



IIT ROORKEE



NPTEL ONLINE
CERTIFICATION COURSE

STRATEGIC SALES MANAGEMENT

Session 2: Strategic Selling

UNDERSTANDING SELLING FROM A STRATEGIC PERSPECTIVE

DR. SOURABH ARORA and DR. KALPAK KULKARNI

MANAGEMENT STUDIES, IIT ROORKEE



Learning Objectives:

After going through this module, you should be able to:

- Understand the concept of Buying Center and why it matters for a salesperson?
- Comprehend the various stages of a Sales-call/Selling Process
- Transformative factors effecting the Selling Process
- Evolution of the Sales Process: A Strategic Perspective

What exactly is a Buying Center?

A buying center brings together all those members of an organization who are responsible for taking purchase decisions.

Initiator: One who begins the process of considering a purchase

Influencer: One who attempts to persuade others in the buying center and influences choice criteria

Decider: Someone who holds the power or financial authority to take the final call

Buyer: The one who facilitates the buying process, calls suppliers, arranges meetings, makes payments etc.

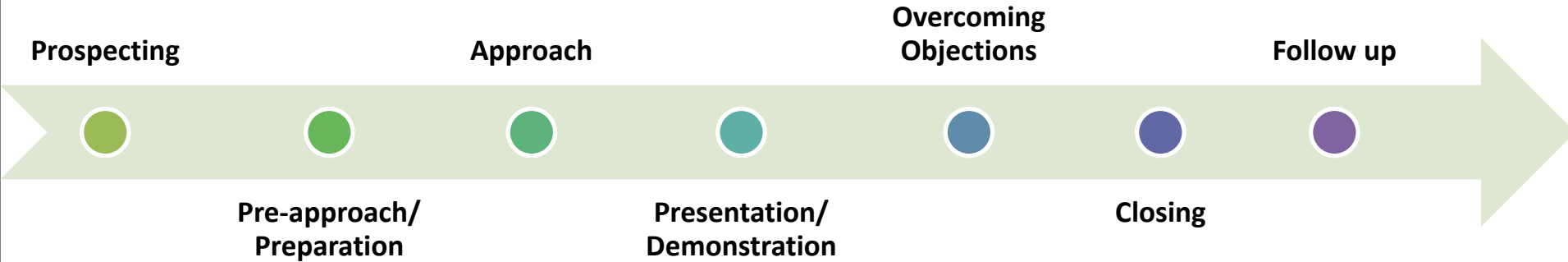
User: The one who will be actually using the product

Gate Keeper: Who controls the flow of information

But the question is why do we need to understand the concept of a Buying center for comprehending the selling process?



Stages of a Sales Call



Source: Moncrief, W.C. and Marshall, G.W., 2005. The evolution of the seven steps of selling. *Industrial Marketing Management*, 34(1), pp.13-22.

Step 1: Prospecting

This is the first step in the sales process. Prospecting simply indicates searching for or finding out potential buyers for your products and services.

However, we need to understand the difference between a prospect and the lead.

A lead becomes a prospect when it displays the need for the product coupled with an ability to pay. A prospect is someone who is or can be directly transferred to the sales process.

COLD

- Unfamiliar with the solution, no previous experience with the organization, might not even like being contacted, chances of closing the deal are almost negligible or 0

WARM

- Aware of the brand, shown interest, qualified lead, very likely to make a purchase

HOT

- Need the product immediately, specifically looking for what you are offering, might be looking for more value or enhanced offers, sitting on fence as far as the purchase decision is concerned

Stages of Prospect Qualification



Source: HubSpot: <https://blog.hubspot.com/sales/criteria-to-upgrade-a-lead-to-an-opportunity-and-theyre-not-what-you-think/> Zorian Rotenberg

Every organization must keep looking for prospects primarily because it not only helps them supplement sales and profits or achieve break even but **prospecting** could simply be required on account of the defecting customers or those who switch to competitors.

Means/Methods that can be used for prospecting: Referrals from existing customers, People in the circle, Trade fairs and shows, Vendors and Distributors, Directories, Cold Canvassing/ Calling, Bird Dogging

Step 2: Pre-Approach/Preparation

At this stage, a salesman starts doing research on their prospects or customers. The focus is on analyzing customer's needs, taking account of past correspondences with the same party and pulling out any fresh material that might help in the sales call.

A salesman at this stage also gets in touch with the gatekeepers (information in buying processes is routed through gatekeepers) to get more information like if competitor's representatives have already visited or not, what their offer is about (if the gatekeeper is willing to disclose) etc. to pitch better in the next stage.

Other activities encompassing pre-approach could be preparing the presentation and rehearsing, evaluating and comparing competitor's offerings, or reading customer's office on entry etc.

In many ways, doing homework as regards collecting more information about the prospect, getting familiar with his or her business, processes and functions can help a great deal in deciding on sales strategies that can be used for pitching the prospect.

Step 3: Approach

This is the **first time when the salesman and the prospect meet.**

Approaching the prospect **might also happen over a telephone call or virtually.**
Later on physical meeting or a presentation might follow.

This stage is more about **employing strategies and tactics to gain interest and build a rapport.**

Approaches which can be used at this stage primarily are:

- **Introductory approach:** Introducing oneself and the organization, handing over a business card
- **Product approach:** Giving a free sample for trial, Demonstrate product's unique selling proposition
- **Customer-benefit approach:** Highlight how the offerings would benefit them
- **Referral approach:** Using the name of an existing satisfied customer who suggested the name of the current prospect

- **Consultative approach:** Open dialogue to identify and offer long-term and value driven solutions to customer's problems
- **Premium Approach:** Offer or present a gift in the first meeting

Step 4: Presentation

This is one of the **key stages of the sales call** and must happen after the salesperson has meticulously analyzed the needs of the prospect or the customer.

This step **could comprise a single presentation or series of presentations before the deal is finally closed.** The presentation could be made entirely to the buying center.

The way a sales presentation is designed might vary depending upon the customer being new or an existing user of the seller's product.

Precisely at this stage, a salesman makes a presentation of the company's product and services offering to the prospects or existing customers or to the entire buying center.

At this stage, it is of crucial importance for the salesman to understand the cognitive, affective and behavioural processes as this indeed might lay the foundation for the entire presentation.

Sales-strategies that can be adopted:

- Canned Approach
- Formula Method
- Consultative Selling Method
- Need-Satisfaction Based Approach

Canned Approach

- Memorized sales talk, no customization, no linkage to needs and benefits, very mechanical, mainly used by tele-marketers

Formula Method

- Attention –Interest – Desire – Action. The essence lies in moving the prospect from the stage of attention to the stage of action.

Consultative Method

- Interdisciplinary Sales Team, meant for very special clients or Key accounts, costly, focus is on solving the problem

Need-Satisfaction Based

- People buy benefits, not products. Focus must be on explaining *features, advantages, benefits* (FAB)

Step 5: Overcoming Objections

Objections in a simplistic way indicate a customer's questions or hesitations concerning an organization's offerings or the organization itself. It is only through these objections that buyer's true needs are uncovered. Types of Objections*:

- Lack of Budget: Its too expensive
- Lack of Trust: Never heard of your company
- Lack of Need: I don't see if this would help me
- Lack of Urgency: It is not important for me right now

*Source: Hubspot: <https://blog.hubspot.com/sales/handling-common-sales-objections>



Alternatively, sales objections can also be classified as:

- ***Psychological:** These objections actually exist in one's mind and might not be shared until and unless the prospect is probed enough. This could be like resistance to deal with a new vendor or not having enough faith in product or seller or hesitancy in spending money*
- ***Actual:** These actually originate from issues relating to the functionality of the product or product objection, pricing issues, terms of contract, product delivery etc.*

While earlier sales objections were seen as a hurdle, in today's scenario they are essentially used to gaze out if the seller's products and services will meet the buyer's need or not, keeping the long orientation in mind.

Carew International's **LAER** has been considered as one of the effective ways of dealing with sales objections:

Listen: Empathetic, attentive, non-judgmental listening, Allow prospect to express freely without interruptions

Acknowledge: Restate the issue, show supportive non-verbal cues, acknowledging certainly shows involvement and care

Explore: Identify and ascertain issues leading to objections, see if these are real or psychological

Respond: Could be a recommendation, alternative solution or even a time buy out to work on objections

Source: <https://www.carew.com/laer-bonding-process>, <https://blog.hubspot.com/sales/handling-common-sales-objections>



Step 6: Closing

This stage is synonymous to the successful completion of the sales call into an order.

However, before asking for the final order, a salesman must attempt *trial close* to adjudge the preparedness of the prospect or the customer for an order.

A trial close is usually executed through questions like what you would be more interested in buying option y or z, I think our products best meet your needs, what do you think?

Finally at the time of closing, following strategies can be implemented:

- Now or Never Offer: Offer something that the prospect cannot refuse
- Summary Closing :Reiterate the product benefits and the value it brings in for the customer
- Sharp Angle Close: Oblige them with their requests and then politely counter for an order
- Question Close: What do you think, Isn't it the best deal?
- Negotiate: Create a win-win situation
- Alternative Choice approach: You will prefer option A or B? Shall I pack X or Y?

Source: <https://blog.hubspot.com/sales/sales-closing-techniques-and-why-they-work>



Step 7: Follow Up

- Don't assume that upon closing your job is over
- Make sure that delivery and post purchase product installation and training happens on time
- Focus on bringing in the delight factor
- Regularly make 'health check' calls, health check calls are usually follow up calls to ensure that the product is working well and the customer is happy

Source: Moncrief, W.C. and Marshall, G.W., 2005. The evolution of the seven steps of selling. *Industrial Marketing Management*, 34(1), pp.13-22.



Some Extra Fodder for Thought

Objection Handling: 44 Common Sales Objections & How to Respond

Written by Leslie Ye

Sales objections are normal and nothing to be afraid of. Here are 40+ common sales objections from prospects and how to handle them without breaking a sweat.

HubSpot

<https://blog.hubspot.com/sales/handling-common-sales-objections>

Extra Fodder for Thought: Amazon Go Stores : No Lines: No Check Out



<https://www.youtube.com/watch?v=NrmMk1Myrxc>

Source: Amazon YouTube Channel, For the Image: <https://www.theguardian.com/business/2018/jan/21/amazons-first-automated-store-opens-to-public-on-monday>

References:

- Selling and Sales Management, Jobber and Lancaster, Pearson
- Sales and Distribution Management: Decisions, Strategies and Cases, Still, Cundiff, Govoni and Puri, Pearson
- The Mystique of Super Salesmanship by Robert N. McMurry, Harvard Business Review
- Sales and Distribution Management: Text and Cases, Havaladar and Cavale, Mc Graw Hill.
- Sales Management, Patrick Forsyth, Capstone Publishing.
- Sales and Distribution Management: An Integrative Approach, Venugopal P, Sage.

*References for online and other resources have been provided as footnotes in the respective slides.



Thank You

