U.S. Small Business Administration

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Creative Selling

The Competitive Edge

Marketing Series

U. S. Small Business Administration
May 2009

Helping Small Business **Start**, **Grow** and **Succeed**

Creative Selling
The Competitive Edge

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MT- 01

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Office of Entrepreneurship Education
May 2009

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INTRODUCTION

An important ingredient in the successful retail or service business is good selling. Without it, many sales are lost -- sales that may mean the difference between success and failure. This publication tells you how you can train yourself and your employees to become creative sales people.

To many customers, the salesperson is the business. Therefore, if the sales personnel are good, the business is good. But if the sales personnel are bad, then so is the firm. Although important to all businesses, effective sales personnel are especially important to small businesses. Why -- because it is difficult for a small business to compete with the big firms on things like assortment, price, and promotion. Selling effort, on the other hand, is one place where the small product or service retail business can compete with larger competitors -- and win.

Effective selling doesn't happen by accident. The small entrepreneur must work to achieve a high level of sales effectiveness in his or her business. In order to work toward this goal, the business person should be aware of the different types of salesperson, the selling process, and the attributes of effective salespersons. Applying such knowledge to a business situation should result in the desired goal of effective sales personnel -- the competitive edge.

It is important to note that retailing may involve selling services instead of products. Appliance repair, beauty shop, lawn service, and photography studio are all examples of service retailing. Even though services are intangible, personal, non-standardized, and perishable when compared to products, they are sold by retailers either alone or in conjunction with products. The effective selling of services has the potential to give a business a competitive advantage.

TYPES OF SALESPERSONS

There are three main types of sales personnel.

Order-Handler - The ticket-taker at the concert, the checker at the food store -- these salespeople are working in a routine selling environment. But due to the nature of their jobs, they will be asked numerous questions by customers as well as hear complaints about prices and services. A knowledgeable person with a pleasant personality is especially needed for this job, because this is usually the person who is dealing with the customer when the customer's money (payment) is received.

Order-Taker - More creativity is found in this job as compared to the order-handler. The counter attendant at the fast food restaurant may take the order and then suggest that the customer might also wish to buy a hot apple turnover. Pleasant personality, fast service, and suggestion selling on the part of the order-taker can result in many additional sales.

Order-Getter - For many businesses, the heart of the selling process rests with the creative selling efforts of their salespeople. Of course, one of the greatest problems is that there are numerous order-handlers and order-takers in selling positions that should have order-getters for optimum selling effectiveness. Clothing, furniture, jewelry, and appliances are just some of the many items that call for order-getters (a person who can handle a transaction, take an order and, most importantly, get an order). As for services, the home security salesperson, for example, who calls on a prospect because it is observed that the house has no dead bolt locks, is making that special effort to be an order-getter. Even though all selling situations do not call for order-getters, all salespeople will be called upon to sell creatively from time to time. It is for this reason that all sales personnel need to have a working knowledge of the creative selling process.

CREATIVE SELLING PROCESS

As shown in Figure 1, the creative selling process consists of eight steps, none of which is less important than any other if the process is to be effective. It should be emphasized to all employees that all steps are vital to the achievement of effective selling.

_____8 ---- Sales Follow-Up
_____7 ----Suggestion Selling
_____ 6 ---- Closing the Sale
_____5 ---- Handling Objections
_____ 4 ---- Presentation of Merchandise
_____ 3 ---- Initial Contact
_____ 2 ---- Prospecting
_____ 1 ---- Pre-Customer Contact

1. Pre-Customer Contact.

A smart builder would not attempt to build a house without a good foundation. Likewise, a businessperson should not place people on the sales floor or telephone until these people know the business, merchandise, services and customers. Before any contact is made with the customer, every salesperson should know the aforementioned items.

Polices, Procedures, and Rules … Have these in writing for all employees to see and to know.

Operation of Equipment – Learn how to use equipment before a sale, not while the customer is waiting for change.

Target Market Knowledge - The better salesperson knows something of the likes and dislikes of the firm's primary customers. The business operator should tell all sales personnel about the business's customers and their lifestyles. Tell the salespeople about customer's interests and ability to buy.

Product Knowledge - A salesperson gains confidence by knowing about the products and services that he or she is selling. If a person sells shoes, it helps to know the merchandise as well as how to fit them. If a person sells building materials, the selling job is probably more effective if the salesperson can also help answer questions about home repairs. It helps the person who sells clothes to know something about fabrics and current fashions. If the person is in the lawn service business, that person should know about lawn care. Most sales personnel will not take the initiative to acquire product knowledge on their own. It is management's responsibility to encourage employees to gain product and service knowledge. Management should make such knowledge available to them.

2. Prospecting

Although not appropriate to every selling situation, prospecting should be used whenever possible. Essentially, prospecting involves not waiting for the customer to show up at a store or to phone about a service. It is concerned with taking the initiative by going to the customer with a product or service idea. Prospecting may be of two types: new or regular customer prospecting.

New Customer Prospecting - A salesperson sees that a person is getting married. Action is taken on this knowledge by contacting the person and telling her about appropriate items (or services) that might be of assistance to a new bride. By using newspapers and personal contacts, a salesperson can take the initiative to contact and create new customers.

Regular Customer Prospecting - A firm's best prospects are its current customers. A salesperson should make a practice of calling regular customers on a periodic basis to tell them about products or services. "Hello. Mrs. Anderson, I just want to tell you about the new shipment of dresses that we received today. As I unpacked them, I saw several that made me think of you." Prospecting with regular customers works! All salespeople should be encouraged to prospect by phone and in-person whenever they see regular customers. A word of caution must be emphasized. Don't go to the well too often. Prospecting with the same regular customer on a frequent basis can make prospecting lose the special feeling that it can create in customers. Do not overuse it.

3. Initial Contact

The most effective way to close a sale is to open it on a positive note. Unfortunately, many sales do not open this way. The typical initial store contact begins in this manner:

Clerk: "May I help you?"
Customer: "No thank you. I'm just looking."

This ritual leaves much to be desired. Why? It is an automatic statement that shows no creativity on the part of the salesperson. Also, because the customer has heard this statement many times, his or her response is usually given without thinking what was said. Every salesperson should be challenged to treat each customer as an individual by responding differently to each customer.

Initial contact also means responding to customers when they enter the sales areas even when they cannot be waited on immediately. Salespeople should be instructed to tell waiting customers that, "I'll be with you in a moment." Such actions will reduce the number of customers who leave without being served. When the employee is free to help the waiting customer, the initial comment should be, "Thank you, for waiting." A courteous, creative initial contact with the customer can go a long way to promote sales.

4. Presentation of Merchandise

In presenting merchandise (or services) to the customer, the salesperson should use product knowledge to create the best advantage. How?

Talk Benefits - Although it is good to talk about the lawnmower's 3 1/2 horsepower mower, customers may be more interested in hearing about how fast the lawnmower will cut the grass. Product knowledge is important but the salesperson must remember what makes the customer buy. Sell benefits!

Customer Involvement - Product knowledge can be used to get customer involvement. Show the customer several features of the digital watch and then have the customer put it on and work it. If the interest is there, it will be hard for the customer to take off the watch so that the salesperson can put it back into the case. The best way to present many products is to get involvement. Want to sell dance lessons? Get the customer on the dance floor and let the fun of dancing do some of the selling. The same is true with clothes, perfume, sports equipment, and almost anything else.

Limit the Choices - If during the sales presentation more than three items are in front of the customer, the changes of a sale are reduced while the possibility of shoplifting is increased. If, for example, the salesperson continues to carry dresses into the fitting room for the customer to try without removing any from consideration, the customer will likely not buy any because of the inability to decide from among so many choices.

Also, with so many items under study, the clerk may lose track of how many items are in the fitting room. It is possible that some may be put on under the customer's clothes while the clerk is not present, thereby resulting in an expensive experience for the store. Likewise, if a travel agency attempts to sell a customer a Caribbean cruise, the changes of making the sale will diminish if too many trip options are presented. Unless there is a definite reason for an exception, the rule of three (never show more than three choices at one time) should be followed whenever merchandise is presented. Limited choices have been found to promote sales.

Use Showmanship - In presenting merchandise to the customer, encourage all personnel to be creative. Be enthusiastic about the merchandise. Hold the necklace up for the customer to see it. Make the portable baby crib "look" easy to work. Lay the different pieces of the cookware set before the customer in an attractive easy-to-see everything manner. Ask your salespeople to think like a customer. If I were a customer, what would I like to see?

Message Adaptation - A knowledgeable salesperson should know about the products being sold. Message adaptation involves deciding what information is needed to sell a particular customer and how that information should be presented to that customer. Canned sales presentations do not allow for adaptation. The effective sales person will make an effort to adjust the presentation to the customer. If the customer knows about

gardens and lawns, the person selling a lawn service should adapt the sales presentation to the level of the customer's expertise.

Don't bore the customer with known facts. It could lose a sale.

5. Handling Objections

Remember, if objections are present, progress is probably being made on the sale. Most salespeople are afraid of objections. Stress to all employees that objections are a natural part of the selling process. They do not mean that the sale is lost. In most cases, all that is required to overcome an objection is more selling on the part of the salesperson.

Common types of customer objections that are faced by a salesperson include:

Product: "That dress looks out-of-date."
Store: "You never have the right merchandise."
Service: "If I believe what I hear, I can't get good service from you."
Price: "It is just too expensive."

These and other objections can be met by the salesperson in several ways. Using the above product objection as an example, these methods include:

Yes-But - "Yes, it does look out-of-date, but it is the latest." This approach brings on a positive note by agreeing with the customer and then moves on to answer the objection.

Counter-Question - "Why do you feel it's out-of-date?" The counter-question puts the ball back in the customer's court. By asking "Why?" the real reason for the objection may become known.

Re-state Objection - "You feel that the dress looks out-of-date." By restating the objection, the customer may respond by saying, "No, I mean it just doesn't look right on me," or something of a similar nature. This approach tends to reduce the magnitude of the objection in the eyes of the customer.

Direct Response - "The dress you have on was first shown at the market this season. It is the latest thing." Although offensive to some, this approach may be necessary if the customer is not going to buy unless the untruth can be corrected. Tact is important when using this approach.

These four approaches for handling objections are not meant to be all-inclusive. These and other approaches do point out, however, objections should and can be answered by the salesperson. Unless objections are overcome to the satisfaction of the customer, it is questionable the sale will be made.

6. Closing the Sale

In various ways, the salesperson can assist the customer by helping him or her to make the buying decision. Closing techniques that can aid in this effort include:

Offer a Service "Let us deliver it to you this afternoon." A "Yes" implies purchase.

Give a Choice "Do you want the five-piece or eight-piece cooking set?" Either choice implies purchase. Note that "No" was not one of the choices.

Offer an Incentive "If you buy now, you get 10 percent off the already low price." If you wait, you don't get the 10 percent discount.

Better Not Wait "If you want this refrigerator, better get it now. It's the last one in stock." Note it pays to be honest. If the customer buys and then comes by the store the next day and sees that the store did have another one, this closing technique may have made the sale, but it could lose the customer.

7. Suggestion Selling

The customer has made a purchase. Now what? Encourage your sales personnel to make a definite suggestion for a possible additional sale. For many businesses, sales can be increased by 25 percent through positive suggestion selling. Please note that statements such as: "Will there be something else?" or" Can I get you something else?" are not suggestion selling. They do not make a positive suggestion. When the customer buys a lamp, what about a light bulb to go in it? If a picture is purchased, inquire about the necessary hardware to hang it properly. If a suit is bought, about a new blouse or shirt that goes well with the color.

Where appropriate, the creative salesperson will actually get the suggested item and show it to the customer. Or if a person brings in a watch to be repaired, why not also clean it while it is taken apart? This type of initiative usually results in more sales. It should be emphasized that most customers like to receive a valid suggestion. In some cases, suggestions may even permit the customer to avoid another shopping trip to pick up that needed item that they had not thought about. Good suggestion selling makes sales and builds confidence in the firm's business.

8. Sales Follow-Up

Although not apparent to many salespeople, follow-up is a part of every sale. The closing statement, "Thank you for shopping at (name of store)," is a form of sales follow-up if it is done with enthusiasm. Unfortunately, just making the statement in an automatic manner is about as effective as that other worn out phrase, "May I help you?" If done correctly, however, it allows the customer to leave on a positive note, thereby increasing the changes of repeat business by the customer.

Follow-up may also concern itself with checking on anything that was promised the customer after the sale. If delivery is supposed to take place on Friday, the salesperson will check to make sure that the promise will be met and, if not, will notify the customer of the problem. Good sales follow-up will prevent the type of situation that occurs so often when the customer calls on Friday asking, "Where is the delivery truck?" A business with a reputation for sales follow-up is going to obtain additional business because of its concern after the sale.

Sincere sales follow-up is good business. Imagine the impact that can be had on a customer when the carpet cleaning service telephones the customer 48 hours after cleaning her carpets to be sure that everything is satisfactory. Sales follow-up, builds good will and repeat business.

ATTRIBUTES OF A CREATIVE SALESPERSON

In addition to having personnel who understand and apply the creative selling process, an organization should try to have salespeople who possess certain attributes that can make them more effective in their jobs. These attributes, which can be grouped into mental and physical categories, merit further discussion.

- Judgment - Common sense, maturity, intelligence -- these and other terms are used interchangeably with judgment. A salesperson knows that it does not pay to argue with a customer.

  The salesperson also knows that the firm should never be "cut" in front of customers. These situations reflect the use of good judgment on the part of the employee. Please note that the term maturity is sometimes used in place of judgment but that it is not necessarily a function of age.

- Tact - If an employee has a keen sense of what to say and do, many problems can be overcome before they are created. Many employees give little thought to the impact of their actions. A child playing with toys in the toy store is told in a blunt manner to "quit playing with the toys and go find your mother." While all this is going on, the mother is standing behind the salesperson. Was a confrontation with the child necessary? No. Could it have been handled differently? Yes. How do the child and mother feel about the store? The feeling is not good. This salesperson lacked the ability to know what to do and say in order to maintain good customer relations. Be tactful.

- Attitude - A good salesperson will have a positive attitude toward customers, merchandise, services and the business. A good attitude means that an employee is willing to accept suggestions, to learn and to apply the steps in the creative selling process, and to not be afraid of work. A salesperson with a bad attitude can create unnecessary problems. A bad attitude is contagious. If any employee is otherwise competent, management should work with the employee to develop a positive attitude. Positive attitudes can result in sales.

- Selected Physical Attributes - To be a success, the salesperson must physically belong in the firm's particular environment. Personal appearance and personal hygiene are important in the selling environment. Equally important in terms of personal appearance is a clothing salesman who wears last year's clothing. He will have difficulty in selling the latest fashions to his customers. Personal appearance does count in the selling equation.

- Personal hygiene - Body odor, bad breath, dirty hair, soiled clothes, scuffed shoes, and un-kept hands are all reasons why a sale may be lost. Obviously, be tactful when handling problems of personal hygiene. An observant owner manager

should keep a watchful eye out for hygiene, problems among the staff and, when necessary, counsel the offending employee in private about improving his or her appearance. Your customers will usually react unfavorably to this and similar inappropriate selling situations.

INFORMATION RESOURCES

The SBA offers an expansive network of business resources to assist small business customers. Use these resources to help build a successful business.

Small Business Training Network (SBTN)
The SBA operates a virtual campus featuring numerous free online courses. The courses cover a variety of topics, including how to start a business, finance, business planning, marketing, management, technology, government contracting and many other topics. Approximately 1,500 small business customers each day register for SBA's free online courses.

Small Business Development Centers (SBDC)
The Office of Small Business Development Centers (SBDC) provides management assistance to current and prospective small business owners. SBDCs offer one-stop assistance to individuals and small businesses by providing a wide variety of information and guidance in central and easily accessible branch locations. The program is a cooperative effort of the private sector, the educational community and federal, state and local governments and is an integral component of Entrepreneurial Development's network of training and counseling services.

SCORE
SCORE (Counselors to America's Small Business) is a resource partner of the SBA dedicated to entrepreneur education and the formation, growth and success of small businesses nationwide. There are more than 10,500 SCORE volunteers in 374 chapters operating in over 800 locations who assist small businesses with business counseling and training. SCORE also operates an active online training and counseling initiative.

Women's Business Centers (WBC)
Women's Business Centers represent a national network of nearly 100 educational centers designed to assist women. WBCs help entrepreneurs, especially women who are economically or socially disadvantaged, to start and grow successful small businesses.

SBA District Offices
In addition to its resource partners, the SBA operates full service district offices in every state of the country. Locate the district office closest to you.

Other Targeted Resources

Demographics – Research Your Market	http://sbdcnet.org/SBIC/demographics.php
SBDC-Net - Marketing	http://sbdcnet.org/SBIC/marketing.php
FREE Online Marketing Course	http://web.sba.gov/sbtn/registration/index.cfm?CourseId=30

URL Directory of Hyperlinks

Small Business Training Network	http://www.sba.gov/services/training/onlinecourses/index.html
Small Business Development Centers	http://www.sba.gov/aboutsba/sbaprograms/sbdc/index.html
SCORE	http://www.score.org/index.html
Women Business Centers	http://www.sba.gov/services/counseling/wbc/index.html
SBA District Offices	http://www.sba.gov/localresources/index.html

Have a Question?

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