

Sales and Distribution Management

Personal Selling Process

Following are the steps in personal selling process

Prospecting

- It is identifying or finding prospects i.e. prospective or potential customers.
- Methods of prospecting or sales lead generation are: (1) referrals from existing customers, (2) company sources (website, ads., tradeshow, tele-prospecting), (3) external sources (suppliers, intermediaries, trade associations), (4) salespersons' networking, (5) industrial directories, (6) cold canvassing etc

Qualifying

- Companies qualify sales leads by contacting them by mail or phone to find their interests (or needs) and financial capacity.
- Leads are categorized as: Hot, Warm, and Cool

Preapproach

- Information gathering about the prospect.

Sources of information: the Internet, industrial directories, government publications, intermediaries, etc.

- Precall planning
 - Setting call objectives
 - Tentative planning of sales strategy: which products, features and benefits may meet the customer needs

Approach

- Make an appointment to meet the prospect
- Make favourable first impression
- Select an approach technique:
 - Introductory
 - Customer benefit
 - Product
 - Question

- Praise
- The approach takes a few minutes of a call, but it can make or break a sale

Presentation and Demonstration

It includes

- Understanding the buyer's needs
- Knowing sales presentation methods / strategies
- Developing an effective presentation
- Using demonstration as a tool for selling

Overcoming Sales Objections / Resistances

- Objections take place during presentations / when the order is asked
- Two types of sales objections:
 - Psychological / hidden
 - Logical (real or practical)
- Methods for handling and overcoming objections:

(i) For Psychological objections: ask questions.

(ii) For logical objections: (a) ask questions, (b) turn an objection into a benefit, (c) deny objections tactfully, (d) third-party certificate, (e) compensation.

Trial close and Closing the sale

- Trial close checks the attitude or opinion of the prospect, before closing the sale (or asking for the order)
- If the response to trial close question is favourable, then the salesperson should close the sale

Follow-up and Service

- Necessary for customer satisfaction
- Successful salespeople follow-up in different ways: For example,
- Check order details
- Follow through delivery schedule
- Visit when the product is delivered

- Build long-term relationship
- Arrange warranty service

Sales Territories

- A sales territory consists of existing and potential customers, assigned to a salesperson
- Most companies allot salespeople to geographic territories, consisting of current & prospective customers

Major Reasons / Benefits of Sales Territories

- Increase market / customer coverage
- Enable better evaluation of salesforce performance
- Control selling expenses and time
- Improve sales and profit performance

Procedure for Designing Sales Territories

- Select a control unit (A control unit is a geographical territorial base)
- Find location and potential of present and prospective customers within control units
- Decide basic territories by using
- Build-up method,

Or

Break-down method

Procedure in Build-up Method

In Build-up Method, objective is to equalise the workload of salespeople

- Decide customer call frequencies
- Calculate total customer calls in each control unit
- Estimate workload capacity of a salesperson

- Make tentative territories
- Develop final territories

Procedure in Breakdown Method

Objective is to equalise sales potential of territories

- Estimate company sales potential for total market
- Forecast sales potential for each control unit
- Estimate sales volume expected from each salesperson
- Make tentative territories
- Develop final territories

Assigning Salespeople to Territories

Sales Manager should consider two criteria:

Relative ability of salespeople considering :

(1) Product knowledge, (2) market knowledge, (3) past sales performance, (4) communication (5) selling skills

Salesperson's Effectiveness in a Territory

- Decided by comparing social, cultural, and physical characteristics of the salesperson with those of the territory
- Objective is to match salesperson to the territory