**MKT 2.01 notes**

**Explain the nature & scope of the selling function**

1. **Explain the purpose and goals of selling.**
   1. **Selling:** Selling is responding to consumer needs and wants through planned, personalized communication in order to influence purchase decisions and ensure satisfaction.
   2. Role of Selling in a Market Economy
      1. Selling keeps our economy moving
      2. Businesses buy resources (natural, human, capital) to be used in the production of goods and services and sell to the market that wants them
         1. Manufacturers
         2. Wholesalers
         3. Retailers
         4. Individuals and households
   3. The purpose and goal of selling is to help customers make satisfying buying decisions and to establish ongoing, profitable relationships. The goal can be achieved by:
      1. Consultative selling: Finding product solutions to customers’ problems. For example, a salesperson at Circuit City might suggest that a customer purchase a wireless networking card to use on a business trip.
      2. Feature-benefit selling: Matching the characteristics of a product to a customer’s needs and wants. Customers do not buy products, they buy what a product can do for them. Customers buy BENEFITS.
         1. Product features: Basic, physical, or extended attributes of the product or purchase.
            1. The most basic feature of a product is its intended use. For example, a customer purchases a watch to tell time.
            2. Features help to provide the reasons for price differences among products. For example, a car with satellite radio will cost more than the same car with a basic AM/FM radio.
         2. Customer benefits: The advantages or personal satisfaction a customer will get from a good or service.
            1. The benefit should be a value to the customer.
            2. Salespeople must analyze the product features from the customer’s point of view to determine the benefits. A salesperson must answer two questions about each product feature.

How does the feature help the product’s performance? For example, air pockets in the heel of an athletic shoe help to cushion impact.

How does the performance information give the customer a personal reason to buy the product? For example, air pockets in the heel of an athletic shoe help to cushion impact, thus protecting the foot from injury.

1. **Salespeople personal characteristics**
   1. Education and training – hands on experience, bachelor’s degree in business, marketing, or related field can assist. Many companies have training programs for the sales staffs.
   2. Self-motivation – Sales requires a lot of hard work without direct supervision. Must be organized with good time management skills and not require someone else’s prompting to get the job done.
   3. Self-confidence – People trust others who seem confident. Confidence gains trust and customers feel as though they are making a good buying decision.
   4. Product Knowledge – is priceless. Salespeople must know the features and benefits of their products and their uses or purposes. Sources of information include product, people testimony, other salespeople, promotional material, or training classes.
   5. Customer knowledge – everyone is different. Take time to review client files before the presentation to make sure you have everything in order.
   6. Ethics – integrity is everything in any business but I can’t imagine anything more important in sales. Sales have a negative perception anyway. (i.e. used car salesman selling a lemon to their own mother.)
   7. Persistence & patience – selling is tough. You work hours on a deal and it doesn’t come through as a sale. You must keep pushing to the next deal. Rejection is part of the job. You have to have a thick skin and keep moving forward toward the next sales opportunity.
   8. Selling skills – determining needs, buying motives, open and close sales, question customer, handle objections, suggestions selling, demonstrate products, & follow up on sales.
   9. Belief of selling as a service – sales people are the liaison between the company and the customer. They provide the service of communication for both parties. Satisfying the customer results in salary/profits for the salesperson and the company.
   10. Communication skills – Salespeople must be able to express themselves simply for the customer to understand clearly. Strong communication involves LISTENING as well as speaking.
   11. Creativity – selling today requires imagination and innovation. Salespeople must listen carefully to the needs of their customers and find unique uses for their products to satisfy those needs. Customers for life are the goal of every sales person.
   12. Personal Appearance – you only have 60 seconds to make a first impression. Once established, it is always there. Dressing and grooming habits should always be practiced. Customers judge you and the company based on their first impression.
2. **Customer service and sales relationships**

These are my 5 key elements of a professional, comfortable, consultative relationship:

* + 1. **Honesty and Candor** -Communicate clearly what your product or service can and cannot provide, even in the face of losing the customer’s business.
    2. **Peer-Level Perception -** Present yourself as a colleague; a peer who is jointly evaluating with the buyer, whether a business relationship will be mutually beneficial.
    3. **Patience to Allow a Relationship to Develop -** Sometimes you can hit it off immediately with someone; other times it can take months for the relationship to develop. It’s ok to let time take its course.
    4. **Respect -** Although you may not be friends, respect what the buyer’s values and intent are, and the buyer will respect your approach to business and your professionalism.
    5. **Trust -** Hold the perspective that you will sell to the “right” buyer. Trusting that true needs will be served, if the buyer is a good fit it will keep you relaxed and enjoying the process.

1. **Presales** is a process or a set of activities normally carried out before a customer is acquired, though sometimes presales also extends into the period the product or service is delivered to the customer.
   1. Company can maintain data about customers and generate mailing lists based on specific customer characteristics
   2. Marketing activities such as tracking customer contacts, including sales calls, visits, and mailings
   3. Customers can get pricing information about the company’s products Through an inquiry or a price quotation
   4. Salespeople study their products, keep abreast of industry trends and competitors, research potential customers, and develop familiarity with their company’s policies and procedures.
   5. Self-evaluation by reviewing actions through the sales process and identifying actions that results well and results poorly
   6. Review ethical and legal issues surrounding the selling situation
2. **Post-sales opportunities, customer service, and sales relationships**

Post sales is the effort that companies and sales people go through after the sale to ensure that the customer is happy and build future business.

* 1. Process order - Record client order details in accordance with organizational policies and procedures
  2. Deliver support to agreed expectations - Provide technical assistance and/or advice in relation to the product purchased; handle defective returns according to organizational policies
  3. Handle client feedback
  4. Strengthen client relationships – Ensure contact is made with the buyer post-sale to ensure agreed expectations have been met
  5. Offer additional benefits to clients – develop loyal clients; maintain relationship

1. **Regulatory factors that affect selling policies**
   1. The distribution channel might require specific policies in exchange for using that channel (e-Bay for example).
   2. Implicit warranties.
   3. FTC
   4. Cooling off Period
   5. ICC Code of Direct Selling
      1. The ICC Code of Direct Selling is designed primarily as an instrument for self-discipline, but may also be used by the courts as a reference document within the framework of applicable legislation.
      2. ICC expects business operators to respect and endorse the Code both in the spirit and to the letter. It is recommended as a daily reference source for everyone involved in direct selling.The Code is intended to achieve the following objectives:
         1. To demonstrate responsibility and good practice in direct selling across the world;
         2. To enhance overall public confidence in direct selling;
         3. To respect privacy and consumer preferences and to provide effective consumer

protection;

* + - 1. To promote fair competition and free enterprise;
      2. To provide practical and flexible solutions;
      3. To minimize the need for detailed governmental and/or inter-governmental legislation or regulations.

1. **Why selling policies are necessary**

Proves that all customers are treated the same way and increases efficiency of the sales people.

Example: “eBay's policies help to create a safer, fair and enjoyable trading experience for all eBay

members. As a seller, you are responsible for reviewing and understanding eBay's selling

policies, as well as all applicable laws and regulations outlined in the user agreement.”

1. External factors that affect selling policies
   1. City, county, state and/or Federal regulations
   2. Competitors’ actions
   3. Changes in customer expectations
   4. Changes in costs of producing the products
   5. Examples: Price fixing ; Sherman Antitrust Act
2. Internal factors that affect selling policies
   1. Sales quotas
   2. New management
   3. Changes in goals
   4. Financial resources
   5. Set policies disclosed openly protect the company’s interests.
3. **Problems encountered with the use of selling policies**
   1. Policies cover specific circumstances, so some situations will not fit the current policies.
   2. Miss-interpretation by a salesperson.
   3. Some customers will ask for exceptions to policies in exchange for increased business or because of a history with your company.