in a sale.

Public exhibitions and displays

Many companies display their product or service at public exhibitions. Products usually displayed at such shows are automobiles, boats, sporting goods, computers, and equipment, furniture, and many other products. Company representatives pass out literature and explain the product at these exhibits. They also secure the names and addresses of interested persons which are given to the salespeople.

Personal observation

The salesperson frequently comes in contact with different people and different situations. If she is alert and keeps her eyes open, these circumstances can often help her to find persons who are likely to be good prospects.

In summary, there are many different methods for prospecting. Their use and effectiveness will vary with the product or service being sold, and the enterprising salesperson will attempt to use as many as possible to increase her sales.

Indicate whether each of the following statements "is true or false

1. Sales prospecting is the major means for increased earnings for many salespeople.
2. Everyone is a potential prospect for a sale and should be treated accordingly.
3. There is no one way of prospecting that is appropriate for all salespeople.
4. Group prospecting refers to the practice of groups of salespeople calling on people to persuade them to buy.

Answer