



IIT ROORKEE



NPTEL ONLINE
CERTIFICATION COURSE

STRATEGIC SALES MANAGEMENT

Session 3: Strategic Selling

UNDERSTANDING SELLING FROM A STRATEGIC PERSPECTIVE

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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>

Learning Objectives:

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

- Comprehend the various stages of a Sales-call/Selling Process (Continued)
- Transformative factors effecting the Selling Process
- Evolution of the Sales Process: A Strategic Perspective

Step 2: Pre-Approach/Preparation

At this stage, the salesperson starts doing research on their prospects or the 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.

The salesman at this stage also gets in touch with the gatekeepers (information in buying processes is routed through gatekeepers) or other members of the buying center to get more information like if competitor's representatives have already visited or not, what is it that the organization is exactly looking for etc. to pitch better in the next stage.

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

This stage or the first meeting can also be used as a means to further understand the needs of the prospect or conduct a needs analysis. It is best to adopt a *'question and listen posture'* at this stage. However, a part of research or need analysis would have already been done at the preparation stage.

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 **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 and value co-creation

Need-Satisfaction Based

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

Ways to minimize risk or objections during presentations:

Reference Selling: Using letters or testimonials from satisfied customers, how about creating a stimulating audio video

Demonstrations: *Chinese Proverb: : Tell me and I'll forget; show me and I may remember; involve me and I'll understand.*

Demonstrations are basically used as a means to prove the benefits to the prospect or the customer or to offer the first-hand experience of the product or service offering

Guarantee : A seller's promise that the product is of certain quality, competence and performance standards. Otherwise, it would be repaired or replaced or returned with refund. Guarantees relating to product quality, performance, delivery and after-sales services can certainly build confidence and diminish the hesitancy in buying.

Trial Orders: Encourage Trial orders. This could be costly for an organization but sometimes this is the only way out, specially for a new seller to secure an order from a prospective buyer.

Step 5: Overcoming Objections

Objections in a simplistic way indicate a customer's questions, doubts 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>

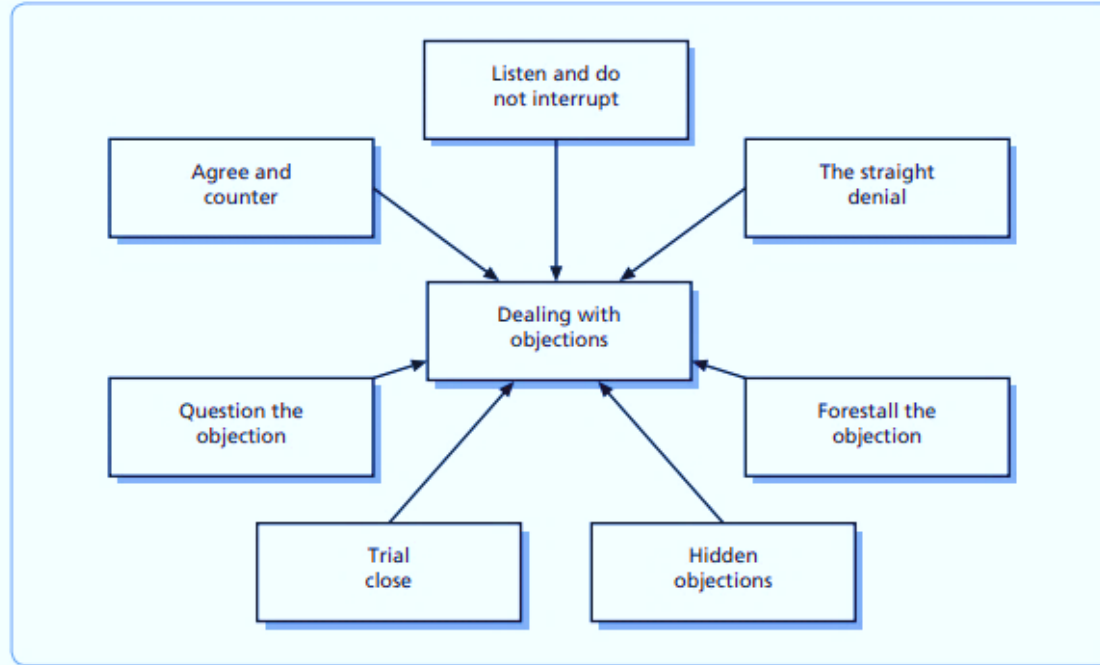


Alternatively, sales objections can also be classified as:

- ***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.

Dealing with Objections



Source: Selling and Sales Management, 10th Edition, Jobber and Lancaster, Pearson, pp 252.

Dealing with Objections

Listen and do not interrupt: Interruption denies the kind of respect a buyer deserves, listen attentively and carefully as this indicates that problem or objection is being taken seriously

Agree and counter: Agree respectfully and put an alternative point forward, for eg. initial high cost vs. long term savings. *This is also referred to as 'Yes... but technique'*

Straight denial: Must be done carefully and with utmost care as this might lead to resentment. But this works well when the buyer is seeking factual information.

Question the objection: This might reduce a difficult objection to an easy one which can be handled well.

Forestall the objection: Salesperson himself or herself raises the objection as a part of the sales presentation. This is risky but might pay off when supported with facts and testimonials.

Turn the objection to a trial close: Address the objections well and in case it seems everything has been addressed well, approach for a trial close.

Hidden objections: All prospects may not show what they feel, hence, it becomes the responsibility of the sales-man to probe harder but gently to discover hidden questions. Do not shy away from asking questions!

Source: Selling and Sales Management, 10th Edition, Jobber and Lancaster, Pearson, pp 252.



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.



Thank You



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 and Distribution Management: An Integrative Approach, Venugopal P, Sage.

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

