

# Module 8: Customer Service & Sales

## Lesson 2 - Sales

### OVERVIEW

In this lesson, students will gain a fundamental understanding of the critical role the sales function plays in the success of any business entity.

### OBJECTIVES

1. Describe the sales process.
2. Explain why the function of sales is important to any business.

### This Lesson Bundle Includes:

- Sales - Lesson Outline
- Sales - Presentation Slides
- Industry Application - Related Links
- Infographic - The Sales Process

### KEY TERMS

*Business-to-business (B2B)  
Customer Service*

*Business-to-business (B2B)  
Marketing*

*Collaborative Selling*

*Cold Calling*

*Direct Mail*

*E-Commerce*

*Feature-Benefit Selling*

*Full Menu Marketing*

*Fulfillment*

*Inside Sales*

*Networking*

*Objections*

*Outside Sales*

*Personal Selling*

*Proposal*

*Prospecting*

*Referrals*

*Renewal*

*Sales*

*Team Selling*

*Transactional Selling*

# Lesson 2 - Understanding Sales



## DISCUSSION

Often consumers have a negative perception of “sales” as a profession. The reality is, in almost any industry, sales are a part of almost everyone’s job, particularly in the world of sports and entertainment business. To help illustrate this concept, engage students in a quick classroom discussion.

### By a show of hands:

- Have you ever had a negative experience with a salesperson?
- Do you enjoy it when salespeople approach you in a store?
- Do you think you could be a successful salesperson?
- Would you want to be a successful salesperson?

### Now, let’s look at the idea of sales in a different context.

- What do you think a recruiter needs to do when working to attract talented employees?
- What do you think is happening when you negotiate a trade in your fantasy football league?
- What is taking place when a girl scout troop sets up a table near the entrance of a local grocery store?
- Why do you think selling is important to a nonprofit organization trying to raise money to support their cause?

The bottom line is that sales is an important component for any business across every industry. It also offers the potential to be one of the most lucrative professions!

## SALES

**Sales** is the process of determining customer needs and wants through planned, personalized communication intended to influence purchase decisions and ensure satisfaction.

### Sales activities include:

- Selling a new vehicle at a Tesla dealership
- Negotiating the terms of a \$2 million contract with a potential customer
- Soliciting donations for a nonprofit organization
- Selling an event sponsorship package

### Why is selling important?

- Selling is the revenue-producing element of the marketing process.
- Sales is the only true revenue-producing function for an organization.
- Selling helps customers make informed buying decisions.
- Sales can result in customer satisfaction and repeat business.



# TYPES OF SALES

## Personal Selling

**Personal selling** is any person-to-person communication in which the seller has an opportunity to influence the consumer's buying decisions. The personal selling process is a two-way communication between a sales professional representing an organization and a prospective customer.

## What Makes Personal Selling Effective?

### Benefits to personal selling:

- Personal selling allows the salesperson to immediately tailor the message he or she is communicating based on the prospective customer's response, feedback, and buying signals.
- Personal selling helps communicate more information specifically relating to the customer needs than any other form of promotion.
- Personal selling allows for clarifying potentially confusing or complex information, and the salesperson can be assured that the prospective customer understands the information being conveyed.
- Personal selling increases the likelihood of the customer paying attention to the information being shared, because the communication is face-to-face.
- Personal selling provides the best opportunity to establish solid working relationships, enhancing the probability of developing long-term relationships with consumers.

## Personal Selling Categories

### Inside Sales

**Inside sales** professionals typically sell company products and services over the phone, online, or through other means of communication from inside the company's office. They either make outgoing calls to prospective customers or receive incoming orders or phone calls pertaining to company products or services.

In many instances, an inside sales staff consists primarily of telemarketers. Telemarketers are sales professionals that make outbound telephone calls to prospective customers in order to sell company products and services.

### Outside Sales

**Outside sales** professionals primarily communicate with potential customers in person, either onsite or at the prospect's place of business. Outside sales may also be referred to as "field sales" or "external sales."

# SALES METHODS

## Feature-Benefit Selling

Product attributes (or features) are the basic, physical, and extended characteristics of an item. Customer benefits are the advantages or personal satisfaction a customer will get from a good or service. The **feature-benefit selling** process involves matching specific product attributes to a customer's needs and wants.

### Feature-Benefit Selling Example:

- A salesperson selling vehicles might tout the benefit of lower gas bills of a hybrid model or electric vehicle.



## Full Menu Marketing

**Full menu marketing** is the selling of a variety of products or services that meet virtually any customer needs and/or wants.

### Full Menu Marketing Example:

- A salesperson at Best Buy might communicate the benefits of laptops, desktops, and tablets to a customer who is shopping for electronics.

## E-Commerce

**E-Commerce** refers to a consumer's ability to purchase goods and services online or through other digital platforms.

As technology has evolved, the popularity of e-commerce has exploded. Consumers are now as likely to purchase goods and services online as they are to make purchases in person. E-commerce is evolving at a rapid pace due to emerging technologies (AI, Web3, the metaverse, and digital products like NFTs) and the growth of cryptocurrency.

### E-Commerce purchases include:

- A SiriusXM subscription in your car
- A Hulu subscription
- Purchasing a pair of jeans from Macy's online
- Buying a pair of limited edition sneakers on a reseller website like Stock X

## Direct Mail

**Direct mail** is a sales effort conducted exclusively by mail. Typically, direct mail campaigns target large numbers of prospective customers soliciting orders for company products and services. This activity is often tied to a business or brand's database marketing strategy. In many cases, the call to action goal of a direct mail campaign is to prompt consumers to contact a company sales representative for more product or service information.

### To be effective, the direct mail approach must be:

- Targeted
- Personal
- Measurable
- Testable
- Flexible

### Direct mail examples:

- Ticket brochures
- Solicitation (sales) letters
- Fliers, postcards, and additional print media



# THE SALES PROCESS

## Steps in the Sales Process:

1. Understand the product or service
2. Identify prospective customers and develop leads
3. Qualify and gather information about a prospective customer
4. Contact prospective customers (the sales call)
5. Establish credibility, rapport, and a reason to communicate with the customer
6. Identify and confirm a customer's needs
7. Presentation and proposal
8. Ask prospective customers to act on an interest in company products or services
9. Handle objections
10. Close
11. Follow-up
12. Fulfillment and service
13. Evaluation



## NOTE

Consider viewing the “Sales Process” infographic provided by your teacher to help visualize the flow of the sales process.

### 1. Understand The Product Or Service

- What inventory is available to be sold?
- How much does the product or service cost?
- What are the features and benefits to your product or service?

### 2. Identify Prospective Customers And Develop Leads

- Leads are the names of individuals and companies who could become future customers.
- This step is often referred to as prospecting.

### 3. Qualify And Gather Information About A Prospective Customer

- Do they have experience with your brand or the products and services your company offers?
- What influence do they have over the purchasing decision?

### 4. Contact Prospective Customers (The Sales Call)

- The sales call is the initial form of communication in which the salesperson makes contact with the prospective customer.
- Sales calls can take place via telephone, e-mail, or in person.
- Utilized by both inside sales and outside sales representatives.
- Often salespeople will use a pre-written script to help guide them with a telephone sales call.

### 5. Establish Credibility, Rapport, And A Reason To Communicate With The Customer

- Secure a sale or schedule a face-to-face appointment.
- The face-to-face appointment provides a valuable opportunity for the sales professional to build rapport and establish a relationship with the customer.



## 6. Identify And Confirm A Customer's Needs

- Sales people often conduct a “needs analysis” to determine where company products and services may be able to assist a prospective customer in meeting their organization's goals and objectives.

## 7. Presentation & Proposal

- In this step, the sales professional will increase customer awareness and interest in company products and services.
- This communication takes place in some form of a presentation.
- This information can be presented in the form of a proposal.
- A **proposal** is a written recommendation of products or services the organization may offer to meet those customer needs discovered in the needs analysis.
- Each proposal is customized to meet specific customer needs.

## 8. Ask Prospective Customers To Act On An Interest In Company Products Or Services

- Asking for acceptance of the proposal or for a purchase decision.
- The sales professional must be prepared for any hesitation from the potential customer.

## 9. Handle Objections

- **Objections** are a prospective customer's concerns or hesitations in making a purchase decision.
- Objections occur when there is lingering doubt or unanswered questions in the mind of the prospect.
- The prospective customer may be favorably inclined to make a purchase but needs clarification, more concessions, or approval by another party.
- It is the responsibility of the sales professional to uncover and overcome each objection to the customer's satisfaction.

### Objection examples include:

- “I can't afford it.”
- “I have never heard of the brand.”
- “We don't have a budget for that type of service.”
- “I need to discuss this with my boss.”
- “I can get the same results for less money by doing something else.”
- “We can find a better quality product for the same price.”

## 10. Close

- The close is the stage of the sales cycle where the prospective customer and the sales professional come to an agreement on pricing and services, in which the customer typically commits to a purchase of some kind.
- The close is when the prospective customer becomes an official client.
- Sales professionals often make the mistake of thinking this is the last step of the sales process.

## 11. Follow Up

- The follow up stage is critical to ensure a satisfied and happy customer.
- The organization is responsible for ensuring all services agreed upon throughout the sales process are fulfilled.
- Much new business for any organization comes from existing business.

## 12. Fulfillment & Service

- **Fulfillment** is the process of following through and delivering on all promised services to the customer.
- Meeting and exceeding customer expectations is integral to retaining their business in the future.
- **Renewal** is the agreement between the organization and customer to continue the business relationship for a predetermined, often contractual, period of time.



## 13. Evaluation

Evaluations are typically objective (sales fluctuations) but can also be subjective (increased media attention or public awareness).

- It is important for the sales professional to be involved in this step of the process to gain a better understanding of whether or not they are meeting client needs.
- Many organizations set sales objectives with daily, weekly, and monthly targets. The sales data is then compared with information from the same date for the previous year.
  - Disneyland might set a daily guest target of 50,000 visitors during the winter months based on sales results during that period in previous years, then establish similar goals for weekly merchandise sales and monthly concessions sales.

# SALES STRATEGIES, SKILLS & TECHNIQUES

## Three Types of Personal Sales Strategies:

### 1. Collaborative Selling

In **collaborative selling** the salesperson and client take time to understand one another and develop a relationship according to the salesperson's offer and the client's needs.

### 2. Transactional Selling

In **transactional selling** the salesperson and client have limited interaction and the sale is based mostly on price or a specific element.

### 3. Team Selling

**Team selling** is a variation of collaborative selling that includes multiple people from the selling or buying organization, or both.

## Sales Skills & Techniques

### Basic sales skills and techniques include:

- **Prospecting**
- **Referrals**
- **Networking**
- **Cold calling**

## Prospecting

**Prospecting** is the process of consistently researching for and seeking out new customers for an organization's products and services. This is a very detail-oriented process requiring careful research and analysis.

### Sales professionals may explore several avenues when prospecting to develop quality sales leads:

- Trade Shows
- Industry Events
- Networking Events
- Consumer Lists
- Directories
- Industry Publications



## Referrals

**Referrals** occur when an existing customer recommends another organization or individual to a sales professional as a potential customer. Referrals provide an extremely effective means for generating new sales and also impact retention efforts.

### Referrals Statistics: <sup>1</sup>

- 92% of consumers trust referrals from people they know.
- Customers referred by other customers have a 37% higher retention rate.
- 65% of new business opportunities come from referrals and recommendations.
- 82% of small businesses claim referrals as their main source of new business.

## Networking

**Networking** occurs when a group of like-minded business professionals gather to help each other to cultivate sales.

**Business-to-business** (also known as **B2B**) marketing involves activities one business makes in an effort to sell its products and services to another business, rather than to the individual consumer.

Salespeople often become involved with local organizations, functions, and events to connect with as many new people as possible. Organizations like the Chamber of Commerce provide an exceptional means for meeting other business professionals who could become future customers or offer referrals. For example, a sales professional working in Portland, Oregon might be likely to network at events with business professionals involved with organizations like Portland Executives Association, Portland Business Alliance, Oregon Executives Association, Portland Area Networking Group, and Women Entrepreneurs of Oregon.

## Cold Calling

**Cold calling** refers to a sales professional's effort to generate new business through outgoing telephone calls without any previous communication with the prospective customer. This technique is generally a less productive means for generating sales than other techniques (networking and referrals) because the personal relationship element is non-existent.

# SALES PROFESSIONALS

## What Makes a Good Sales Professional?

**A good sales professional typically embodies some combination of the following traits and characteristics:**

- Belief in the product
- Good listener
- Sense of humor
- Self-motivated and self-disciplined
- Strong work ethic
- Personable
- Knowledgeable
- Someone who asks questions and listens
- Self-confident (not to be confused with arrogant!)
- Strong ability to build relationships
- Capable of handling the inevitable frequent rejection
- Effective time management skills

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<sup>1</sup> <https://www.signpost.com/blog/referral-marketing-statistics/>



## Sales Skills

In addition to a common set of personality traits and characteristics, successful sales professionals develop and hone their sales skills over time. For example, good salespeople will never lose contact with prospective customers.

### Other skills that successful sales professionals develop include:

- Consistently asking for the sale
- Follow up with customers after the sale with the same dedication they demonstrated before the sale (building strong relationships)
- Developing a “game plan” to devise a sales strategy that best caters to their strengths
  - A quality game plan includes gaining knowledge not only of company products and services but of the backgrounds of prospective customers
- Devise and implement effective time management plans



### KEY TAKEAWAY

Sales is an important component for any business across every industry. It also offers the potential to be one of the most lucrative professions!



## KEY TERMS DEFINED:

**Business-to-business (B2B) Customer Service:** The action taken by the seller to make the relationship between the organization and its customers satisfactory.

**Business-to-business (B2B) marketing:** Involves activities one business makes in effort to sell their products and services to another business, rather than to the individual consumer.

**Collaborative Selling:** sales process where the salesperson and client take time to understand one another and develop a relationship according to the salesperson's offer and the client's needs.

**Cold Calling:** a sales professional's effort to generate new business through outgoing telephone calls without any previous communication with the prospective customer.

**Direct Mail:** sales effort conducted exclusively by mail. Typically, direct mail campaigns target large numbers of prospective customers soliciting orders for company products and services.

**E-Commerce:** a consumer's ability to purchase goods and services online or through other digital platforms.

**Feature-Benefit Selling:** Involves matching specific product attributes to a customer's needs and wants.

**Full Menu Marketing:** the selling of a variety of products or services that meet virtually any customer needs and/or wants.

**Fulfillment:** the process of following through and delivering on all promised services to the customer.

**Inside Sales:** sales process in which products and services are sold over the phone, online, or through other means of communication from inside the company's office.

**Networking:** occurs when a group of like-minded business professionals gather to help each other to cultivate sales.

**Objections:** A prospective customer's concerns or hesitations in making a purchase decision.

**Outside Sales:** where sales professionals communicate with potential customers in person, either onsite or at the prospect's place of business. Outside sales may also be referred to as "field sales" or "external sales."

**Personal Selling:** Any person-to-person communication in which the seller has an opportunity to influence the consumer's buying decisions.

**Proposal:** A written recommendation of products or services his or her organization may offer to meet those customer needs uncovered in the needs analysis.

**Prospecting:** the process of consistently researching for and seeking out new customers for an organization's products and services. This is a very detail-oriented process requiring careful research and analysis.

**Referrals:** referrals occur when an existing customer recommends another organization or individual to a sales professional as a potential customer.

**Renewal:** the agreement between the organization and customer to continue the business relationship for a predetermined, often contractual, period of time.

**Sales:** The process of determining customer needs and wants through planned, personalized communication intended to influence purchase decisions and ensure satisfaction.

**Team Selling:** a variation of collaborative selling that includes multiple people from the selling or buying organization, or both.

**Transactional Selling:** sales process where the salesperson and client have limited interaction and the sale is based mostly on price or a specific element.

